

Chapter-1

HIGHLIGHTS OF IMPORTANT ACTIVITIES

INTRODUCTION

1.1 The Ministry of Labour and Employment is one of the oldest and important Ministries of the Government of India. The main responsibility of the Ministry is to protect and safeguard the interests of workers in general and those who constitute the poor, deprived and disadvantaged sections of the society, in particular, with due regard to creating a healthy work environment for higher production and productivity and to develop and coordinate vocational skill training and employment services. Government's attention is also focused on promotion of welfare and providing social security to the labour force both in organized and unorganized sectors, in tandem with the process of liberalization. These objectives are sought to be achieved through enactment and implementation of various labour laws, which regulate the terms and conditions of service and employment of workers. The State Governments are also competent to enact legislations, as labour is a subject in the concurrent list under the Constitution of India.

NATIONAL COMMON MINIMUM PROGRAMME

1.2 After assuming the office in June, 2004, the UPA Government has adopted a National Common Minimum Programme (NCMP). The main points concerning the Ministry of Labour and Employment in the NCMP are given below: -

- (a) **Enhancement of the welfare and well-being of farmers, farm labour and workers, particularly those in the unorganized sector and assure a secure future for their families in every respect.**

- (b) **The UPA administration will ensure the fullest implementation of minimum wage laws for farm labour. Comprehensive protective legislation will be enacted for all agricultural workers.**
- (c) **The UPA government will strive for the elimination of child labour.**
- (d) **Re-examination of labour laws to reduce Inspector Raj.**
- (e) **Consultation, consensus and cooperation to strengthen labour management relations.**

1.3 The Ministry of Labour and Employment has taken following steps to ensure implementation of the points in the NCMP: -

The Unorganized Sector Workers Social Security Scheme, 2004, is being reviewed in consultation with the Ministry of Finance and the Planning Commission. The Unorganised Sector Workers Bill, 2004 has been redrafted providing for registration of employers and unorganised workers, legal aid to the workers, laying down the terms and conditions of work i.e. wages, hours of work, medical and maternity benefits, pension, group insurance, establishment of tripartite Central Unorganised Sector Workers Welfare Board, constitution of welfare fund at Central / State level, the rate of contribution by the worker, employer, State Governments and Central Government, merger of existing welfare board / welfare funds under the welfare board / fund proposed under the draft legislation, etc. The draft Note for the Cabinet, alongwith the revised draft Bill, has been circulated to the Planning Commission and all Ministries / Departments for their comments.

The draft Bill has also been sent to the National Advisory Council, State Governments, and all eight Central Trade Unions for their comments.

In the meanwhile, the issue relating to *“Social Security for unorganised sector workers, including agricultural sector workers covering their service conditions, social security and other benefits”* will also be discussed in the forthcoming session of Indian Labour Conference (ILC). The Ministry will be able to firm up its views on this Bill after receipt of the recommendations of the Indian Labour Conference.

The Minimum Wages Act, 1948, is implemented both by the Central as well as the State Governments. Barring a few farms under the defence projects and Central Agricultural Research Institutes, the bulk of agricultural labour come under the purview of the State Governments. In tune with the spirit of NCMP, the State Governments have been requested to strictly monitor the provisions of the Minimum Wages Act, 1948, especially in the agricultural sector. The States have also been requested to formulate a scheme to involve civil society to monitor the implementation of the minimum wages.

Agriculture is a State subject. The welfare of farmers and agricultural workers is primarily the responsibility of the State Governments. The Central Government had made efforts to formulate Central Legislation for agricultural workers but in the absence of consensus amongst the State Governments, the proposal for legislation on agricultural workers could appropriately be left to the State Governments to act upon.

One of the components of the National Child Labour Policy, 1987, is setting up of the National Child Labour Projects (NCLPs) in areas of high concentration of child labour, for their

identification, withdrawal and rehabilitation. In pursuance of Government's commitment to eliminate child labour in hazardous areas, the National Child Labour Project Scheme has been extended to cover 100 more districts in addition to 150 districts where the scheme was already in operation. Besides, the \$40 million project INDUS (Indo-US joint project) on Child Labour has been launched.

The Ministry of Labour and Employment has been emphasizing on the Central Industrial Relations Machinery, as well as on the State Governments, to streamline the existing procedures relating to undesirable visits by the Inspectors. The different law enforcing agencies have also been reporting that due to shortage of officers, their visit to every establishment every year is not possible.

The employers have been demanding that the number of registers and returns should be reduced so that these can be managed by using minimal manpower and cutting cost so that their energy could be used for rising production and productivity in the fast changing market. To address this issue, a proposal to amend the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988 has been prepared. The proposal envisages simplification of forms of returns and registers required to be maintained under certain labour laws. The revised forms can be maintained in computer and the reports can be transmitted by e-mail.

In order to provide hassle-free industrial environment, and to reduce unnecessary interference of inspecting staff, the following steps have also been taken: -

(i) Employees State Insurance Corporation (ESIC):

The revised policy contemplates inspection only in the case of defaulters and where the compliance is irregular. The regular annual inspection has been retained only in the cases of major employer employing more than 250 workers. The inspections / investigations are also undertaken where complaints about non-coverage of establishments are received or detected during the course of regular surveys.

