

BLOW OF MINIMUM WAGES ON LABOURS DUE TO IMPACT OF COVID 19

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Abstract

Out over previous century, the discussion on the job effect of minimum wage raise was brought back to life with vigor. The conventional opinion that jobs has a negative effect has been subject to significant re-assessment. Nevertheless, much of this activity has taken place in affluent developed countries. Wage as well as job policies related to working people, and now in specific the topic of low wages that they earn, have been the topic of significant debate among trade union leaders along with labour specialists in India. Although minimum wage regulation has been successful in ensuring security for employees in the regulated sector to a large degree, with occasional adjustment, that is not be the situation for the unorganized workforce, who mostly exist outside the control of minimum wage law. Eventually, we agree that now the Minimum Wages Act seems to be a special law with the ability to influence the livelihoods of thousands of people; thus, the laws and the execution of such an Act must be of greatest priority to both federal and local governments. The research paper addresses the problems and questions concerning India's Minimum Wage Act, 1948 and the blow of the COVID-19 pandemic on the lives of the labours. The goal of this study is to have a roadmap for the implementation of the Minimum Wages Act after the Indian independence. Other priorities include testing the relevant legal options present at the time, researching the enforcement of the Act in different States and observing its latest judgement.

Keywords: labour, minimum wage, The Minimum Wage Act, Global Pandemic, employment, India

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I. INTRODUCTION

The minimum wages Act is an integral component of the laws governing labor legislation. While an assessment of wage regulations in India does not cause as much debate as they do in the field of industrial relations. It is still necessary to analyze whether there is a balance in their outlet and implementation, attained based upon the interests of employers and workers.

For an age of globalization, the country is likely to linger behind most peers in advancement if its labor laws vary from global standards and are out of compliance with protocols, procedures and regulations in - with other nations. A nation with nothing but a weak setting for investment and economic growth, it is especially important to make sure that labor laws, and the conduct in the wage segment, should not make the issue worse.

The constitutional validity of the minimum wages Act is enshrined under the *Article of 19(g)* of the Indian constitution as well as is reflected in the *Article 43* of Indian constitution under the directive principles of the state keeping in solidarity of the rights of both the employer as well as the workers in general.¹ However the regulation of *section 27* under the minimum wages Act 1948 which issues a notification under the particular section, enables a particular set of government body to address, update, fix and revise the

1 S. B. Bajaj and S. P. Bajaj, *Administrative Process of minimum wages Act 1948 : A study of Delhi*, 2. INDIAN JOURNAL OF INDUSTRIAL RELATIONS, 367(1967).

minimum wage criterion for the employees working under the set of jobs mentioned under the part I and part II of the schedule.²

*“The Minimum Wages Act, however, neither defines minimum wage nor lays down the criteria to be considered in determining the minimum wage in any given case.”*³ In order to connect it with the bridge and fill up the gaps the court held that the mandated minimum wage should be higher than the bare reasonable wage and which will further help in paying for healthcare, medical needs and other facilities.⁴ This part of the concept of mandated minimum wage in compliance with the index of basic living allowance is a enshrined under the *section 4* of the minimum wages Act .

Further *Section 5* of the Act sets out the mechanism for addressing and updating the minimum wage criteria coping up with the infliction and depletion in the economic situation of the nation. The government on function has the power to constitute advisory boards, committees and sub-committees which may provide suggestions and recommendations on fixing the minimum wages.⁵ It seems that all the three sections, section 3, 4 and 5 of the Minimum wages Act are interconnected with each other but as we compare these clauses of the following

2 Section 3. Minimum wages Act 1948 .

3 Suresh C. Srivastava, *Machinery for fixation of minimum wage of sweated labour in India :Problems and prospects*, 4. JOURNAL OF INDIAN INSTITUTE, 485(1981).

4 Express Newspapers v. Union of India , (1961) 1. L.L.J. 339 (S.C.)

5Section 5. Minimum wages Act 1948.

