

## 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 the 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) **Ensuring the fullest implementation of minimum wage laws for farm labour. Comprehensive protective legislation will be enacted for all agricultural workers.**
- (c) **Striving for 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: -

To ensure welfare of workers in the unorganised sector which, inter-alia, include weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation labour, beedi workers and agricultural workers, the Government proposes to enact a comprehensive legislation for these workers. The Ministry of Labour & Employment had drafted the "Unorganised Sector Workers Bill, 2004" which, inter-alia, envisages provision for safety, social security, health and welfare matters. The draft Bill has been sent to all stakeholders including National Advisory Council (NAC) and National Commission for Enterprises in the Unorganised Sector (NCEUS). The NAC has submitted a draft Bill namely, 'the Unorganised Sector Workers Social Security Bill, 2005. The NCEUS has also given two Bills i.e.

- (i) Unorganized Sector Workers (Conditions of Work & Livelihood

Promotion) Bill, 2005 and (ii) the Unorganized Sector Workers Social Security Bill, 2005. All the draft Bills are being examined in the Ministry in consultation with the State Governments, central trade unions, employers' organizations and NGOs etc.

The central legislation for unorganized workers was also one of the agenda of the 40<sup>th</sup> session of Indian Labour Conference held on 9-10 December 2005. After detailed deliberation, the Indian Labour Conference decided to constitute one Tripartite Working Committee to examine and finalize one draft Bill.

A presentation on the subject was made before the Hon'ble Prime Minister on 18.11.2005. Follow up action, involving the LIC, is being undertaken.

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.

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, a \$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. Use of alternative methods like self-certification system is being explored.

There is felt need that the number of registers to be maintained and returns submitted should be reduced so that manpower and resources are better utilized for rising production and productivity in the fast changing market. To address this issue, a Bill to amend the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988 has been introduced in Rajya Sabha on 22.08.2005. The Bill 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 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) 40<sup>th</sup> Session of the Indian Labour Conference held on 9-10<sup>th</sup> December, 2005
- (ii) Meetings of Central Board of Trustees (EPF) held on 21.11.2005 and 07.12.2005
- (iii) Meeting of Governing Body of Central Board for Workers Education held on 15.09.2005 and 25.10.2005
- (iv) A National Level Users Tripartite meeting for release of New Series of Consumer Price Index Number for Industrial Workers on 19-20 May, 2005
- (v) A Meeting with the representatives of the employers and the workers to elicit their views of the provisions of Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Amendment and Miscellaneous Provisions Bill, 2005 held on 23.01.2006.
- (vi) A Meeting of the Tripartite Committee on Workers Participation in Management and issues affecting Sales Representatives in India held on 14.02.2006
- (vii) Meeting of Central Advisory Committee under Building and Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996 held on 14.02.2006

1.5 Thus, the Ministry, in true spirit, is following the tripartite consultation process to strengthen the labour-management relations. In this context, meetings on labour reforms and minimum wages held in 2005 were important ones.

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. The number of incidences of strikes and lockouts has declined from 1305 in 1997 to 477 in 2004 and has exhibited a declining trend over this period. However, the mandays lost on account of these disturbances has increased from 16.97 million in 1997 to 23.87 million in 2004 and show variations over this period.

1.8 Similarly, the spatial / industry-wise dispersion of the incidences of strikes and lockouts is concerned, West Bengal, Tamil Nadu and Gujarat are the States most affected while textiles, engineering and chemicals recorded the maximum number of strikes and lockouts.

1.9 With a view to strengthen the existing adjudicating system, twenty-two Central Government Industrial Tribunal-cum-Labour Courts are functioning at Dhanbad (Jharkhand), Mumbai, New Delhi and Chandigarh (two courts each) and one each at Kolkata, Jabalpur, Kanpur, Nagpur, Lucknow, Bangalore, Jaipur, Chennai, Hyderabad, Bhubaneswar, Ahmedabad, Ernakulam, Asansol, and Guwahati. 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 937 cases have been settled through this mechanism

### INDIAN LABOUR CONFERENCE

1.10 The 40<sup>th</sup> Session of Indian Labour Conference was held on 9-10<sup>th</sup> December, 2005. The agenda included: -

- (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 Indian Labour Conference decided to constitute a tripartite working committee to examine and finalize, the draft legislation to provide social security to the workers in the unorganised sector.