(ii) Employees' Provident Fund Organisation (EPFO):

At present, inspections are carried out only in respect of Establishments against which there are specific complaints of evasion or non-compliance. Such inspections are ordered by senior level officers who specifically assign the task, at random, to the inspectors, so that there is no chance of any pre-decided action plan on the part of the inspectors for visiting any particular establishment. The territorial jurisdiction of the inspectors has since been abolished, and they are now engaged for inspections only for specifically assigned cases as decided by the Assessing Circle Officers with whom the inspectors are pooled.

(iii) Chief Labour Commissioner (Central) CLC(C):

In respect of **IT Software and IT Service Industries**, the CLC(C) has advised its subordinate offices that routine and periodic inspections of the IT Software and IT Service Industries may not be necessary since the employees engaged by these IT industries are usually qualified and, therefore, are in a better position to protect and promote their interests. However, enforcement of labour laws in these establishments through returns submitted by the employers under various labour laws is being continued.

STRENGTHENING OF TRIPARTISM

1.4 The Ministry of Labour and Employment has always been striving to promote harmonious industrial relations in the country. The Government, being committed to the ethos and culture of tripartism, took measures to revitalize it. The Ministry continues to have consultation with the social partners to obtain a consensus for enacting new laws or bringing about changes in the existing laws. The objective of the Ministry is to knit the views of all the social partners in framing the policy for working class. Accordingly, the Ministry of Labour & Employment held several tripartite meetings of various Committees / Boards during the year which inter-alia include: -

- (i) 40th Session of the Standing Labour Committee held on 29th November, 2004,
- (ii) Meetings of Central Board of Trustees (EPF) held on 30.06.2004, 13.07.2004, 20.07.2004 and 06.12.2004
- (iii) Meeting of Governing Body of Central Board for Workers Education held on 08.09.2004.

1.5 Thus, the Ministry, in true spirit, is following the tripartite consultation process to strengthen the labour-management relations.

1.6 A number of other legislative and executive initiatives have also been taken to promote, protect and preserve health, safety and social security for workers through observance of the ethos and culture of tripartism. Some of the important initiatives taken during the year in this regard are summarised as below: -

INDUSTRIAL RELATIONS

1.7 Maintenance of harmonious industrial relations situation remains an avowed objective of Ministry of Labour & Employment. Due to constant endeavour

of the Industrial Relations Machineries, both Central and the State, the overall industrial relations climate has remained peaceful and cordial, although on year-to-year basis, both the number of strikes and lockouts and mandays lost due to them have shown variations. However, over a period of last ten years i.e. 1994 to 2003 (provisional), the number of strikes and lockouts has reduced drastically from 1201 to 489 while the mandays lost due to them have increased marginally from 20.98 million to 21.78 million.

1.8 Similarly, the spatial / industry-wise dispersion of the number of strikes and lockouts and the workers involved / affected as a result of this, was not uniform. Among States, West Bengal, Tamil Nadu, Gujarat and Kerala were the most affected. Among the industry groups, textiles, engineering and chemicals recorded the maximum number of strikes and lockouts.

1.9 With a view to strengthen the existing adjudicating system, five new Central Government Industrial Tribunal-cum-Labour Courts have been set up in Delhi, Ahmedabad, Ernakulam, Guwahati and Chandigarh. This Ministry has also introduced a system of Lok Adalats, as an alternative dispute redressal mechanism, in the adjudication system of the CGIT-cum-Labour Courts to reduce the pendency of industrial disputes. So far 25 Lok Adalats were held and 787 cases settled therein.

STANDING LABOUR COMMITTEE

1.10 The 40th Session of Standing Labour Committee was held on 29th November, 2004. The Committee reviewed the action taken report on the recommendations of 39th Session of Indian Labour Conference (ILC) and decided to hold discussion on following items in the ensuing 40th Session of Indian Labour Conference: -

(i) Social Security for unorganized sector workers including agriculture sector workers covering their service conditions, social security and other benefits; and

(ii) Amendment of Labour Laws.

1.11 The Committee also decided to hold a special meeting to discuss “Measures to increase gainful and participative employment opportunities.”

VULNERABLE SECTIONS

Child Labour

1.12 The Government announced the National Policy on Child Labour in August 1987. The action plan under the National Child Labour Policy comprises (i) a legislative action plan; (ii) focusing on general development programmes for benefiting children wherever possible; and (iii) project-based action plans in areas of high concentration of child labour engaged in wage/quasi-wage employment. One of the components of the National Child Labour Policy, 1987, is setting up of the National Child Labour Projects (NCLPs) in areas of high concentration of child labour for their identification, withdrawal and rehabilitation. The package of benefits to child labour for their rehabilitation includes non-formal/formal education, vocational training, nutrition, health care, stipend, etc. The other activities include more strict enforcement of child labour related laws, raising awareness against the evil of child labour and extension of welfare facilities to the child labour. In pursuance of government’s commitment to eliminate child labour in hazardous areas, the National Child Labour Project Scheme has been extended to cover 100 more districts in addition to 150 districts where the scheme was already in operation.

1.13 In addition, the \$40 million INDUS project (Indo-US joint project) on Child Labour has been launched. The project will be executed in cooperation with the United States Department of Labour and the International Labour Organization (ILO) to eliminate child labour in 10 hazardous industries of 20 identified districts in 4 States and the U.T. of Delhi. Under the Grants-in-Aid scheme, voluntary agencies are being financially assisted to the extent of 75% of the project cost for taking up welfare projects for working children where they are provided with non-formal education, supplementary nutrition, health care and vocational / skill training. It is intended to eliminate the child labour from hazardous areas by the end of Tenth Plan.

