

Chapter-3

INDUSTRIAL RELATIONS CENTRAL INDUSTRIAL RELATIONS MACHINERY (CIRM)

BRIEF REPORT ON ACTIVITIES OF CLC's (C) ORGANISATION

3.1 The Chief Labour Commissioner's (Central) [CLC(C)] Organisation, also known as Central Industrial Relations Machinery, is an attached office of the Ministry. The CIRM is headed by the Chief Labour Commissioner (Central). It has been entrusted with the task of maintaining Industrial Relations, enforcement of Labour Laws and verification of Trade Union Membership in central sphere. CIRM has complement of

25 officers at the Head Quarters and 253 Officers in the field. The offices of these Officers are spread over different parts of the country with zonal, regional and unit level formations.

FUNCTIONS OF THE ORGANISATION:

3.2 The functions of CIRM broadly are given as under:

FUNCTIONS OF CRIM
<ul style="list-style-type: none"> • Prevention and settlement of Industrial Disputes, in central sphere; • Enforcement of Labour Laws and Rules made thereunder in central sphere; • Implementation of awards. • Quasi-Judicial functions. • Verification of the membership of the Trade Unions. • Welfare. • Other Miscellaneous functions.

PREVENTION AND SETTLEMENT OF INDUSTRIAL DISPUTES

3.3 The CIRM ensures harmonious industrial relations in the central sphere establishments through: -

- Monitoring of industrial relations in Central Sphere.
- Intervention, mediation and conciliation in industrial disputes in order to bring about settlement of disputes.
- Intervention in situations of threatened strikes and lockouts with a view to avert the strikes and lockouts.
- Implementation of settlements and awards.

- Enforcement of other provisions in Industrial Disputes Act, 1947 relating to: (1) Works Committee, (2) Recovery of Dues, (3) Lay off, (4) Retrenchment, (5) Unfair Labour Practices, etc.

3.4 During the year 2005-2006 the CIRM intervened in 380 threatened strikes and its conciliatory efforts succeeded in averting 376 strikes, which represent a **success rate of 98.9%**.

The machinery handled the Industrial Disputes during the year 2004-2005 as given as under: -

Details of the Industrial Disputes handled by CIRM						
No. of Disputes received by CIRM	No. of Disputes which were considered unfit for intervention by CIRM	No. of Disputes which were settled without holding formal conciliation proceedings	No. of Disputes which formal C.P. were held	No. of Disputes in which conciliation proceeding led to the settlement of Disputes	No. of Disputes in which conciliation proceedings ended in failure	No. of Disputes Pending with the CIRM on the close of the year
9538	-	2017	4309	1566	2743	3212

Note - All figures are provisional.

ENFORCEMENT OF LABOUR LAWS:

3.5 Another important function of CIRM is enforcement of Labour Laws in the establishments for which Central Government is the appropriate Government. The machinery enforces following Labour Laws and Rules framed there under: -

- (i) The Payment of Wages Act, 1936 & Rules made there under for Mines, Railways, Air Transport Services & Docks, Wharves and Jetties.
- (ii) The Minimum Wages Act, 1948 and Rules.
- (iii) The Contract Labour (Regulation & Abolition) Act, 1970 and Rules.
- (iv) The Equal Remuneration Act, 1976 & Rules.
- (v) The Inter-State Migrant Workmen (RE&CS) Act, 1979 and Rules.
- (vi) The Child Labour (Prohibition & Regulation) Act, 1986 and Rules.
- (vii) The Payment of Gratuity Act, 1972 and Rules.
- (viii) The Labour Laws (Exemption from Furnishing returns and Maintaining Registers by certain Establishments) Act, 1988.
- (ix) The Building and Other Constructions workers (Regulation

of Employment & Conditions of Service) Act, 1996 and Rules.

- (x) Chapter VI-A of Indian Railway Act; Hours of Employment Regulations for Railways Employees.
- (xi) The Industrial Employment (Standing Orders) Act, 1946 & Rules.
- (xii) The Maternity Benefit Act, 1961 (Mines and Circus Rules, 1963) & Rules.
- (xiii) The Payment of Bonus Act, 1965.

