

# PARLIAMENT PASSES THREE LABOUR CODES TO PAVE WAY FOR ENACTMENT OF HISTORIC “GAME CHANGER” LABOUR LAWS

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

The Rajya Sabha in its sitting today passed three labour codes namely, Industrial Relations Code, 2020 (ii) Code on Occupational Safety, Health & Working Conditions Code, 2020 & (iii) Social Security Code, 2020. With this, the decks for enactment of these codes have been cleared as Lok Sabha had passed these Bills yesterday.

Speaking during the discussions on the bills, Shri Gangwar described the Bills as historic game changer which will harmonize the needs of workers, industries and other related parties. He said that these Labour Codes will prove to be an important milestone for the welfare of the workers in the country. Shri Gangwar informed that from 2014 till now our Government has taken many steps for welfare of the workers and through these Labour Codes the dream of an overall labour reform is being realized. He emphasized that the OSH Code envisages safe working environment for workers especially women. The Minister added that an effective dispute resolution mechanism is being ensured through Industrial Relations Code providing for time-bound dispute resolution system in every institution. The Minister further said that the Social Security Code provides a framework to include organized and unorganized sector workers under the ambit of comprehensive social security. The Social Security Code contains provisions relating to EPFO, ESIC, building construction workers, maternity benefits, gratuity and social security fund for unorganized sector workers. “Through this Code, we are moving towards fulfilling the Prime Minister’s vision of Universal Social Security”, Shri Gangwar added.

Shri Gangwar further said that under the dynamic leadership of visionary Prime Minister Shri Narendra Modi, this Government has taken number of steps to fulfill the dreams of Baba Saheb Ambedkar from 2014 onwards and gave equal importance to ‘Shramev Jayate’ and ‘Satyamev Jayate’. My Ministry has been working tirelessly to provide social security and other welfare measures to both organized and unorganized workers including during this COVID-19 pandemic. He added that unprecedented steps were taken by Government and launched many welfare measures such as increasing the maternity leave for our sisters from 12 weeks to 26 weeks; women were allowed to work in mines under Pradhan Mantri Rozgar Protsahan Yojana. Formal employment was increased with portability in EPFO and welfare schemes and expansion of ESIC facilities to our fellow citizens.

Dwelling upon amalgamation 29 labour laws into four Labour Codes, Shri Gangwar said that extensive consultation was undertaken by the Government before finalizing the Labour Codes. These include discussions in nine Tripartite Meetings, 4 sub-committees, 10 inter-ministerial consultations, Trade Unions, Employers’ Associations, State Governments, Experts, International Bodies and also invited public suggestions/comments from people by placing them in public domain for 2-3 months.

The Minister stressed that the objective of labour reforms is to have their labour laws in line with the changing world of workplace and provide an effective and transparent system, balancing the needs of workers and industries. He further said that in this journey of 73 years of independence, the atmosphere, technological phase, mode of working and the nature of work has changed drastically in today's new India. With this change, if India does not make the required changes in its labour laws, then we will be left behind in both the welfare of the workers

and the development of industries”, Shri Gangwar said.

He emphasized that the structure of welfare and rights of Atmanirbhar Shramik is based on four pillars. Regarding First Pillar which is salary protection, the Minister said that even after 73 years of independence, and despite having 44 labour laws, only about 30 percent of India's 50 crore workers had the legal right to minimum wages and all the workers were not paid on time. “For the first time, our government has worked to correct this discrepancy and has given the legal right to all the 50 crore organized and unorganized sector workers to get minimum wages and timely wages”, Shri Gangwar added.

The second important pillar of labour safety, Shri Gangwar said is to give him a safe working environment to protect his health and lead a happy life. For this, he said, for the first time in the OSH Code, annual health check-up has been provided for workers above a certain age. Additionally, to keep the standards related to safety effective and dynamic, they can be replaced with changing technology by the National Occupational Safety & Health Board. In order to provide a safe environment, workers and employers should decide together, for this, a safety committee has been provided for in all institutions.

He also informed the House that the OSH Code reduced the minimum qualification from 240 days to 180 days for leave. The Bill also provides for the payment of at least 50 percent of the penalty imposed on an employer for injury or death at the work place, to the aggrieved worker, in addition to other benefits. With all these provisions, an effort has been made to give workers a safe working environment.