Women Labour

1.14 The Government is committed to improve the working conditions of women workers. In this direction, guidelines for the prevention of sexual harassment of women employees in their workplaces have been framed. Simultaneously, instructions have been issued to the Central Ministries / Departments, State Governments / UT Administrations and all CPSUs for strict implementation of the guidelines. The Conduct Rules applicable to the Central Government and the All India Services have since been amended to give effect to these guidelines. The Industrial Employment (Standing Orders) Central Rules, 1946 have also been amended to make the guidelines applicable to employees in the private sector.

1.15 Further amendment in the Industrial Employment (Standing Orders) Central Rules, 1946 to provide that the Complaint Committee established in each establishment for inquiring into a complaint of sexual harassment shall be deemed to be the report of the inquiry authority appointed by the employer for the purpose of these rules is under examination.

Bonded Labour

1.16 The system of debt bondage in India originated from the uneven social structure characterized by feudal and semi-feudal conditions. The issue of 'Bonded Labour' came to the forefront in national policies when it was included in the old 20 point Programme in 1975. To implement this, the Bonded Labour System (Abolition) Ordinance was promulgated. This was later on replaced by the Bonded Labour System (Abolition) Act, 1976. It is such an important programme that its implementation is regularly monitored and reviewed under the twenty-point programme of the Government.

1.17 In order to assist the State Governments in their task of rehabilitation of released bonded labourers, the Ministry of Labour and Employment launched a Centrally Sponsored Scheme on 50:50 basis in regard to funding in May 1978. Under the Scheme, rehabilitation assistance of Rs.20,000/- per bonded labourer is provided. The modified scheme also provides for financial assistance to the State Governments/Union Territories for conducting survey of bonded labourers, awareness generation activities and impact evaluation. A sum of Rs.68 crore has been released under the Scheme to the State Governments upto 31st August, 2004 for rehabilitation of 2,65,682 bonded labourers.

SOCIAL SECURITY

1.18 The Government has enacted a number of legislations in the area of Social Security for the workers. The important Acts in this regard are the Workmen's Compensation Act, 1923, the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the Maternity Benefits Act, 1961, the Payment of Gratuity Act, 1972 and the Employees' State Insurance Act, 1948. Several initiatives have been recently taken to accord larger benefits to workers under these Acts as detailed below: -

Employees State Insurance Corporation

1.19 To provide for health care and cash benefits in the case of sickness, maternity, and employment injuries, the Employees State Insurance Act was enacted in 1948. The Employees State Insurance Corporation (ESIC) is implementing the ESI Scheme introduced in 1952. The achievements are as under: -

- The ESIC has brought around 1.25 lakh additional employees within its scope after the revision of wage ceiling from Rs.6500/- to Rs.7500/- w.e.f. 01.04.2004. Similarly, around 82,720 employees are coverable by extension of the schemes to 46 new geographical areas from 01.04.2004 to 31.10.2004. With these two measures, the total number of ESI beneficiaries increased from 70.82 lakh as on 01.04.2004 to 73 lakh as on 31.10.2004 workers in the country.
- The ESIC has, for the first time, formulated and finalized w.e.f. 16.09.2004, rates contract for procurement of Ayurvedic medicines, which will be operated by the Ayurvedic dispensaries and other medical institutions of ESIC in the country.
- At present, the scheme of the ESI is extended to all factories covered under the Factories Act, 1948 and five other types of services namely, (i) Shops (ii) Hotel and Restaurants (iii) Cinemas & Preview Theatres (iv) Road Motor Transport Undertakings, and (v) Newspaper Establishments. There is, however, need to extend the scheme to new sectors so that the infrastructure and other facilities available under the ESIC are fully utilized e.g. educational institutions, health care industry, etc.
- In consonance with the decision to extend ESI services to educational institutions, the State of Rajasthan has

issued final notifications on 12.10.2004. The State Governments of Karnataka, Jammu & Kashmir, Pondicherry and Bihar have also issued Intention Notifications in this regard and will be required to issue final notification after six months. The approval of the Central Government for extension of the scheme has been conveyed to the Government of Himachal Pradesh and they are still to issue Intention Notifications for extending the scheme to Educational Institutions. About five lakh more workers are expected to be covered under the scheme once it becomes applicable throughout the country.

- The ESIC proposes to extend the scheme to 59 new places during the current financial year while it has, so far, covered 46 centres from 01.04.2004 to 31.10.2004. With this, the total number of places covered under the ESI Scheme as on 31.10.2004 has gone to about 700.
- Under the AIDS prevention programme being implemented by the ESIC, the retroviral medicines worth about Rs.20,000/- per patient per year are being given free of cost to the afflicted workers. The ESIC is amongst the very few organizations in the country which gives such expensive drugs free of cost to HIV / AIDS patients. This has proved to be useful in high infection areas of Delhi, Andhra Pradesh and Maharashtra. Also, equipments for 35 voluntary counseling and testing centres for the HIV/AIDS programme has been procured and supplied by the ESIC from 01.04.2004 to 31.10.2004.