3.6 There are approximately 1.5 lakh establishments in the Central Sphere. The Inspecting Officers of CIRM inspect these establishments under different Labour enactments through routine inspections, special drives for inspections under the crash inspection programmes and taskforce inspections to secure benefits of the beneficial legislations to workers. Special emphasis is given to enforcement of beneficial enactments such as the Contract Labour (Regulation & Abolition) Act, 1970, the Minimum Wages Act, 1948 and the Building and Other Construction Workers

(Regulation of Employment & Conditions of Service) Act, 1996 in the unorganised sector. Prosecutions are launched against persistent defaulters

and in respect of major violations. Details for the year 2004-2005 are given as under –

STATEMENT SHOWING NUMBER OF INSPECTIONS ETC. UNDER VARIOUS LABOUR LAWS				
No. of Inspections	No. of Irregularities		No. of Prosecutions launched	No. of Convictions
	Detected	Rectified		
40306	829391	435748	13457	8105

NOTE:- All figures are provisional.

IMPLEMENTATION OF AWARDS:

3.7 The officers of CIRM implement Awards issued by Central Government Industrial Tribunal-cum-Labour Courts (CGITs). During the year 2005-2006 (upto December, 2005 provisional), 889 (P) awards (including those brought forward) were received. Out of these, 82 (P) were implemented, implementation of 158 Awards was in progress, implementation of 453 Awards was stayed by High Courts & implementation of 176 (P) Awards was pending due to other reasons. Difficulties in implementing the awards are experienced as employers bring stay orders from High Courts on implementation. Besides, sanction for prosecution of employers by the employing Ministries as required under section 197 of Cr PC seldom comes.

CLC(C) -Director General (Inspection) under the Building and Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996, Appellate Authority under Industrial Employment (Standing Orders) Act, 1946.

Dy. CLC(C) Appellate Authority under the Industrial Employment (Standing Orders) Act, 1946. Authority under Rule 25(2)(v)(a) and (b) of the Contract Labour (Regulation and Abolition), Rules 1971

RLC (C)- Authority under the Minimum Wages Act, 1948. Appellate Authority under the Contract Labour (Regulation and Abolition), Rules 1971. the Payment of Gratuity Act, 1972 and Equal Remuneration Act, 1976 . Certifying officer under Industrial Employment (Standing Orders) Act, 1946 , Supervisor of Railway Labour under HOER

QUASI-JUDICIAL WORK:

3.8 The CIRM officers from the level of ALC (C) up to the level of CLC(C) also perform certain Quasi Judicial Functions as shown below:

ALC(C)- Controlling Authority under Payment of Gratuity Act, 1972 ; Authority under Equal Remuneration Act, 1976 ; Registering and Licensing Officer under

Contract Labour (Regulation and Abolition) Act, 1970 .

3.9 The cases decided by these officers under some of the above enactments / rules are given in the table below: -

Nature of Quasi Judicial Work	Cases/ Applications / Claims B/F from previous year	Cases/ Applications / Claims received during the year	Total	Cases/ Applications / Claims disposed off	Amount Awarded (in Rupees)
Gratuity Applications under the Payment of Gratuity Act, 1972 (2004-2005)	4074	4289	8363	5074	631754300
Gratuity Appeals by RLCs under the Payment of Gratuity Act, 1972 (2004-2005)	251	612	863	472	-
Claim applications by RLCs(C) under the Minimum Wages Act, 1948 (2004-2005)	4346	4205	8551	3974	38216617
Applications for certification/modification of Standing Orders by RLCs(C) (2004-2005)	31	36	67	39	-
Cases under BOCW Act (2004-2005)	-	2004	2004	190	1,19,000
(2005-2006) (P)	-	694	243	3	1,62.500

P= All figures are provisional.

VERIFICATION OF TRADE UNION MEMBERSHIP:

Verification of Trade Union Membership for recognition under code of Discipline:
(a) By Record Checking and Sampling
(b) Secret Ballot.

3.10 During the year 2005-06 (P), the Officers of CIRM completed verification

under Code of Discipline in 06 establishments. Out of these, verification was conducted through secret Ballot in 04 establishments and through code of Discipline in the remaining one.

Verification for Appointment of Workmen Director under (a) State Bank of India and its subsidiaries (Appointment of Employee Directors)

Rule, 1974 (b) Nationalized Banks (Management and Miscellaneous rovisions) Scheme 1970 & 1980

3.11 Statutory verifications for the purpose of appointment of workmen Directors was completed in one Bank. It is in progress in another 15 Banks..

General Verification of Central Trade Unions by checking Records and Sampling.

3.12 Verification of membership of unions affiliated to the Central Organisations of Workers in the country is one of the important functions of this organization. Representations of Labour on the tripartite bodies, development councils, committees, boards, etc., at national and international level (including ILO) is granted on the basis of the results of general verification.

