




News Analysis (31 Jul, 2019)

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The Code on Wages Bill

Recently, the **Lok Sabha** has passed the **Code on Wages Bill, 2019**.

The Code on Wages Bill was earlier introduced in Lok Sabha in 2017 and was referred to the **Parliamentary Standing Committee** which submitted its report in December 2018. However, owing to the dissolution of 16th Lok Sabha, the Bill lapsed.

Constitutional Provisions

- The **Article 43 of the Constitution of India** states that the state shall endeavor to secure by suitable legislation or economic organization or in any other way to all **workers a living wage, conditions of work ensuring a decent standard of life** and full enjoyment of pleasure and social and cultural opportunities.
- Under the Constitution of India, **Labour is a subject in the Concurrent List of the Seventh Schedule** where both the Central & State Governments are competent to enact legislation.

Need

- To **streamline the definition of wages** as present labour laws consist of 12 different definition of wages which is the major cause of litigation and inefficiency in the implementation of labour laws.
- The definition has been simplified and is expected to **reduce litigation and will entail at a lesser cost of compliance** for an employer.
- An establishment will also be benefited as the number of registers, returns, forms, etc., not only can be electronically filed and maintained, but it is envisaged that through rules, **not more than one template will be prescribed**.

Highlights of the Bill

- The bill aims to **transform the old and obsolete labour laws** into more accountable and transparent ones and seeks to pave the way for the introduction of minimum wages and **labour reforms in the country**.
- It regulates the wages and bonus payments in all employments where any industry, trade, business, or manufacturing is being carried out.
- The bill **subsumes** the following **four labour laws**:
 - The Payment of Wages Act, 1936
 - The Minimum Wages Act, 1948

- The Payment of Bonus Act, 1965
- The Equal Remuneration Act, 1976.
- It universalizes the provisions of minimum wages and timely payment of wages to all employees irrespective of the sector and wage ceiling and seeks to **ensure "Right to Sustenance" for every worker** and intends to increase the legislative protection of minimum wage.
- It has been ensured in the bill that employees getting **monthly salary** shall get the salary **by 7th of next month**, those working on a **weekly basis shall get the salary on the last day** of the week and **daily wagers should get it on the same day**.
- The provisions of the bill will apply to all the employees.
 - At present, the provisions of both the Minimum Wages Act and Payment of Wages Act apply on workers **below a particular wage ceiling working in Scheduled Employments** only.
 - Many unorganized sector workers like agricultural workers, painters, persons working in restaurants and dhabas, chowkidars, etc. who were out of the ambit of minimum wages will get legislative protection of minimum wages after the bill becomes an Act.
- The Central Government is empowered to **fix the floor wages** by taking into account the living standards of workers. It may set different floor wages for **different geographical areas**.
The minimum wages decided by the central or state governments must be higher than the floor wage.

Wages

- According to the bill, **wages** include salary, allowance, or any other component expressed in monetary terms. This does not include bonus payable to employees or any traveling allowance, among others.
- **Minimum Wage: International Labour Organisation** defines it as “the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract”. Or, the minimum wage includes the **bare needs of life like food, shelter, and clothing**.
- **Living Wage:** It is the wage needed to provide the **minimum income necessary** to pay for basic needs based on the cost of living in a specific community. In addition to bare needs, a ‘living wage’ **includes education, health, insurance, etc.**
- **Fair Wage:** A ‘fair wage’ is a **mean** between ‘living wage’ and ‘minimum wage’.
- It simplifies the methodology to fix minimum wage by **doing away with the “type of employment” as one criterion**. The minimum wage fixation would **primarily be based on geography and skills**.
- In order to **ensure transparency and accountability**, the bill seeks to reform the inspection regime by **introducing web based random computerised inspection scheme, jurisdiction-free inspections**, calling of information electronically, the composition of fines, etc.
- To streamline the claims of workers, the limitation period for filing claims for minimum wages, bonus, equal remuneration has been raised to 3 years.
- It prohibits gender discrimination in matters related to wages and recruitment of employees for the same work or work of similar nature.

Impact

- It seeks to **reduce compliance costs** for employers.