Employees' Provident Fund Organisation

1.20 The Act provides for compulsory provident fund, pension and deposit linked insurance in factories / establishments employing 20 or more employees in

scheduled industries. The Act is implemented through offices of the Employees Provident Fund Organisation with its 283 Field Offices and manpower of 20065 looking after 3.70 lakh Factories/ Establishments. As on 31.03.2004, 400.92 lakh employees are covered under the scheme. It is targeted to bring about 5 crore subscribers under the ambit of the scheme in near future. A number of improvements have been effected in recent years to provide higher benefits to the employees. These include: -

- Wage ceiling for EPF enhanced from Rs.5000/- to Rs.6500/-
- Business Process Re-engineering report finalized and approved by the Board and under implementation in 6 Pilot Offices. Once the full project is rolled out, all the 283 offices of the Employees' Provident Fund Organisation in the country will be linked online.
- Improvement in services through accurate & efficient record keeping and simplified & easy 'anytime anywhere' access.
- Organization-wide computer familiarization programme for staff completed and 7901 officers / officials were trained.
- Allotment of an EPF Social Security Number (EPFSSN) to every subscriber, which will remain the unique number regardless of geographical location or the employer.
- Allotment of an All India unique number to be given to establishments as their Business number.
- Additional facilities for disbursement of pension through 26,000 Post Offices.
- A sum of Rs.727.56 crore has been recovered from the defaulting employers from 01.04.2004 to 30.09.2004 as against a sum of Rs.632.70 crore recovered during the corresponding period last year.

- As regards settlement of claims out of Unclaimed Deposit Accounts, the instructions to all the Regional Offices have been issued to advertise in leading newspapers informing that the Employees' Provident Fund Organisation has launched a drive to settle the accounts of those members who have not contributed to their PF accounts for more than 3 years.

FOCUS ON WORKERS IN THE UNORGANISED SECTOR

1.21 The term 'unorganised labour' has been defined as those workers who have not been able to organise themselves in pursuit of their common interests due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments, etc.

1.22 As per the survey carried out by the National Sample Survey Organisation in the year 1999-2000, the total employment in both organized and unorganised sector in the country was of the order of 39.7 crore. Out of this, about 2.8 crore were in the organised sector and the balance 36.9 crore in the unorganised sector. Out of 36.9 crore workers in the unorganised sector 23.7 crore workers were employed in agriculture sector, 1.7 crore in construction, 4.1 crore in manufacturing activities and 3.7 crore each in trade and transport, communication & services. The workers in unorganised sector fall in various categories but a large number of them are home based workers which are engaged in occupations like beedi rolling, *agarbatti* making, *papad* making, tailoring, *zari* and embroidery work.

1.23 The Unorganised Workers suffer from cycles of excessive seasonality of employment, no formal employer employee relationship and lack of social security protection. Several legislations

like the Minimum Wages Act, 1948; the Workmen's Compensation Act, 1923 and the Maternity Benefit Act, 1961; the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 are directly or indirectly applicable to the workers in the unorganised sector also. The Government has constituted some welfare funds also to provide social security to workers in occupations like beedi rolling etc. There are some employment-oriented schemes like Swarnjayanti Gram Swarajgar Yojana, Pradhanmantri Gram Sadak Yojana, Sampurna Gramin Rojgar Yojana etc. The Government has also launched Group Insurance Schemes like Janshree Bima Yojana. Despite these initiatives, the working and living conditions of the unorganised sector workers continue to be pathetic.

Social Security Scheme for Unorganised Sector Workers

1.24 As a major policy decision, the Ministry has decided to provide social security benefits to the workers in the unorganized sector who constitute around 92% strong workforce in the country. To begin with, the Government has introduced the Social Security Scheme for the unorganized sector workers on a pilot basis in 50 districts of the country, which was launched in January 2004. However the scheme could not take off for want of statutory backing. The Government has, therefore, decided to review the scheme in consultation with the Planning Commission and the Ministry of Finance.

Umbrella Legislation for workers in the Unorganised Sector

1.25 The Second National Commission on Labour has suggested an umbrella legislation for ensuring a minimum level of protection to the workers in the unorganized sector.

1.26 Based on the views / suggestions received from the social partners in the above fora, the Government has contemplated to bring forward a legislation to regulate the employment and service conditions of the unorganized sector workers and to provide for their safety, social security and health, salient features of which are mentioned in Para 1.3.

LABOUR WELFARE FUNDS

1.27 The Ministry of Labour & Employment is administering five Welfare Funds for beedi, cine and certain categories of non-coal mine workers. The Funds have been set up under the following Acts of Parliament for the welfare of these workers:

- The Mica Mines Labour Welfare Fund Act, 1946;
- The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
- The Iron Ore, Manganese Ore and Chrome Ore Mines Labour Welfare Fund Act, 1976;
- The Beedi Workers' Welfare Fund Act, 1976; and
- The Cine Workers' Welfare Fund Act, 1981.