### 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 is 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 N.C.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 amendments 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 inquiring authority appointed by the employer for the purpose of these rules, have been notified on 19.01.2006.

### **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.6861.30 lakh has been released under the Scheme to the State Governments upto 31.12.2005 for rehabilitation of 266618 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 Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit 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 1,00,110 employees are coverable by extension of the schemes to 57 new geographical areas from 01.04.2005 to 31.12.2005. With these two measures, the total number of employees covered under ESI increased from 70.82 lakh as on 31.03.2004 to 75.70 lakh as on 31.3.2005 and number of beneficiaries increased from 3.07 crore as on 31.3.2004 to 3.29 crore as on 31.3.2005.
- At present, the ESI Scheme is extended to all factories covered under the Employees' State Insurance Act, 1948 under Section 2(12) and other establishments, such as, (i) Shops (ii) Hotel and Restaurants (iii) Cinemas & Preview Theatres (iv) Road Motor Transport Undertakings and (v) Newspaper Establishments are also covered under Sec. 1(5) of the Act. There is, however, need to extend the scheme to new sectors so that the infrastructure and other facilities available under the ESIC e.g.

educational institutions, health care institutions, etc. are fully utilized.

- The ESIC proposes to extend the scheme to 76 new areas during the current financial year, of which it has covered 57 areas during 01.04.2005 to 31.12.2005. The total number of Centres covered under the ESI Scheme as on 31.3.2005 are 718.
- In consonance with the decision to extend ESI Scheme to educational institutions, a notification under Section 1(5) of the ESI Act is required to be issued by the respective State Governments after seeking the approval of the Central Government, present position is as under:-
  - (a) **States which have issued final notifications under Section 1(5) of the Act :** The State Governments of Rajasthan, Bihar, Pondicherry, Uttaranchal, Chhattisgarh and Jammu & Kashmir have issued the final Notifications on 26.10.2004, 01.05.2005, 12.07.2005, 21.09.2005, 27.10.2005 and 25.11.2005 respectively for extending coverage to educational institutions.
  - (b) **States which have issued intention notifications under Section 1(5) of the Act :** The State Governments of Karnataka, Himachal Pradesh, and Tamil Nadu have issued intention notifications u/s 1(5) on 31.01.2004, 12.01.2005 and 11.05.2005 respectively to extend the scheme to educational Institutions and these states are in process of issuing of final notifications. The Govt. of Madhya Pradesh and West Bengal have also obtained approval of the Central Govt. on 29.11.2004 & 02.01.2006, for issue of intention notification under Section 1(5) of the Act
- The Corporation has also approved extension of ESI Scheme to private

medical institutions. As on date, the Govt. of West Bengal has issued the intention notification on 30.11.2005. The State Governments of Himachal Pradesh, Pondicherry, Rajasthan and Uttaranchal have obtained the approval of the Central Government on 07.12.2005, 28.10.2005, 07.12.2005 and 21.12.2005 respectively for issue of intention notifications.

- The ESIC has, for the first time, formulated and finalized w.e.f. 16.09.2004, rate contract for procurement of Ayurvedic medicines, which will be operated by the Ayurvedic dispensaries, and other medical institutions of ESIC in the country.
- Under the AIDS prevention programme being implemented by the ESIC, the retroviral medicines worth about Rs.15,000/- 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 counselling and testing centres for the HIV / AIDS programme have been procured and supplied by the ESIC. Besides this 42 STD centres have been set up.
- ESIC in its 133<sup>rd</sup> meeting held on 07.07.2005 has taken a decision to set up zonal super speciality centres all over the country.

**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 4.98 lakh Factories/ Establishments. As on 31.03.2005, 4.11 crore employees are covered under the scheme. A number of improvements have been effected in recent years to provide higher benefits to the employees.

1.21 A key element of the ‘Reinventing EPF, India’ Project is to allot a nationally unique Social Security Number that remains constant and permanent. It means one permanent number and one account for each member of the workforce regardless of geographical location or employer. It is a 14 (fourteen) digit number based on the unique features of the subscriber and this unique number has been named as ‘National Social Security Number (NSSN)’. So far 29,04,811 records have been processed, of which 28,78,593 NSSN have been generated. The Allotment of NSSN is an ongoing process.