3.13 Hon'ble High Court of Delhi directed the CLC(C) to conduct the general verification with date of reckoning as 31.12.2002 vide its order dated 25.07.2003 within a span of one year from the date of receipt of the order. The 1st phase of general verification has been completed and the 2nd phase of General Verification is in progress. The decision on the application seeking extension of time, filed in the Hon'ble High Court , is still awaited.

The Right to Information Act ,2005

About 24 petitions forwarded by the Ministry of Labour and Employment to Chief Labour Commissioner (Central)'s Organization were disposed off as per the provisions of the Right to Information Act,2005

MISCELLANEOUS FUNCTIONS

3.14 The CIRM performs the following miscellaneous functions also: -

1. Conducting periodic meetings of Minimum Wages Advisory Board and notifying Variable Dearness Allowance every six months as per A.I.C.P.I. number.
2. Defending the Ministry of Labour and Employment in Writ Petitions filed against the Ministry in different High Courts.
3. Investigations of Complaints as per direction of the Ministry of Labour and Employment.
4. Assisting Central Advisory Contract Labour Board as conveners of different sub-committees to examine prohibition of contract Labour in different employments.
5. Assisting Ministry in preparation of different reports required to be submitted to International Labour Organisation.
6. Supplying information to Ministry in replying Parliament Questions on statutes enforced by CLC(C) organization.
7. Advising Ministry of Labour and Employment in conflict situations like strikes of All India Nature and other Labour matters.
8. Attending to Parliamentary Committees and other important delegations as per advice of the Ministry.
9. Keeping Liaison with State Government Labour Departments for collection of information as per direction of the Ministry.
10. Assisting the Ministry of Labour and Employment in training of Central Labour Service Officers.

WELFARE

3.15 The Chief Adviser (Labour Welfare) supervises the functioning of Assistant Labour Welfare Commissioners (ALWCs), Deputy Labour Welfare Commissioners (DLWCs) and Labour

Welfare Commissioners (LWCs). The ALWCs and DLWCs are posted in Defence and other establishments, such as, CPWD, Security Presses, Mints, Ordnance Factories, Telecom Factories, and Hospitals etc., which are under the control of Central Government. The LWCs are posted at the Head Quarters of these establishments. Together these officers ensure harmonious Industrial Relations in their respective establishments. They also look after the welfare and redressal of grievances of the workers, administration of Welfare Schemes and advise the managements on various Labour Matters including constitution of bilateral committees, such as ,Shop Councils, Works Committees etc.

MAJOR INDUSTRIAL RELATION EVENTS DURING THE YEAR (2005-2006) IN WHICH CIRM PLAYED IMPORTANT ROLE

Settlement in Heavy Water Plant, Baroda

3.16 The Assistant Labour Commissioner (C), Baroda, brought about a Memorandum of settlement under Section 12(3) of Industrial Dispute Act, 1947 on 07.07.2005 between the management of Heavy Water Plant and its workmen represented by Shari Pani Kamdar Sangh. The settlement is likely to benefit around 250 workers and monetary benefit to 50 eligible workmen to the extent of Rs.25,000/- per month.

Cement Industry

3.17 The Federations of Unions operating in Cement Industry, Affiliated to INTUC, BMS, HMS, AITUC and CITU served a strike notice dated 19.9.2004, demanding wage negotiations on expiry of existing wage settlement dated 14th August, 2000. Discussions were held between the Federations representing workers and Cement Manufacturers' Association representing Employers on various dates by Joint CLC(C). Finally CLC(C) intervened and

held conciliation proceedings on 26.04.2005. After a prolonged and protracted discussions between the parties facilitated by CLC(C)'s suggestions, the parties arrived at an amicable settlement on the various aspects of wage negotiations.

3.18 The Settlement is fair and reasonable. The minimum benefit to each workman would be Rs.1500/- per month. It shall remain effective from 1.4.2005 to 31.3.2010. About 1,25,000 workmen in Cement Industry would be benefited by this settlement.

VISION STATEMENT OF CLC(C) ORGANISATION DURING 2005-2006

To re-orient approach in inspection

3.19 The inspections will be relief oriented and will be conducted selectively with emphasis on inspecting the establishments in remote and inaccessible areas. Efforts will be made to increase the number of inspections by 10% over last year.

To submit report to the Ministry on simplification of procedures, returns and registers

3.20 A report on simplification of procedures associated with functioning of CIRM as well as on simplification and reducing the number of various returns furnished by the employers and registers maintained by the employers under different labour laws will be finalized and submitted to Ministry of Labour for further action.