1.28 The above Acts provide that the Fund may be applied by the Central Government to meet the expenditure incurred in connection with measures and facilities which are necessary to provide the welfare of such workers. In order to give effect to the above objectives laid down in the above Acts, various welfare schemes have been formulated and are under operation in the fields of: -

1. Health
2. Social Security
3. Education
4. Housing
5. Recreation
6. Water Supply

Integrated Housing Scheme for Beedi Workers and other Non-Coal Mine Workers

1.29 The Government has revised the existing Integrated Housing Scheme for grant of housing subsidy to beedi workers, iron ore, manganese ore, chrome ore, mica and limestone and dolomite mine workers. Under the revised Scheme, which is effective from 01.07.2004, the financial assistance available for construction of an individual house has been increased from Rs.20,000/- to Rs.40,000/- per tenement, or 50% of the actual cost of construction, whichever is less. Under the revised scheme workers working in the cities and towns like Kolkata, Chennai, Bangalore, Hyderabad, Mysore, Pune, etc., would also be able to purchase flats in Group Housing Societies etc. The eligibility conditions of monthly family income of a beedi worker has also been increased from Rs.3500/- per month to Rs.6500/- per month.

Scheme for Grant to Provide Medical Facilities to Beedi Workers

1.30 The Government has recently launched a scheme on pilot basis for providing one time grant of Rs.2 crore or 75% of the actual cost of construction of the hospital building or including the cost of medical equipments, whichever is less, to all the State Governments/ ESIC/ Housing Cooperative Society/ Reputed NGOs etc. Similarly, one time grant-in-aid would also be available for purchase of Ambulance / Mobile Van equipped with medical / laparoscopic equipments etc. upto the limit of Rs.4 lakh. Further, an amount upto Rs.10 lakh per annum will also be available towards reimbursements of expenditure on medicines per year.

Minimum Wages

1.31 The Minimum Wages Act, 1948 was enacted to safeguard the interests of workers mostly in the unorganized sector.

The minimum wages, by far, provide the biggest social security cover to the workers. Under the provisions of the Act, both the Central Government and the State Governments are the appropriate governments to fix, revise, review and enforce the payment of minimum wages to workers in respect of scheduled employments under their respective jurisdictions. There are 45 scheduled employments in the Central Sphere and as many as 1447 in State Sphere. The enforcement of the Act in the Central Sphere is secured through the officers of the Central Industrial Relations Machinery. In respect of employments within the jurisdiction of the State/UT Governments, the enforcement of the Act is ensured by the State Machinery.

1.32 In order to protect the wages against inflation, the Central Government has made provision of Variable Dearness Allowance (VDA) linked to Consumer Price Index. As regards States/UT Administrations, 24 of them have made VDA as a component of minimum wages. Both Central and State Governments are revising the minimum wages in respect of these scheduled employments from time to time. In the Central sphere, the rates were last revised w.e.f.1.4.2004.

1.33 Though the concept of a Uniform National Minimum Wage has been discussed at various fora over the years, the same has not been conceived so far. The fixation of minimum wages depends on various factors like income, prices of essential commodities, productivity, paying capacity, local conditions etc. Since these vary from city to city and from industry to industry, there are disparities in the wages throughout the country. In the absence of a uniform national minimum wage, the Central Government introduced a national floor level wage. Initially, it was fixed at Rs.35/- per day in 1996 based on the recommendations of the National Commission on Rural Labour 1991 and subsequent increase in price level. The

floor level minimum wage is periodically revised, the last revision being Rs.66/- per day with effect from 1.2.2004. The State Governments are impressed from time to time to ensure that in none of the scheduled employments, the minimum wages are below the floor level wage. Most of the States have revised their minimum wages in tune with the national floor wage.

LIBERALIZATION OF EMIGRATION PROCEDURE

1.34 The Ministry of Labour and Employment has decided, in consultation with the Ministry of External Affairs, to further liberalize emigration clearance procedures for those seeking employment abroad in recognition of the need to tackle the growing unemployment and under employment problem. The following additional categories of persons shall not be required to obtain any emigration clearance from the Protectors of Emigrants and may get their passports endorsed as Emigration Check Not Required (ECNR) from concerned Regional Passport Offices (RPO): -

- Persons with 10+2 qualifications
- Persons possessing two years' diploma from any institute recognized by the National Council for Vocational Training (NCVT) or State Council of Vocational Training (SCVT)
- Persons over 50 years of age
- Children below 18 years of age provided any or both parents accompany them.

1.35 Our approval in this regard was conveyed on 02.08.2004 to Ministry of External Affairs for issuing appropriate instructions.

1.36 In the meanwhile, the work relating to emigration under the Emigration Act, 1983 has now been transferred to the Ministry of Overseas Indian Affairs w.e.f. 16.12.2004.

REVIEW OF LABOUR LAWS

1.37 Labour figures in the Concurrent List of distribution of power in the Constitution. Thus, both the Centre and the State can legislate in this area and it has led to multiplicity of laws. This is how we have today the single largest legislations obtaining anywhere in the world. There are over **47 labour** related statutes enacted by the Central Government dealing with minimum wages, accidental benefits, death of worker, maternity, conditions of employment, dismissal, disciplinary action, formation of trade unions, industrial relations, etc.

1.38 Review / updation of labour laws is a continuous process in order to bring them in tune with the prevailing situation and emerging needs of the stakeholders.

1.39 At present, the status of amendment / updation of various labour laws is as given below: -

The Payment of Wages Act, 1936

1.40 At present, the Act is applicable to wages payable in respect of a wage period which, over such wage period, is average Rs.1600/- a month or more.