**FOCUS ON WORKERS IN THE UNORGANISED SECTOR**

1.22 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.

1.23 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.

1.24 The Unorganised Workers suffer from cycles of excessive seasonality of employment, absence of 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.

### **Umbrella Legislation for workers in the Unorganised Sector**

1.25 The Second National Commission on Labour (1999-2002) has suggested an umbrella legislation for ensuring a minimum level of protection to the workers in the unorganized sector. 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. The proposal is under consideration in consultation with social partners including National Advisory Council (NAC) and

National Commission for Enterprises in the Unorganized Sector (NCEUS).

### **LABOUR WELFARE FUNDS**

1.26 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 Mines and Chrome Ore Mines Labour Welfare Fund Act, 1976;
- The Beedi Workers' Welfare Fund Act, 1976; and
- The Cine Workers' Welfare Fund Act, 1981.

1.27 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 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**

1.28 A new Revised Integrated Housing Scheme, 2005 (RIHS-2005) is under implementation w.e.f. 25<sup>th</sup> May, 2005 under which the cost of construction has to be met with central subsidy of Rs.40,000/- and worker's cash contribution of Rs.5000/- per tenement. The implementing agency will be the State Governments through District Collectors concerned, who will identify eligible workers, collect, scrutinize and send proposals to Director General of Labour Welfare (DGLW) for grant of administrative approval through Labour Secretary of concerned State Governments.

### **Scheme for Grant to Provide Medical Facilities to Beedi Workers**

1.29 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 reimbursement of expenditure on medicines per year.

### **Minimum Wages**

1.30 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 1530 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 State Machinery ensures the enforcement of the Act.

1.31 In order to protect the minimum wages against inflation, the Central Government has made provision of Variable Dearness Allowance (VDA) linked to Consumer Price Index. As regards States/UT Administrations, 25 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.01.10.2005.

1.32 Though the concept of a Uniform National Minimum Wage has been discussed at various fora over the years, the same has not got evolved 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 minimum 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 national 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 national floor level wage. Most of the States have revised their minimum wages in tune with the national floor level minimum wage.

## REVIEW OF LABOUR LAWS

1.33 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. There are **47 labour** related statutes enacted by the Central Government dealing with minimum wages, accidental benefits, death of worker, maternity, conditions of employment, disciplinary action, formation of trade unions, industrial relations, etc.

1.34 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.

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

### **The Payment of Wages Act, 1936**

1.36 Earlier the Act was applicable to employees drawing upto Rs.1600/- a month.

1.37 To enlarge its scope and provide for more effective enforcement, the Payment of Wages Act, 1936 has been amended in 2005 vide amendment Act No.41 of 2005 dated the 8<sup>th</sup> September, 2005 and enforced w.e.f. 8<sup>th</sup> November 2005 vide Notification No. SO. 1577 (E) dated the 8<sup>th</sup> November 2005. The amended provisions include enhancement of wage ceiling from Rs.1600/-per month

to Rs.6500/-per month for applicability of the Act and empowering the Government to enhance the ceiling by notification in future.

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

1.38 A Bill has been introduced in Rajya Sabha on 22<sup>nd</sup> August, 2005 to make 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 as against 19, at present, 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 various labour laws. The registers can be maintained on the computer and the annual report can be transmitted by e-mail.

### **The Maternity Benefit Act, 1961**

1.39 A proposal to amend the Maternity Benefit 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**

1.40 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**

1.41 The Bill to amend Section 66 of the Factories Act, 1948 to provide

flexibility for employment of women during night shift with adequate safeguards for their safety, dignity, honour and transportation from factory premises to the nearest point of residence was introduced in the Lok Sabha on 16<sup>th</sup> August, 2005.

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

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

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

1.43 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 of the Act is under examination.

**The Payment of Bonus Act, 1965**

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

**Employees’ State Insurance Act, 1948**

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

**MANISANA WAGE BOARDS**

1.46 A Central Level Monitoring Committee, constituted under the Chairmanship of Labour & Employment Adviser, Ministry of Labour and Employment, for reviewing the implementation of the recommendations of the Mansiana Wage Board have so far met on five occasions on 08.03.2002, 13.11.2002, 06.06.2003, 28.01.2004 and 11.08.2005.