Stating that women should have the freedom to do the same work as men, he said that for the first time, a provision has been made that women can work in any type of institution at night as per their choice. “However, the employer will have to make all necessary security arrangements, as determined by the appropriate government”, he added

He informed that the third important pillar for workers is Comprehensive Social Security. In line with this resolution, he said the scope of ESIC and EPFO is being extended in the Social Security Code. To increase the scope of ESIC, a provision has been made that now its coverage will be in all 740 districts of the country. In addition to this, the option of ESIC will also be for plantation workers, unorganized sector workers, gigs and platform workers, and institutions with less than 10 workers. If there is a risky work in an institute, that institute will inevitably be brought under the purview of ESIC even if it is a sole labourer. Similarly, to increase the scope of EPFO, the schedule of the institutions has been removed in the current law and now all those institutions which have 20 or more workers will come under the ambit of the EPF. Apart from this, the option of EPFO for institutions with less than 20 workers and self-employed workers is also being given in the Social Security Code.

To provide social security to 40 crore unorganized sector workers, he informed, provision for “Social Security Fund” has been made. Through this fund, social security schemes will be made for workers and gigs and platform workers working in the unorganized sector and plans will be formulated to provide all kinds of social security benefits such as death insurance, accident insurance, maternity benefit and pension etc. to these 40 crore workers. “Through these efforts we have taken an important step towards fulfilling our pledge of Universal Social Security coverage”, he said.

Talking about Fourth Pillar, Shri Gangwar said that we have simplified and made effective IR Code so that peace and harmony prevail in the industrial units. On bringing Fixed Term Employment to the IR Code, engaged for a short period of their time and do not get service conditions, leave, salary, social security, gratuity etc. like regular employees, he said we have

also ensured that Fixed Term Employees' service conditions, salary, leave and social security will also be the same as a Regular Employee. In addition, Fixed Term Employee has also been given the right to pro-rata Gratuity.

Shri Gangwar also emphasized that the provisions of Strike in IR Code do not take back the right of any workers to go on strike. Prior to going on the strike, the 14-day notice period obligation has been imposed on every institution to attempt to end the dispute through amicable negotiations during this period. Neither the workers nor the industry have any benefit from the workers going on the strike", he added.

As far as raising the threshold in Retrenchment, Closure or Lay-off in the IR Code from 100 workers to 300 workers, he pointed out that labour is the subject of concurrent list, and the concerned state governments have right to change the laws. He informed that as many as 16 states, using this right, have already increased this limit. Parliamentary Standing Committee also recommended that this limit be increased to 300. Moreover, most of the institutes do not want to keep more than 100 workers in their institution, which promotes informal employment", Shri Gangwar stressed.

The Minister also informed that according to the Economic Survey 2019, after increasing this Threshold from 100 to 300 in the state of Rajasthan, along with the number of large factories, there has also been an increase in employment generation of workers and an unprecedented reduction in layoffs. "This makes it clear that changing this one provision will motivate investors to set up large factories in the country, and by setting up more factories, more employment opportunities, more workers in our country will be generated for", he opined.

Shri Gangwar also said that the Trade Unions play an important role in getting workers their rights in institutions. Recognizing the contribution, for the first time in law, Trade Unions are being recognized at the institution level, state level and center level. For the first time in the IR Code, he informed, a provision of Re-skilling Fund has been made with the objective of increasing the chances of employment again if any worker is missed. These workers will be given 15 days salary for this.

Mentioning special provisions made to strengthen the rights of migrant workers in the scenario of COVID-19, he said, the definition of migrant workers has been broadened. Now all the workers who come from one state to another state, and their salary is less than 18 thousand rupees, they will come under the definition of migrant labour and will get the benefit of welfare schemes of the government. Apart from this, there is a provision to create a data base for migrant workers, portability of their welfare schemes, a separate help line arrangement and travel allowance to be given by the employer once a year for them to go to their place of origin.

Shri Gangwar also informed that under various labour laws, there will be no need to have multiple registrations or multiple licenses to set up industries. "As far as possible, now we are going to arrange to provide registration, license etc. in a time bound manner and under online process", he added.

Shri Gangwar concluded saying that through these 4 Labour Codes we are ensuring the welfare of workers on the one hand, on the other hand it is an effort to develop new industries through a simple compliance system, which will create employment for our workforce. New opportunities should be created. "With enactment of new Labour Codes, the vision of our Prime Minister to have Sabka Sath, Sabka Vikas and Sabka Vishwas will get a big boost and India will march to the front league of developed nations", Shri Gangwar emphasized.

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