Improving conciliation services

3.21 The number of settlements will be increased by 10% over last year by making conciliation more effective. Collective disputes will be handled at various levels. The settlement of an I.D. will be treated as a mission rather than merely a job.

Progressive increase in use of E-mail

3.22 Officers of CIRM will be encouraged to use E-mail in place of fax messages as a measure of improving efficiency of the organisation.

EMPLOYEES PARTICIPATION IN MANAGEMENT:

Plan scheme for Education and Training of workers and monitoring/implementation of the scheme of Workers Participation in Management.

3.23 The education and training of managers and workers are ongoing processes in the development of a participative culture for successful implementation of the scheme on Participation of Workers in Management. The thrust of these training programmes is upon positive role which workers participation in management will play in bringing about an all round improvement in work culture and ensure a peaceful and harmonious industrial relations in the industries.

3.24 During the year 2005-2006, the Central Board for Workers Education, Nagpur has conducted 33 training courses to promote Worker's Participation in Management (Two courses at National level and 31 courses at Regional level). The National Level courses will be conducted at the Indian Institute of Workers' Education, Mumbai and Regional Level courses at their Regional Centres. The total proposed cost of the project is Rs.3,99,000/-

Trade Unions (Amendment) Act, 2001

3.25 The Trade Unions Act, 1926 provides provisions for registration of trade unions of employers and workers and in certain respects, it defines the law relating to registered trade unions. It confers legal and corporate status on registered trade unions. The Act is administered by the concerned State Governments.

3.26 The Trade Unions Act, 1926 has been amended and enforced w.e.f. 09.01.2002. The objective of these amendments, in brief, is to ensure orderly growth of trade unions and reduce multiplicity of trade unions and promote internal democracy.

Amendment proposals to the Industrial Disputes Act, 1947

3.27 The Industrial Disputes Act, 1947 provides for investigation and settlement of industrial disputes. The main objectives of the Act are: promotion of measures for securing and preserving amity and good relations between the employer and workmen; investigation and settlement of industrial disputes, between employers and employees, employers and workmen or workmen and workmen, prevention of illegal strikes and lock-outs; relief to workmen in the matter of lay-off and retrenchment; and collective bargaining.

3.28 Keeping in view the Common Minimum Programme, the amendment proposals in the Industrial Disputes Act, 1947 will be finalized after detailed consultation with social partners.

Plantations Labour Act, 1951

3.29 The Plantation Labour Act, 1951, is a Central Act enacted by the Union Government in 1951. The Act is in operation since 1954. The Act is enforced by the respective State Governments, who designate Chief Inspector under the Act. The Chief Inspectors under the Act, on the basis of rules framed by the respective State Governments, ensure implementation of welfare measures relating to medical facilities, educational facility, housing facilities, drinking water facility, sanitation and conservancy etc. However, since 1951, the socio-economic conditions, the infrastructure facilities and the welfare

activities of the State Governments have evolved significantly. Accordingly the Ministry of Labour and Employment is considering to amend the Act.

Monitoring of Industrial Relations

3.30 The Labour Relations Monitoring Unit, set up in 1981, monitors the extent of industrial harmony based on the information collected on the number and spatial dispersion of strikes/lockouts, number of workers involved and man days lost, number of units reporting retrenchment and the extent of lay offs.

3.31 The total number of strikes and lockouts decreased from 552 in 2003 to 477 in 2004 thereby showing a decline of 13.59% in 2004. However, workers affected due to these disturbances increased from 1.82 million in 2003 to 2.07 million in 2004 showing a 13.74% rise in 2004. During the period January-September, 2005, a total number of 340 strikes and lockouts have taken place, thereby affecting 1.41 million workers.

3.32 The spatial/industry-wise dispersion of the number of strikes and lockouts and the workers involved/affected as a result of this is 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.

3.33 Man-days lost is a direct measure of the impact of industrial unrest on the workmen. At the aggregate level, man-days lost due to strikes and lockouts have decreased by 21.12% in 2004 as compared to 2003. During 2005 (January-September), the man days lost due to strikes and lockouts were 2.83 million and 4.47 million respectively.

3.34 Most of the industrial unrest, as indicated by the strikes and lockouts, has been primarily related to indiscipline & violence, non-payment of wages & allowances and personnel matters.

Closure

3.35 The number of units effecting closure, in both the Central and State spheres, increased to 194 in 2004 as compared to 123 in 2003 and consequently, the workers affected due to this also increased to 13136 in 2004 from 8673 during 2003. During 2005 (January-September), the number of units closed were 60 and workers affected were 2864.