1.41 To provide enlargement of the scope and prescribing more effective grievance redressal machinery etc., the amendment Bill containing, inter-alia, proposal for enhancement of the existing ceiling or Rs.1600/-per month to Rs.6500/-per month was introduced in Rajya Sabha on 16.05.2002. The Bill was referred to Department Related Standing Committee of Parliament on Labour and Welfare, which has since submitted its report. The recommendations of the Committee have been accepted with a minor modification. The Bill with necessary modifications has been passed by the Rajya Sabha on 02.12.2004. At present, it is pending for consideration in the Lok Sabha.

The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988

1.42 The Ministry is contemplating to bring forward amendments in this Act for simplifying the forms of returns and registers prescribed under certain labour laws; and to make amendments in the Scheduled Acts to prescribe penalty on uniform basis for obstructions and non-maintenance of records etc. It is proposed to apply this Act to establishments employing upto 500 employees and increase the coverage of Acts from 9 to 16. It is expected that the simplified forms to be introduced by the proposed amendment Bill will give much needed relief to employers in maintaining registers and submitting returns under the various labour laws and also help the enforcement officer to monitor the implementation of the laws, as they will have less reports to evaluate and assess. The registers can be maintained on the computer and the Annual Report can be transmitted by e-mail.

The Maternity Benefits Act, 1961

1.43 A proposal to amend the Maternity Benefits Act, 1961 to provide for enhancement of the medical bonus, and to empower the Central Government to increase the amount of medical bonus from time to time is under examination.

The Payment of Gratuity Act, 1972

1.44 A proposal to amend the Act to specify and classify matters regarding teachers under the scope of the Act is under examination.

The Factories Act, 1948

1.45 The Government had decided to amend the Section 66 of the Factories Act, 1948 for which the Factories (Amendment) Bill, 2003 was introduced in the Lok Sabha on 29th July, 2003. The bill was referred to the Standing Committee on

Labour and Welfare. The Committee in its report had approved the amendment in the Factories Act, 1948 provided the Government take some extra safeguards in addition to the already available safeguards under the proviso to Section 66. The Ministry of Labour & Employment submitted Action Taken Note on these recommendations to the Secretariat of the Committee. However, due to dissolution of the 13th Lok Sabha, the Bill has now lapsed. Therefore, a proposal for reintroduction of this Bill is being finalized for the approval of the Cabinet as per the procedural requirement.

The Sales Promotion Employees (Conditions of Service) Act, 1976

1.46 The Central Government has requested to all State Governments to furnish data about sales promotion employees in other industries to facilitate extension of this Act to those industries.

The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981

1.47 A proposal to amend the Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981 to provide for (i) empowering the Central Government to increase wage ceiling, payable to a cine worker by way of monthly wage or by lump sum, (ii) enlarging the definition of "feature film" to include the television serials, and (iii) reducing the conditions of working in three feature films in Section 16 is under examination.

The Payment of Bonus Act, 1965

1.48 A proposal to enhance the two wage ceilings for reckoning entitlement and for calculation of bonus from Rs.3,500/- to Rs.7,500/- and from Rs.2,500/- to Rs.3,500/- respectively as recommended by the Second National Commission on Labour is under examination.

Employees' State Insurance Act, 1948

1.49 A proposal to amend the Act for extending the coverage of facilities is under examination of the Ministry of Labour and Employment.

OCCUPATIONAL SAFETY AND HEALTH (OSH)

1.50 The provisions on Occupational Safety and Health (OSH) of workers as provided for in the Constitution of India are being implemented through the offices of Directorate General of Mines Safety (DGMS) and the Directorate General of Factory Advice Service and Labour Institutes (DGFASLI). The DGMS enforces the safety and health provisions for the workers in the mining industry through its Inspectors appointed under the Mines Act, 1952. The DGFASLI through its Inspectorate of Dock Safety enforces safety provisions in the Docks and also acts as the coordinating agency at the national level for the Inspectorate of Factories functioning under different State Governments.

1.51 Some of the important events/initiatives in the area of OSH are: -

- Every year, Ministry of Labour & Employment is distributing awards viz. Prime Minister's Shram Awards, Vishwakarma Rashtriya Puraskar and National Safety Awards, and National Safety awards to workers in the mining industry.
- The Prime Minister's Shram Awards are given to the workmen employed in department / public sector undertakings of the Central and State Governments in recognition of their distinguished performance, devotion to duty, etc. The Hon'ble Prime Minister distributed the Prime Minister's Shram Awards for the year 2002 and 2003 on 4th October, 2004 to 73 awardees (35 awardees for the year 2002 and 38 awardees for the year 2003, including four women and one blind worker).

- The private sector has been included in the ambit of Prime Minister's Shram Awards Scheme from the award year 2004. The number of awards has also been increased from 17 to 33.
- The Vishwakarma Rashtriya Puraskar (VRP) and the National Safety Awards (NSA) are given to individual workers or group of workers for outstanding suggestions leading to improvement in productivity, safety and health as well as the import substitution resulting in savings of foreign currency. Hon'ble Union Minister for Labour and Employment distributed the Vishwakarma Rashtriya Puraskar (VRP) and National Safety Awards (NSA) for the year 2003 on 21st September, 2004.
- The National Safety Awards (Mines) are given at the national level in recognition of outstanding safety performances in mines covered under the Mines Act, 1952. Shri Pranab Mukherjee, Hon'ble Minister for Defence, gave away the awards. In all, there were 16 Winner prizes and 16 Runner-up prizes. These were given away to the winning Mines in recognition of their notable and exemplary performance for prevention of accidents in Mines during the three consecutive years ending with the contest year 2001.
- The Union Cabinet approved the Ratification of Protocol of 1990 to the ILO Night Work (Women) Convention (Revised), 1948 to provide flexibility in the matter of employment of the women during the night. A proposal to re-introduce the Bill to amend Section 66 of the Factories Act, 1948 on these lines to provide flexibility for such employment during the night with adequate safeguards for their safety, dignity, honour and transportation from factory premises to the nearest point of residence is under consideration.

