

Chapter-10

CONTRACT LABOUR

10.1 In India contract labour generally refers to workers engaged by a contractor for the user enterprises. It is a significant and growing form of employment. These workers are millions in number and are engaged mainly in agricultural operations, plantation, construction industry, ports & docks, oil fields, factories, railways, shipping, airlines road transport etc.

10.2 The Contract Labour (Regulation and Abolition) Act, 1970 was enacted to protect and safeguard the interests of these workers. It applies to every establishment/contractor in which 20 or more workmen are employed. It also applies to establishments of the Government and local authorities as well.

10.3 The Central Government has jurisdiction over establishments like Railways, Banks, mines etc. and the State Governments have jurisdiction over units located in that state.

10.4 The Advisory Boards of the Central Government and State Governments comprising representatives of Government, employers and workers advise the respective Governments on matters arising out of the administration of the Act, as are referred to them, particularly on the question of abolition of contract labour system in establishments.

10.5. The Central Advisory Contract Labour Board – a tripartite Body was reconstituted on 24th June, 2002 and the non-official members hold office for a term of three years. The Chairman of the Board Shri P. Sadasivan Nair was appointed on 10th May, 2002 for a period of three years. Two meetings of the Board were held during the period under report and the 58th meeting was held on 29-30th November 2004.

10.6 Based on the recommendations of the Board, the Central Government have prohibited employment of contract labour in the establishments of Food Corporation of India, Adra (West Bengal), Airport Authority of India and Nuclear Science Centre in the jobs of loading/unloading of food grains, trolley retrieval and manning of the main gate reception respectively.

10.7. The Act provides for registration of establishments and licensing of contractors. The interests of contract workers are protected in terms of wages, hours of work, welfare, health and social security. The amenities to be provided to contract labour include canteen, rest rooms, first aid facilities and other basic necessities at the work place like drinking water etc. The liability to ensure payment of wages and other benefits is that of contractor failing which by the principal employer.

10.8. Exemption from applicability of the provisions of the Act or the rules made thereunder is granted to an establishment or contractor in the case of an emergency. Eastern Coal Fields Ltd. have been granted exemption from the applicability of the notification prohibiting employment of contract labour for a period of three & half years in the activities of Coal loading/unloading, raising of minerals, overburden removal & earth cutting assistants subject to conditions relating to grant of higher wages than minimum wages and medical facilities. Similarly Metro Railways, Kolkata have been granted exemption from the applicability of notification prohibiting employment of contract labour in the job of checking Assistant up to 05.02.2005.

10.9. In the Central sphere, the Central Industrial Relations Machinery (CIRM) headed by Chief Labour Commissioner (Central) and his officers have been

entrusted with the responsibility of

under statutory obligation to absorb the

enforcing the provisions of the Act and the rules made thereunder. Statement indicating the enforcement action taken is given in the **Table-10.1**.

10.10 A number of judicial pronouncements have enriched the contract labour law in India. Two landmark judgements were delivered by the Supreme Court on the Status of contract labour in the event of prohibition of employment of contract labour. In Air India case (1996) the court held that in the event of prohibition of contract labour, the principal employer is

contract labour. In the SAIL case (2001) the Constitution Bench of the Supreme Court overruled the Air India judgement and held that the Industrial Adjudicator shall direct absorption of contract workers in the establishment of the principal employer, only if the contract is sham or bogus. In the case of genuine contracts, the Principal employer is required to give preference to contract workers for regular appointment, if the principal employer intends to get the prohibited job done through regular workmen.

Table-10.1				
ENFORCEMENT OF THE CONTRACT LABOUR (REGULATION AND ABOLITION) ACT, 1970				
Sl.No.	Item (in number)	2001-2002	2002-2003	2003-2004
1.	Registration Certificates issued to principal employers.	516	796	720
2.	Licences issued to Contractors.	6827	7081	6778
3.	Inspections conducted	6052	5970	4991
4.	Irregularities detected	94685	90156	71632
5.	Prosecutions launched	3671	3453	3896
6.	Convictions	2070	2188	2072
7.	Contract labourers covered by licences	709030	1327298	853690
8.	Licences revoked/cancelled	3904	6552	4014
9.	Registration certificates revoked.	---	---	52