sections with the current present day scenario of the outbreak of the global pandemic there still remains a number of complexity in execution of the following section while coping up with the of the global pandemic. The research paper delineates an extensive idea about the relevant provisions and sections governing labour laws in India. The paper intends to convey the purpose and reasonability behind the particular act and regulations modified under the *labour legislation*. The author briefly gives a critical analysis of the position of the minimum wages Act, in India comparing it with the pre and the post Covid era. The author intends to give a comparative study of all the changes in the sections and regulation comparing it with national and regional changes in minimum wage factors as well as analyzing other jurisdiction around the world, which would further give the readers a better understanding about the functioning of laws as well as providing a clear cut demarcation of how the state is functioning with the labor laws while coping up with global pandemic. This paper is an attempt to understand the administrative claims of section 3, 4 and 5 of minimum wages Act 1948. This paper deals mainly with the analysis of the issues associated in fixing / revising the minimum wage under the minimum wages Act, 1948, as well as tries to understand the judicial approach in examining the functions of govt body regulating the factors of the wage segment. In order to broaden the scope of the study the author further delineates the study of minimum wages act in accordance of the present-day scenario

of the catastrophic global pandemic which would further help the policy makers to mandate policies in the light and purview of current ongoing situation.

II. RESEARCH METHEDODOLOGY

The methodology followed in the paper is based on the doctrinal form of research methodology. The author throughout the paper has referred to various types of legal resources like legal text books, journals, articles, committee reports as well as cited different case laws in order to support the relevant facts and constructive arguments with the proper reasoning to provide the logic and intent behind its every single analysis. The paper is brief and explanatory in nature in order to find proper conclusion for the questions raised, it will further help other researchers to conduct the research in future on the same subject matter.

III. RESEARCH QUESTIONS

This project has following research questions:

1. Whether the employers are bound to follow the section 3 of the minimum wages Act 1948 even under the catastrophic situation of a global pandemic
2. What is the scope and power of the government regulating body in fixing and revising the wages in accordance of section 3 and 4 of the minimum wages Act 1948?
3. Whether the powers imposed by the government under the Act is legislative, quasi-judicial or administrative?

IV. OBJECTIVES

The objectives of the study are as follows:

- To understand the objective behind the implementation of particular sections under the Minimum Wages Act 1948.
- To determine the scope and power of the government regulating bodies in fixing and revising the Minimum Wages Act.
- To analyze the procedures followed to carry out the mechanism of fixation of the minimum wages for the set of works mentioned under Part I and Part II of the schedule.
- To understand and analyze the execution of minimum wages Act in the grave situation of natural disasters or the outbreak of economic crisis.

V. ANALYSIS OF SEC 3 AND 4 OF MINIMUM WAGES IN FIXING OF THE MINIMUM WAGES

Section 3 specifies, that the relevant government will likely set the minimum wage levels applicable to workers working in any job stated in Part I as well as Part II of Schedule in the method given. In a job attached on each part by a notice in compliance with *Section 27* and afterwards the minimal wages must be renewed at such periods as the relevant government may thought fit, but should be checked and updated within five years.

It is well-established that minimum wage should pay not only for the basic necessities but it must also take care for the maintenance

of the employee's productivity and hence it should also give an estimate of oneself along with his family's welfare, medical needs and facilities. When determining minimum wages, each employer's desire to pay is viewed as meaningless, as well as the Act specifies that minimum wage levels shall be set in specified sectors for a dual objective of providing benefits and services to the employee and his families and maintaining his workplace productivity. It is also important to keep in mind the costs of life's pure survival and the maintenance of the workers' productivity however for some amount of schooling, medical needs and amenities. This rate is expected to change based on the prices of different commodities existing on the sector. If inflationary pressures exist in the region, thereby minimum wages established at a specific time and place will not suit the function. Accordingly, *Section 4* specifies that now the wage levels imposed at a specific period of time should be revised periodically.

Section 4 specifies that even the minimum wage set or amended by the competent authority pursuant to *Section 3* will comprise of standard wage levels and special allowances at a price to be changed at such times as the competent authorities can order a modification of the COL index applied to such employees as closely as feasible; instead, it enables the setting of the minimum wage rate anyway with/without the standard of rent benefit and the monetary value of the allowances in view of the provision of necessary goods at concessional prices were permitted; or,

instead, it enables an all-inclusive formula providing for the standard pay, the standard of living benefit and the monetary value including its allowances, where applicable.

The aim of Sec 4 is just to ensure that minimum wage could be associated with a significant increase in costs of living, such that a rise in living costs could be nullified or all comprehensive minimum wage levels can be raised. After going through Sections 3 and 4 together, everything becomes apparent that whatever is defined is the overall salary that can be provided to the workers identified in the plan and not some other amount of costs of various elements that are factored in determining minimum wage rates. If these minimum wages are to be set, the principle of minimum wages takes into account the consideration of the market cost of basic goods. Section 4 advocates for the concept of setting those wages mostly in context of the standard of living at that same given time as well as of blunting the increasing costs of basic goods by integrating minimum wage levels with the COL index.