1.47 To review the implementation of the Award in the States / Union Territories, the Central Level Monitoring Committee have so far visited Guwahati in Assam, Kolkata in West Bengal and Bhubaneswar in Orissa during 10-12 July, 2003, Bhopal and Indore in Madhya Pradesh during 26-27 October 2005 and Hyderabad in Andhra Pradesh during 4-6 January, 2006

**OCCUPATIONAL SAFETY AND HEALTH (OSH)**

1.48 The provisions on Occupational Safety & 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 & 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.

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

- Every year, Ministry of Labour and Employment is distributing awards viz.

Prime Minister's Shram Awards, National Safety Awards and Vishwakarma Rashtriya Puraskar 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 and the manufacturing units employing 500 or more workers in the Private Sector in recognition of their performance, devotion to duty etc. The Prime Minister's Shram Awards for the year 2004 announced in March, 2005 will be distributed to 45 workers including 6 women by the Hon'ble Prime Minister in the Award Presentation Ceremony proposed to be held shortly.
- The Vishwakarma Rashtriya Puraskar (VRP) is given to individual workers or group of workers for their outstanding suggestions leading to improvement in productivity, safety and health as well as the import substitution resulting in the savings of foreign currency. The National Safety Awards (NSA) are given in recognition of good safety performance on the part of the industrial establishments covered under the Factories Act 1948, the employers covered under the Dock Workers (Safety, Health and Welfare) Act, 1986 and the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. Shri K.M. Sahni, Union Secretary for Labour and Employment distributed the Vishwakarma Rashtriya Puraskar and the National Safety Awards for the year 2004 in a function held on 17.09.2005 at Vigyan Bhawan, New Delhi.
- 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. The National Safety Awards (Mines) for the years 2002 and 2003 have been finalized and are proposed to be distributed shortly.

## **CENTRAL BOARD FOR WORKERS EDUCATION**

1.50 The Central Board for Workers Education (CBWE established in 1958, is a tripartite society which implement the Workers Education Programmes 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.

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

1.52 The Board has set up a new Zonal Directorate at Guwahati with the approval of the Ministry of Labour and Employment during the month of January, 2005 and has started functioning from the month of February, 2005 to monitor the activities of the Board for the North-East Region of the country.

1.53 The Board has an apex level training institute – Indian Institute of Workers Education, Mumbai established in 1970 to conduct national level training programmes for the activists of Central Trade Union Organisations and Federations, Voluntary Organisations besides training programmes for Board's officials.

1.54 Since 1970 till November, 2005, the Board has conducted 640 programmes of varied durations at national level for 16,091 participants.

1.55 In the organized, unorganized and rural sector, the Board has in all conducted 3,42,841 programmes of varied durations for 1,01,44,497 workers since inception till November, 2005.

1.56 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, Govt. of India to the Board with an additional outlay of Rs.2.00 crore for the year 2004-05 and also Rs.2.00 crore for the year 2005-06 respectively. Since the introduction of the programmes i.e. from April, 2003, the Board has conducted 2,635 programmes for 1,02,962 workers till November, 2005

## LABOUR STATISTICS

1.57 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). A National Level Users' Meeting for release of New Series of Consumer Price Index Number for Industrial Workers (CPI-IW) (Revised Base 2001=100) as approved by Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCL) was held on 19-20<sup>th</sup> May 2005, at Labour Bureau, Shimla. The New Series is an improvement over the existing series in view of the more representative character and reflection of latest

consumption patterns of the industrial workers. It was also informed that a total of 78 centres have been covered in 2001 series, as against 70 centres in the existing series, and the number of markets expanded to 289 from 226 in the earlier series. The sample size has been increased to 41040 families from 32616 for the conduct of the family income and expenditure survey. The basket of consumption stands extended to 370 items, as against 260 in 1982 series.

1.58 The representatives of employers' organizations, the Central and State Governments, RBI etc., endorsed the immediate release of new series of CPI-IW (Base 2001=100). The representatives of the workers' organizations expressed appreciation of the efforts made by the Labour Bureau and TAC on SPCL in bringing out the new series of CPI-IW (Base 2001=100). However, the Central Trade Union Members attending the National Level Users' Meeting, desired to have involvement at all stages of index compilation in future.