CENTRAL BOARD FOR WORKERS EDUCATION

1.52 The Central Board for Workers Education (CBWE) established in 1958, is a tripartite society which implement the workers' education programme at national, regional and unit/village level. The main objective of the Board's training programmes is to create awareness among all sections of the working population. The Board undertakes training programmes, which cover workers from organized, unorganized, rural and informal sectors. Supervisory and managerial cadres are also covered through Joint Education Programmes.

1.53 With headquarters at Nagpur, the Board has a network of 49 Regional and 9 Sub-Regional Directorates spread throughout the country. The four Zonal Directorates at Delhi, Kolkata, Mumbai and Chennai monitor the activities of the Regional Directorates.

1.54 The Board has set up Indian Institute of Workers Education, an apex level training institute at Mumbai to conduct national level training programmes for the activists of Central Trade Union Organizations/ Federations, Voluntary Organizations besides training programmes for Board's officials.

1.55 Since 1970 till August 2004, the Board has conducted 580 programmes at national level for 14,560 participants.

1.56 In the organized, unorganized and rural sector, the Board has in all conducted 3,32,149 programmes of varied durations for 97,78,792 workers since inception till August, 2004.

1.57 Besides, the Board has been generating awareness among the informal sector workers about various welfare schemes through the newly designed Labour Welfare and Development programmes entrusted by the Ministry of Labour and Employment, Government of India to the Board with an additional outlay of Rs.1.60 crore and Rs.2.00 crore for the year 2003-2004 and 2004-2005

respectively. Since the introduction of the programme i.e. from April, 2003; the Board has conducted 1469 programmes for 57,274 workers up to August 2004.

LABOUR STATISTICS

1.58 The importance of accurate, timely and detailed statistics and research relating to various aspects of labour activities for taking policy decisions need not be over-emphasized. The Consumer Price Index for Industrial Workers which determines the dearness allowance of workers, government employees etc. is presently being compiled by Labour Bureau with a two-decade old base (1982=100). To update the base year, main survey for collection of income and expenditure data from all the 78 selected centers, tabulation of data has been completed and fieldwork for Repeat House Rent Survey is in progress. The new series has been approved by the Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCL), recently, which would be discussed in User's Meeting at a tripartite fora before releasing the new series.

1.59 Labour Bureau's Website <http://www.labourbureau.nic.in> and Software system has been developed and is being updated regularly. A central training programme on Labour Statistics is being organized every year.

TENTH PLAN OUTLAY

1.60 The Ministry has drawn an ambitious plan for the welfare and development of Labour during the Tenth Plan. Special emphasis is being laid for elimination of child labour, abolition and rehabilitation of the bonded labourers and skill upgradation.

1.61 Important schemes being taken up are: **Upgradation of existing ITIs into "Centres of Excellence" and Establishment of New ITIs in North-**

Eastern States, Sikkim and J&K. As against total plan outlay of Rs.1500 crore during the Tenth Plan for Ministry of Labour and Employment, year wise outlay has been Rs.170.00 crore (BE) and Rs.125.00 crore (RE) for 2002-2003, Rs.170.00 crore (BE) and Rs.125.00 crore (RE) for 2003-2004 and Rs.183.00 crore (BE) and Rs.165.00 crore (RE) for 2004-2005. The Plan expenditure has been Rs.117.71 crore for 2002-2003 and Rs.125.30 crore for 2003-2004 which has been 94.17% and 100.24% of the RE Outlay respectively.

INTERNATIONAL COOPERATION

1.62 The 92nd Session of the International Labour Conference of ILO was held from 1-17 June, 2004. An Indian delegation led by Hon'ble Labour & Employment Minister attended the Conference.

1.63 The 290th Session of the Governing Body of ILO was also held on 18th June, 2004 for a day at Geneva immediately after the close of the 92nd session of International Labour Conference of ILO from 1-17 June 2004, which was attended.

V.V.GIRI NATIONAL LABOUR INSTITUTE (VVGNI)

1.64 V.V. Giri National Labour Institute (VVGNI), an autonomous body of the Ministry of Labour and Employment, Government of India, set up in July 1974, is a premier Institute of Research, Training and Education in the area of Labour. The main functions, among others, of the Institute are:

- to undertake and assist in organising training and educational programmes, seminars and workshops;
- to undertake, aid, promote and coordinate research on its own and in collaboration with other agencies, both national and international;
- to establish wings for:

- Education, training and orientation;
- Research, including action research;
- Consultancy; and
- Publication and other such activities as may be necessary for achieving the objectives of the society.

NATIONAL ACADEMY FOR RESEARCH AND TRAINING IN SOCIAL SECURITY (NATRSS)

1.65 NATRSS is administered by the EPFO. This institute primarily conducts various research studies and training programmes on labour welfare, labour standards, social security, personnel management and industrial relations. The trainers and faculty members include professionals from private organisations, officers from EPFO and units of the Ministry of Labour and Employment as also representatives of labour institutions and Governments of various countries in Africa, Asia and the Far East.