VI. CONSTITUTIONAL VALIDITY OF THE MINIMUM WAGES ACT

The Indian economic system is characterized by dualistic, i.e. the presence of a relatively well-organized sector including the fragmented market with a broad self-employed populace (India is indeed an example of the idea of informal employment). As per estimates, the uncoordinated/unstructured industry in India comprises 422.6 (94 per cent)

million employees out from the overall population of 457.5 million.⁶

Such jobs add to Indian GDP growth by upwards of 60%.⁷The Indian Constitution foresees a more just and fair society and hence gives way to the definition of 'living wage' mentioned in the segment on DPSP. *The Minimum Wages Act, 1948* being contained in Article 43, the Indian Constitution, that states “*the state shall endeavor to secure by suitable legislation or economic organization or in any other way to all workers, agricultural, industrial or otherwise, work, a living wage (emphasis added) conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities*”.⁸

The word 'Labour' is mentioned in the Indian Constitution's '*concurrent list*' that allows for both national and local governments to legislate on labor. Labor regulations for the bulk of unregulated sector employees

Local governments are applied, whereas the national government controls those for contractors including informal employees in workplaces. Throughout the unorganised sector, several labour laws passed expressly or implicitly by the national government affect income level and employment structure.

6 T.S. Papola and Partha Pratim Sahu , GROWTH AND STRUCTURE OF EMPLOYMENT IN INDIA Long-Term and Post-Reform Performance and the Emerging Challenge, INDIAN COUNCIL OF SOCIAL SCIENCE RESEARCH,7(2012) .

7 Ibid .

8 Anup K . Mishra and Santosh K . Singh, *Wage and earning discrimination : the root cause behind Poverty*, THE INDIAN ECONOMIC JOURNAL,58(2014) .

VII. FIXING AND REVISION OF WAGES

Minimum wage law for employees in the unorganised industry is the primary labour regulation. The wage setting strategy in India was to set minimum wages in sweaty workers and encourage equal wage negotiations in some of the more developed sectors. Controlled business wages are decided through contracts and agreements between employer and workers. On the other side, government action appears essential in the unorganised market, where labour is susceptible to abuse due to affluence and lacks strong bargaining power.

The *Minimum Wage Act, 1948* allows for the development and compliance of wage levels for scheduling employment opportunities to help stop dehydration or oppression of labour by keeping wages low. This particular Act's focus is to guarantee that workers receive a reasonable minimum wage. The Act allows the relevant authority to establish minimum wage prices for the jobs stated throughout the schedule as well as evaluate and update minimum wage thresholds at periods not greater than 5 years. If a minimum wage is set in compliance with the rules of that same Act, the contractor is not subject to arguing about his failure to pay his workers the agreed wages.

“The minimum wage rate may be fixed at - time rate, piece rate, guaranteed time rate and overtime rate. The Act provides that different minimum wage rate may be fixed for a) different scheduled employments, different

works in the same employment, adult, adolescent and children, different locations or male and female. Also, such minimum wage may be fixed by an hour, day, month, or any other period as may be prescribed by the notified authority.”⁹

Fixing the minimum wage across India is based on different factors such as socioeconomic as well as agriculture-based-climatic conditions, critical product rates, payment ability, and regional factors that influence the wage rate. Just because of that, the wage levels differ throughout the world.

In the utter lack of any conditions set to establish minimum wage, the Indian Labor symposium organised in 1957, stated the highest guidelines which discussed the consideration should be given when setting minimum wage. *“The norms for fixing minimum wage rate are - three consumption units per earner, minimum food requirement of 2700 calories per average Indian adult, cloth requirement of 72 yards per annum per family, rent corresponding to the minimum area provided under the government's Industrial Housing Scheme and fuel, lighting and other miscellaneous items of expenditure to constitute 20 per cent of the total minimum wage, Fuel, lighting and other miscellaneous items of expenditure to constitute 20% of the total Minimum Wages, children education, medical requirement, minimum recreation including festivals/ceremonies and provision*

⁹ Section 3(2) of Minimum Wages Act, 1948 .

for old age, marriage etc. should further constitute 25% of the total minimum wage."¹⁰