1.59 Further, a meeting with the representatives of Central Trade Unions to have discussions on the release of new series of CPI-IW (Based 2001=100) was held on 9<sup>th</sup> September, 2005, wherein it was desired to have participation of three representatives each representing all the Central Trade Unions and all Employers Organizations in TAC on SPVL. A meeting of the TAC on SPCL after reconstitution, would accordingly be arranged to facilitate the release of new series.

1.60 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

1.61 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. **The other 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

1.62 . 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, Rs.124.01 crore for 2003-2004 and 151.74 crore for 2004-2005, which have been 94.17%, 99.21% and 91.96% of the RE respectively. The outlay for 2005-2006 is Rs.232.48 crore (BE).

#### INTERNATIONAL COOPERATION

1.63 The 93<sup>rd</sup> Session of the International Labour Conference was held from 31<sup>st</sup> May to 16<sup>th</sup> June, 2005 in Geneva, wherein a 22 member Tripartite Indian Delegation led by Shri Md. Amin, Hon’ble Minister of Labour, Government of West Bengal had attended. Shri G. Vinod , Labour Minister, Government of Andhra Pradesh was also a member of the delegation

1.64 A six-member delegation from the People’s Republic of China led by the Vice Minister for Labour and Social Affairs visited India from 24<sup>th</sup> to 26<sup>th</sup> October 2005 on the invitation of the Government of India. A Memorandum of Understanding (MoU) for extension of the Indo-China accord on cooperation in employment, vocational training and social security for

further three years was signed between the Government of India and the Government of People’s Republic of China on the 25<sup>th</sup> October, 2005.

#### V.V.GIRI NATIONAL LABOUR INSTITUTE (VVGNI)

1.65 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)

1.66 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**

1.67 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”**

1.68 Union Finance Minister in his Budget Speech 2004-05 had announced measures for upgradation of 500 ITIs in the country. Subsequently, as per the advice of M/o Finance, action has been initiated for upgradation of 100 ITIs from domestic resources and 400 ITIs through World Bank assistance.

1.69 The said 100 ITIs to be funded from domestic resources have been distributed in 26 States/UTs (other than J&K, Sikkim and NE States) in proportion to the number of Government ITIs in these States. The total cost of the scheme is Rs 160 crore, Central share being Rs 120

crore, in view of ratio of 75:25 as advised by Ministry of Finance.

1.70 The objective of the scheme is to upgrade the existing 100 ITIs into “Centers of Excellence (CoE)” for producing multi skilled workforce of world standard. The highlights of the scheme are introduction of multi-skilling courses during the first year, followed by advanced/specialized modular courses in the second year by adopting industry wise cluster approach, multi entry and multi exit provisions, and Public-Private-Partnership in the form of Institute Managing Committee (IMC) to ensure greater & active involvement of industry in all aspects of training.

### **Testing and Certification of skill acquired through non-formal means**

1.71 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 7500 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.

### **Public private partnership**

1.72 Public private partnership has been forged further through constitution of additional Institute Management Committee in 170 more ITIs increasing the overall number to 480 covering 23 States.

### **New trades under Craftsmen Training through ITIs introduced**

1.73 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 10<sup>th</sup> 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**

1.74 DGE&T is implementing Centrally Sponsored Scheme (CSS) “Establishment of new Industrial Training Institutes (ITIs) in the North-Eastern states and Sikkim” with the main objective to meet both qualitative and quantitative skilled and semi-skilled manpower requirement for industry, service sector, self employment etc. by way of creating and developing infrastructure for training of youth in identified skill areas. The scheme envisages establishment of 22 New ITIs and strengthening / modernization of 35 existing ITIs in North-Eastern Region. On completion of implementation, the seating capacity in ITIs would increase from the existing 7244 to 16144. The scheme also provides Technical Assistance for training of faculty/ sponsored candidates from NE Region.

1.75 The total outlay of the CSS is Rs.100 crore. The scheme has now been merged with another CSS project on Jammu & Kashmir and the closing date for implementation has been extended till 31.03.2007.

**Revision of National Classification of Occupation (NCO)**

1.76 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.

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

1.77 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, Bhubaneswar and Guwahati.

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

1.78 A scheme was jointly taken by DGET & the 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 the Ministry of Information Technology. The Standing Finance Committee (SFC) has approved the Scheme. Following five components have been covered under the scheme and the work has already been completed 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
	<b>Total</b>	<b>1170</b>

\*\*\*\*\*