Lay-Off

3.36 Lay-off can be defined as the failure, refusal or inability of an employer on account of shortage of power, raw materials, accumulation of stocks or breakdown of machinery or natural calamity or for any other connected reasons, to give employment to a workman whose name is borne on the muster rolls of his industrial establishment and who has not been retrenched. It is usually an indication of the supply side bottlenecks faced by the industrial unit leading to low capacity utilization. The number of units effecting lay-off decreased from 188 in 2003 to 172 in 2004 while the number of workers affected due to lay-off increased from 23554 to 28982 during the period. During 2005 (January- September), 70 units have effected lay-off thereby affecting 7433 workers.

Retrenchment

3.37 While the number of units reporting retrenchment decreased from 74 during 2003 to 38 in 2004, the number of workers retrenched has increased from 2911 to 2944 during the same period. Nearly 97% of the units reporting retrenchment were in the

State sphere during 2004. During 2005 (Jan- Sept.), 1911 workers have been retrenched in 23 units.

3.38 As per the provisions contained in Chapter V-B of the Industrial Disputes Act, 1947, establishments employing 100 persons or more are required to seek prior permission of the appropriate Government in the prescribed application form before effecting closure, retrenchment or lay-off. In this Ministry applications are received from CPSUs and other establishments falling in the Central sphere. These applications are examined and a hearing is held in order to provide an opportunity to both the management and the workers to make submissions on issues pertaining to the proposed action of the management. Based on the oral and written submissions made by the parties, and considering the reasonableness/ genuineness of the management's application, a decision as to granting or not granting permission for closure, retrenchment or lay-off is taken. Wherever permission is granted, it is ensured that workers' interests are protected, as far as possible.

INDUSTRIAL TRIPARTITE COMMITTEES

3.39 Several Industrial Tripartite Committees (ITCs) have been constituted with the view to promote the spirit of tripartism. These tripartite bodies aim at deliberating on the industry-specific problems related to workers in the Cotton Textile Industry, Electricity Generation and Distribution Industry, Jute Industry, Road Transport Industry, Engineering Industry, Sugar Industry and Chemical Industry. Meetings of the Industrial Tripartite Committees on 'Road Transport', 'Jute Industry' and 'Cotton Textiles Industry' were held on 10th April, 25th August and

15th December, 2003, respectively. Two Tripartite Sub-Committees were set up, one on Jute Industry and the other on Road Transport Industry in 2003. While the Sub-Committee on Jute Industry has submitted its Report in August, 2004, the report of the Sub-Committee on Road Transport Industry is in the process of being finalized.

3.40 The Government's proactive role through timely and effective conciliation of industrial disputes and involvement of social partners in the tripartite fora, has successfully harmonized the interest of the employers and the workers, resulting in a change of attitude from confrontation to that of co-operation.

ADJUDICATION

3.41 For adjudication of industrial disputes, in respect of which the Central Government is the appropriate Government, there were 17 Central Government Industrial Tribunals (CGITs)-cum-Labour Courts. Five new CGIT-cum-Labour Courts have been set up at Guwahati, Ahmedabad, Ernakulam (Cochin), Delhi and Chandigarh during the year 2003-2004 and 2004-2005 thus taking the total number of CGITs to 22. In addition, the Industrial Tribunals-cum-Labour Court set up by the State governments and Union Territories Administrations are also utilized by the Central Government for adjudication of industrial disputes, where no Central Government Industrial Tribunal-cum-Labour Court in existence.

3.42 In order to reduce the pendency of cases, Lok Adalats are being organized by the CGIT-cum-Labour Courts. So far, 937 cases have been settled through Lok Adalats.

BOARD OF ARBITRATION (JOINT CONSULTATIVE MACHINERY)

3.43 The Government of India had introduced in 1966 a Scheme for Joint Consultative Machinery and Compulsory

Arbitration for resolving differences between the Government as an employer and the general body of its employees.

3.44 The Scheme provides for compulsory arbitration on Pay and Allowances, weekly hours of work and leave of a class or grade of employees.

3.45 Under the Scheme the Board of Arbitration (JCM) was set up in July, 1968. The Board consists of a Chairman and two

other members. The Chairman is a whole time person. The Ministry of Labour appoints the other two members at the time of referring the dispute to the Board out of a panel of members both from the Staff Side as well as from the Official Side maintained by it.

3.46 So far, the Board has given 256 Awards out of 259 references referred to them.