VIII. PROBLEMS IN WAGE POLICY

Minimum salaries are required to meet the actual basic expense of a minor family's lodging, housing, and clothes. The Minimum Wages Act has contributed to real challenges while becoming very egalitarian. Concerns remain about the presence of a consistent and consistent pay policy especially in the unorganised segment in India. That's also primarily due to their poor fixing, regulation, execution and coverage requirements in different regions of the world. Any of India's challenges and problems with respect to minimum wages are summarized below:

a. Standards to raise minimum salaries

The Act doesn't really lay down a minimum wage through forms of rupee, but merely specifies that the pay is a basic income to be determined across each jurisdiction by the labour dept. Any guidelines, namely calorie specifications, fabric yards each family and so forth, were already laid down. The Act therefore specifies that minimum wage thresholds shall be updated, with inflation in view. In particular, the standards set out in the 15th ILC while the Apex Court of India indicate that somehow a minimum wage of eight hrs of work must be sufficiently high to meet all the essential requirements of the job, his/her partner and 2 children.¹¹

To point out, another fallacy is that while the Minimum Wages Act demands that wages have to be revised each 5 years, that's also unusual. The Minimum Wages Act already has a provision which specifies that the same salaries shall remain if salaries are not changed. Such a practice has contributed only to higher ignorance and irresponsibility on the portion of the divisions of state labour.

Many working families live below the poverty line. Throughout 1990, the NCRL proposed, in order to address these deficiencies, that now the MWA be revised to require prompt adjustment of wages and also be related to VDA. It can also guarantee that salaries are raised every 6 months on the grounds of the CPI. It is unclear how widely the provision was applied in states.

b. Coverage

The job or manufacturing operation needs to go along with the Employments plan in order to get minimum wage defined. Likely that the no. of planned 7 workers in the national govt. is 45 while the figure is 1232 throughout the state domain. The prerequisite for incorporation throughout the category of planned employees would be that the government should have at least 1000 employees involved in that operation. Therefore, it removes certain things from its chart. This eligible participant leaves a very significant number of employees beyond the

10 Section 4 of Minimum Wages Act, 1948 .

11 Report of the expert committee on determining the fixing of the methodology the National

Minimum wage,

https://labour.gov.in/sites/default/files/Committee_on_Determination_of_Methodology.pdf .

control of the MWA in the unorganised market.

c. Execution

The bad execution is the biggest issue of minimum wage law in the country. The Act enables the regional govt. (Central, state or country) to provide a minimum wage towards employees in unorganized industries. That being said, businesses have also been given exceptions from the enforcement of wage levels. Moreover, minimum wage rates were only updated at frequent sessions (where the current statutory limit is now within five yrs). Such a lag in enforcing Minimum Wages Act itself isn't due to weaknesses in policy formulation but is also a consequence of institutional lapses. Bad application of *Minimum Wages Act* doesn't affect centralized workers in unorganized industries any more than it does to employers. Unorganized employees are working with hundreds of thousands of employers (usually small-scale company, corporation, sole proprietor as well as residence) decentralized, finding it challenging to protect them by statute. In the lack of a clear regulatory framework, this variation of environments and type of employment has made them susceptible to misuse. Often, many employees don't

disclose wages below the minimum wage threshold due to the fear of employment loss. Really even their jobs prefer those workers to accept salaries below minimum wages.

d. Implementation

Inadequate implementation of the Act is yet another problem that is prominent in most Indian states. The problem emerges primarily because of the employees' lack of knowledge of minimum wage requirements and their rights to labour laws.

IX. REQUIRED CONCRETE REGULATIONS ON MINIMUM WAGES

Despite the large number of unorganized sector employees and their important contribution to economic development, they were amongst the poorest parts of the people of India. Thus, it is significant to adopt immediate measures to strengthen their health. Growing changes and insufficient standard of rent improvements were a pronounced characteristic of India's wage levels. The minimum wage thresholds so set in a few states are not appropriate even for 2 times a day's dinner, putting aside nutrition, schooling, and housing needs. Specifically, labour policy concerns and concerns in both structured and unstructured industries apply to aspects such as consumer-based minimum wage, security of actual wages by reimbursement for increasing living costs, benefits for productivity growth, occupational hazard exemptions, skill pay variability, etc.

The primary goal to be addressed when setting or updating the minimum wage policy should be 2-fold i.e Social purpose: such that, by supplying the worker with adequate buying power, allowing him / her to provide a decent standard of living. That very measure will aim

to end worker trafficking and injustice in the long term.

Policy objectives: to place the minimum wages at quite a rate that would empower and allow employers to profit from economic development and thereby add to the system.

