

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 the 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 re-constituted on 24th June, 2002, and the non-official members hold office for a term of three years. The Chairman of the Board Dr. S. Balakrishnam Raju was appointed on 10th June, 2005 for a period of three years. Five meetings of the Board were held during the period under report and the 63rd meeting was held on 30-31 August, 2005 at Hyderabad (Andhra Pradesh).

10.6 Based on the recommendations of the Board, the Central Government have prohibited employment of contract labour in the establishments of Bandel and Sreerampur Railway Stations of Eastern Railways, All India Institute of Medical Sciences, New Delhi and Kolkata Port Trust, Kolkata in the jobs of parcel handling; operation and day to day maintenance of lifts, generators, and water pumps; and sleeper renewal of railway tracks, repairing, restoration and laying and linking of tracks respectively.

10.7. Every establishment and contractor, to whom the Act, applies have to register themselves/obtain a license for execution of the contract work. 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 primarily that of the contractor, and in case of default, that of 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. Bharat Coking Coal Ltd., Dhanbad have been granted exemption from the applicability of the notification prohibiting employment of contract labour in the jobs of raising or raising-cum-selling of coal etc. for a period of five years subject to the conditions that wages payable to contract labour shall be midway between the wages prescribed by the Government under the Minimum Wages Act, 1948 and wages payable to the lowest category of a regular worker i.e. Category-1 of National

Coal Wage Agreement comprising of basic pay plus dearness allowance and benefits of Provident Fund as well as medical facilities in the Colliery Dispensaries of Coal Company. 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 05.02.2006, subject to the condition that the wages paid to the contract workers are raised from Rs.129/-per day to Rs.140/-per day per 8 hour shift.

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 enforcing the provisions of the Act and the rules made thereunder.

A 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 land mark judgments were delivered by the Supreme Court on the Status of contract labour in the event of prohibition of employment of contract labour. In the SAIL case (2001), the Constitution Bench of the Supreme Court, however, 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 he/she 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)	2002-2003	2003-2004	2004-2005
1.	Registration Certificates issued to principal employers.	796	720	590
2.	Licences issued to Contractors.	7081	6778	7277
3.	Inspections conducted	5970	4991	4540
4.	Irregularities detected	90156	71632	59301
5.	Prosecutions launched	3453	3896	3356
6.	Convictions	2188	2072	2018
7.	Contract labourers covered by licences	1327298	853690	968792
8.	Licences revoked/cancelled/expired	6552	4014	6601
9.	Registration certificates revoked/cancelled	-	52	08