EMPLOYMENT AND TRAINING

ACTIVITIES OF DIRECTORATE GENERAL OF EMPLOYMENT & TRAINING

1.66 Vocational training and Employment being concurrent subject, both Central and State Governments share the responsibility. Laying down of policies, procedures, standard, norms, affiliation, guidelines, conducting of trade test and certification are the responsibility of the Central Government whereas the implementation of vocational training and administration of employment exchanges rest with the respective State Governments/Union Territories. Most of the States have a Directorate of Training and Employment located in the State capital. In addition to these activities, DGE&T also runs training institutions to meet the training needs of specific target group.

Upgradation of 500 existing ITIs into “Centres of Excellence”

1.67 A scheme has been formulated for upgradation of 500 existing ITIs into “Centres of Excellence” at the rate of 100 ITIs a year. The main objective of the scheme is to produce world-class craftsmen. Industry will be associated closely in designing and implementing multi-skilling courses keeping in view the skill requirement of the cluster of industries in a particular area. The ITIs are being identified in consultation with the States Governments. Under the scheme, the ITIs will be upgraded by providing appropriate infrastructure, equipment, updated syllabi, training of trainers and introduction of new courses.

1.68 The proposal has been approved by Minister of Labour & Employment and forwarded to the Planning Commission for its in-principle approval.

Testing and Certification of skill acquired through non-formal means

1.69 A new scheme of ‘Testing and Certification of Skills’ acquired through informal means has been taken up on a pilot basis. To start with, the Construction Industry Development Council (CIDC), which has been engaged as one of the agencies for this programme, has tested and certified 3025 construction workers so far. Competency standard have been developed for 44 skill areas. The competency standards for several other skill areas are also being developed.

Expansion of vocational training activities during last 100 days

- 94 new ITIs have been set up and seating capacity expanded in some existing ITIs. This has resulted in increase in about 8000 training seats. The total seating capacity under the craftsmen-training programme as on date has increased to 7.18 lakh.

- Over 3000 women have been trained in employable vocational areas in the Regional Vocational training Institutes under DGE&T.
- Over 5000 industrial workers have received advanced vocational training in DGE&T field institutes as per need of the industry.
- 7146 physically challenged persons were admitted, 7086 evaluated, 1133 trained and 2654 rehabilitated in the Vocational Rehabilitation Centres under DGE&T.

Public private partnership

1.70 Public private partnership has been forged further through constitution of additional Institute Management Committee in 30 more ITI’s increasing the overall number to 310 covering 18 States.

New trades under Craftsmen Training through ITIs introduced

1.71 On the request of Department of Animal Husbandry & Dairying, Ministry of Agriculture, the Syllabi for two new trades “Marine Fitter” and “Vessel Navigator” under National Council of Vocational Training (NCVT) for the 10th Passed student have been introduced from 20.8.2004 under the Craftsmen Training Programme implemented through Industrial Training Institutes (ITIs). The Trainees, after completion of course, would be professionally skilled persons for managing large fishing vessels and supporting shore establishments.

Establishments of New ITIs in J&K and North-Eastern States & Sikkim

1.72 The EFC meeting for the centrally sponsored scheme of establishment of new ITIs in J&K, North-Eastern States & Sikkim, at an outlay of 130.60 crore, was held on 18th August 2004. Approval of the CCEA would now be sought for incurring expenditure under the scheme. This would help in expanding the training capacity

from 7244 to 16144 training seats in NE States & Sikkim. It would also expand the training capacity from 4153 to 5959 training seats in J&K,

Revision of National Classification of Occupation (NCO)

1.73 A major exercise relating to revision of NCO 1968 was undertaken in house by DGE&T and finalized. This classification is in line with the international standard classification – 1988. Occupations in the informal sector were considered in details for the first time. The revised NCO was finalized and approved by the Steering Committee set up for the purpose on 12.8.2004.

Introduction of New Courses in existing Coaching-cum-Guidance Centres for SC/ST

1.74 A Scheme “Introduction of new courses in existing Coaching cum Guidance Centres for SC/ST” has been initiated to educate 480 educated SC/ST jobseekers in six-month computer training through private pioneer computer training institutes. Training has been arranged at 12 Centres located at Delhi, Jaipur, Surat, Bangalore, Jabalpur, Chennai, Hyderabad, Kolkata, Nagpur, Hissar, Bhubneswar and Guwahati.

INTRODUCTION OF INFORMATION TECHNOLOGY & ELECTRONICS MAINTENANCE SYSTEM TRADE IN 100 ITIs.

1.75 A scheme was jointly taken by DGET & Ministry of Information Technology to introduce the trade “Information Technology & Electronics System Maintenance” (IT&ESM) in 100 ITIs with a total budget of Rs.11.70 Crore to be provided by Ministry of Information Technology. The Standing Finance Committee (SFC) has approved the Scheme. Five components have been covered under the scheme: -

Name of the component Budget

(Rupees in lakhs)

1.	Procurement of equipment	1000
2.	Training of trainers	45
3.	Development of courseware	20
4.	Monitoring & review	50
5.	Contingencies	55
	Total	1170

Work has already been completed under the scheme.