Laws related to minimum wages in India needs strong cooperation from employees, trade unions including labour groups. It will also entail commitment on the part within each legislature's labour offices to assess minimum wage thresholds on the grounds of legal and social considerations in order to guarantee adequate nutrition for unorganised groups of employees. Effectiveness of government policy and laws is the biggest concern for the unorganised market. Low competitiveness in unorganised industries, restricting gainful job opportunities, lack of coordination on the part of employees, often influences their negotiating power, taking into consideration their vulnerable stand. Consequently, participation of NGOs and labour unions will play a significant role in stronger implementation of the minimum wage act.

X. COVID-19 AND THE CURRENT SITUATION OF LAW AND GOVERNANCE

The global pandemic 2020 is a dynamic situation, uncertain and unpredictable. The risks identified or unidentified at this period of time will have a drastic change not only in our surroundings but also in the laws and governance in a very short period of time. This catastrophic situation is one major defining

moment for global and local economies which may bring about a change in the set laws having global and local impact being legislated. However, keeping in context with the current situation the Indian government declared the novel covid-19 as a “notified disaster”¹² imposing a lockdown nationwide under the *Epidemic Disease Act, 1897*.¹³ Section 2 of the *Epidemic Disease Act* requiring the authorities to take preventive steps and to enforce laws on serious infectious disease. Paying salaries certainly to staff is a step towards COVID-19 expansion.

As the country was trying to cope with the nation - wide shutdown, a major influx of migrant workers seeking to enter their hometowns began to take place. Such a mass influx of workers increased the possibility of the spread of the virus, which prompted the central government, through the Ministry of Home Affairs, to issue an order to exercise its forces under the section 10(2)(I) of *Disaster Management Act*¹⁴. Given the current Covid

12 Explained Desk, *Explained: How will declaring COVID-19 a 'notified disaster' help tackle the situation?*, THE INDIAN EXPRESS(Sept.3,2020 , 11:16PM), <https://indianexpress.com/article/explained/explained-what-is-a-notified-disaster-and-how-is-the-sdrf-used-6315643/> .

13 Serish Nanisetti, *Battling COVID-19 with a colonial-era law*, THE HINDU(Sept.3,2020 , 11:25PM), <https://www.thehindu.com/news/cities/Hyderabad/battling-covid-19-with-a-colonial-era-law/article31195144.ece> .

14 Order issued by Government of India, MINISTRY OF HOME AFFAIRS(Sept.4,2020 , 12:54 AM), <https://www.mha.gov.in/sites/default/files/MHA%20Order%20restricting%20movement%20of%20mi>

19 contagion designed to improve the development, many states released ordinances and notices containing waivers by complying with some labour laws. These suspensions were pursued to allow companies and employees greater autonomy to better mitigate the Covid's impact enforced shutdown. Labour laws include employees with social welfare provisions and policies that will help stimulate economic growth.

While the *Disaster Management Act* doesn't really expressly grant or delegate any authority on private institutions to order payment of wages/salaries of workers, the ministry of labour and employment in the light of the current situation issued a notification stating “*all employers, be it in the industry or in the shops and commercial establishments, shall make payment of wages of their workers, at their workplaces, on the due date, without any deduction, for the period their establishments are under closure during the lockdown.*”¹⁵ While the regulation directed under section 3 of the *minimum wages Act* directs employers to pay the wages based on the criteria of the work done and other essentials, here in the current configuration the notification issued by the ministry of labour and employment stands in question

[grants%20and%20strict%20enforcement%20of%20l
ockdown%20measures%20-%2029.03.2020_0.pdf](#)

15 Somesh Jha, *Govt withdraws order on compulsory wage payment by firms during lockdown*, BUSSINESS STRANDARD(sept.4,2020, 1:14AM), https://www.business-standard.com/article/economy-policy/govt-withdraws-order-on-compulsory-wage-payment-by-firms-during-lockdown-120051800793_1.html.

whether or not the employers are bound to pay the wages under such a circumstance.

However, a petition was signed by number of companies challenging the constitutional validity of the notification issued by the Ministry of Home affairs and the Indian government on the note of compulsory full payment of wages/salaries in the pandemic regardless of the fact that no work was done in all these days.¹⁶

In the case of *Ficus Pax Private Limited vs Union Of India*¹⁷ the petitioners of the case dwelled upon the point that the notification issued by the government was certainly arbitrary, unreasonable, irrational and contrary to the provisions of *Article 14, Article 19(1)(g)* of the constitution. The petitioners delineated that the notification was vague ambiguous in defining the principle of “*equal work equal pay and no work no pay*” as the principle mentioned does not really differentiated between the terms as such “*workers*” and “*working in the lockdown period*”, in juxtaposition of those industries, organization which were permitted to function and the workers those who have not worked at all in the lockdown period.

The petitioners in their submission to the Hon’ble court mentioned that the notification issued by the Ministry of Home affairs and

16 FE Online, *Home Ministry withdraws circular on compulsory wage payment to employees*, FINANCIAL EXPRESS,(sept.4,2020, 8:24AM), <https://www.financialexpress.com/india-news/home-ministry-full-salary-payment-during-lockdown-circular-withdrawn/1963629/>.

17 *Ficus Pax Private Limited vs Union Of India*, writ petition (c) Dairy no. 10983 of 2020.

Government of India was also in contrary to the provisions mentioned in the *Industrial Disputes Act 1947*. However, it is the responsibility of the Government of India to allocate funds in the matters of disaster management and eventually facilitate policies that would mitigate such risks, navigating the financial obligation on the industries at catastrophic situation might result in destruction of the small-scale industries and would increase more unemployment in the nation.

The court dwelling upon the facts and arguments presented by both the parties ordered for the withdrawal of the notification issued by the Ministry of Home affairs and Government of India stating it to be one unprecedented order. The supreme court further stated "*It is implicit in the fundamental right of an employer to trade or business that there is an obligation to pay when work is actually done and there is no obligation if no work is done,*"¹⁸ therefore employers are not bound to pay the workers in the such a situation.

XI. CONCLUSION AND SUGGESTION

In this study, the constitutional validity of the Minimum Wages Act with respect to complete assessment of the sections by which the govt. is given the power to make committees, fix the

min. wage level and by when the wages have to be paid both in the central along with the state level was analyzed by the authors. The authors upon critical analysis have found out about the factors based on which minimum wages are decided upon, how the labour legislation is implemented in the country dwelling upon the advantages of both the employer as well as the employees along with the growth of the economy as a basic motto behind it.

The authors have also analyzed the principle of the labour laws and min. wages Act in context of the present-day scenario of global pandemic and economic outbreak. Upon analysis of the present-day scenario of laws and governance it is found that the nation fails to accommodate a proper wage bill for the employees and employers in outbreak of such a catastrophic situation of a pandemic. It is the need of an hour to revise our labour legislative policies and draft a proper bill that mitigates risks at the time of such unprecedented disaster and just not vaguely mandate orders, that destroys the fulcrum of industries and organizations, as these are the back bone of the economy of our country.

Although the government's motives seem to be good but the steps taken to ensure payment of wages are not sufficient to resolve the issue. The need for the hour is an implementation a functional system in the form of financial incentives, working in favor of both the employees and employers.

18 *Supreme Court quashes MHA order to pay full salaries during coronavirus lockdown*, BUSSINESS TODAY,(Sept.4, 2020 , 11:42AM), <https://www.businesstoday.in/current/economy-politics/supreme-court-quashes-mha-order-to-pay-full-salaries-during-coronavirus-lockdown/story/404256.html> .

However, at this period of time the Government mostly should focus upon activating the fiscal policy, rely upon dialogues between social group, employers and employees in order focus upon grown pacts.

European union is one of the examples for mandating its policies that focuses upon the growth pact of the industries and small-scale workers more over bringing a stable economy even after surviving a global pandemic.

The European union members of the state and various institutions in EU have incentivized the primary sectors through its *solvency support systems*¹⁹, in order to help the small-scale industrial workers and industries around the nation. It has also updated its monetary policies “*taking measures to ensure sufficient liquidity for governments, businesses and households and increased lending capacity of banks.*”²⁰

The EU govt. strategically mobilizes available state subsidies and other EU funds to assist Member States in providing financial and income support for unemployed or suspended employees, including non-standard employees and self-employed workers.

19 European Commission, *REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL*, https://ec.europa.eu/info/sites/info/files/about_the_european_commission/eu_budget/com_2020_4041_en_act_part1_v9.pdf.

20 European Central Bank, *The ECB's response to the COVID-19 pandemic*, <https://www.ecb.europa.eu/press/key/date/2020/html/ecb.sp200416~4d6bd9b9c0.en.html>.

This model of governance showcased by the European union suggests better functioning of law and governance which not only will help in stabilizing their economy even after the losses occurred due to the pandemic but also seems to be an ideal method for helping out the industrial sector workers and employers to survive in the market.

However, If Indian government looks up to these functional governance model in restructuring the economy of the country, it might help in preventing the sufferings of the workers and employers suffering the economic outbreak while dealing with the pandemic.