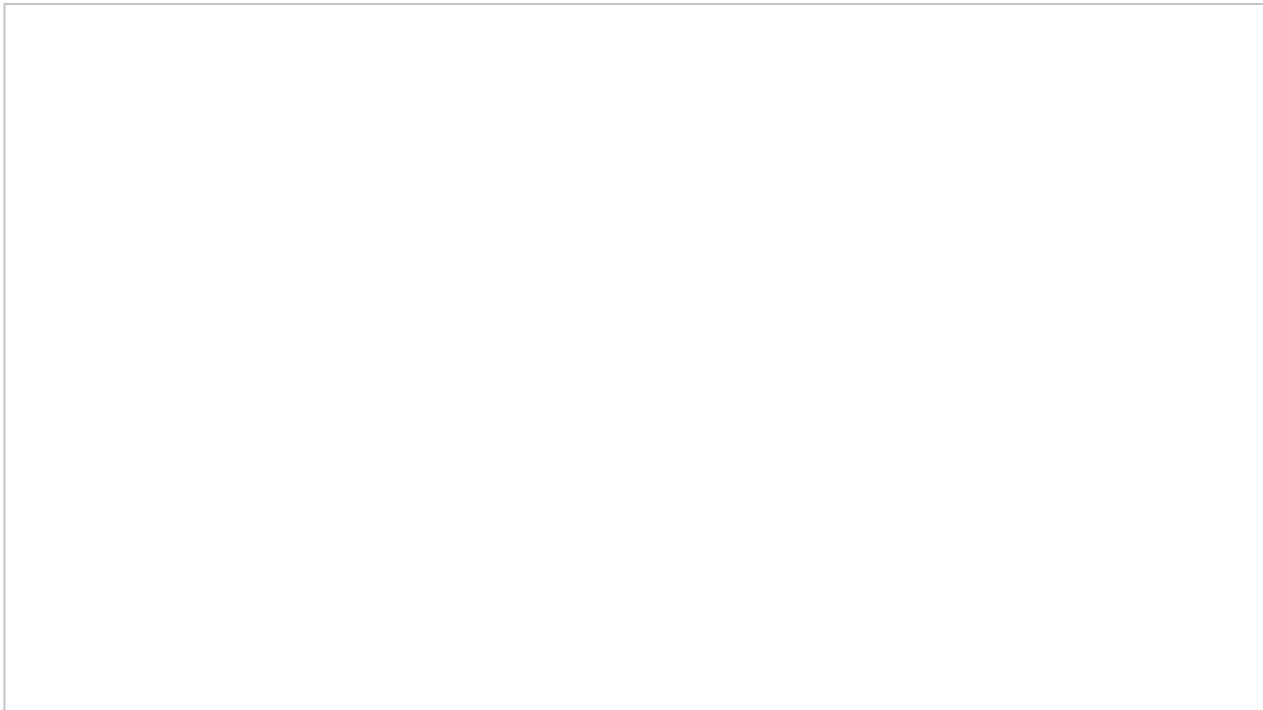
- It is expected to **reduce litigation** as it streamlines the definition of wages.
- It will **substantially reduce the number of minimum wages** in the country from the existing more than 2000 rates of minimum wages.
- This would ensure that **every worker gets a minimum wage** which will also be accompanied by an increase in the purchasing power of the worker thereby giving a fillip to growth in the economy.

Source: PIB

TOI 270 System

The National Aeronautics and Space Administration's (NASA) Transiting Exoplanet Survey Satellite (**TESS**) has discovered a new **planetary system** called **TESS Object of Interest (TOI) 270**.

TOI 270 is about **73 light years** away from Earth, and is located in the constellation Pictor (Pictor is a constellation in the southern celestial hemisphere).



- **TOI 270 system** comprises of the **dwarf star** (TOI 270), which is 40% smaller than the Sun in size and mass and three new **exoplanets planets** (planets outside the solar system):
 - **TOI 270 b:** It is the **innermost planet**, and is likely a **rocky planet** about **25%** larger than Earth.
 - It orbits the TOI 270 (dwarf star) every **3.4 days** at a distance of about 13 times closer than that of Mercury orbiting the Sun.
 - TOI 270 b has a mass of around **1.9 times** greater than Earth's mass.
 - Due to its proximity to the star, planet b is an oven-hot planet and is **not habitable**.
 - **TOI 270 c:** It is **2.4** times larger than Earth, orbits the star every **5.7 days** and weigh around **7 times** Earth's mass.
 - **TOI 270 d:** It is **2.1** times larger than Earth, orbits the star every 11.4 days and weigh around 5 times Earth's mass.

- TOI 270 c and TOI 270 d both may be similar to **Neptune** in our solar system, with compositions dominated by **gases** rather than rock.
They might best be described as **mini-Neptunes**, a type of planet not seen in our own solar system.
- All of the planets in the TOI 270 system are expected to be **tidally locked** to the star, which means the planet's period of rotation on its axis is same as its period of revolution around the star and keep the same side facing the star at all times, just as the Moon does in its orbit around Earth.
- TOI 270 system will provide better understand about the **formation** and **evolution** of planetary systems.

The TOI 270 system is so compact that the orbits of Jupiter and its moons in our own solar system offer the closest reasonable comparison.

Source:IE

Incidence of Cancer in Children

A recent study conducted by **Lancet** pointed out that **82% of cancer cases** among **children** comes from **poorer countries**.

- According to the report, children with cancer in **low-and middle-income** countries are **four times** more likely to die of the disease than children in high-income countries.
- The study quantifies the burden of paediatric cancer in terms of number of healthy years lost for a country.
Globally, in 2017, around 11.5 million disability adjusted life years (DALY)s are lost due to childhood cancer.
- The incidence or rate of cancer among India's children is much lower than in the West.
The rate of cancer among children in India is **80-90 children** per **1,00,000** while the corresponding figure in the west is around 160.
- In India, many hospitals like All India Institute of Medical Sciences (AIIMS, Delhi), Tata Memorial Hospital (Mumbai) and Postgraduate Institute of Medical Education and Research (PGI-Chandigarh) have cancer survival rates almost equivalent to Western countries.



Global Initiative for Childhood Cancer

- It was launched by **World Health Organisation** in 2018.
- It aims to reach at least a 60% survival rate for children with cancer by 2030, thereby saving an additional one million lives. This target represents a doubling of the global cure rate for children with cancer.

Source: The Times of India

Consumer Protection Bill, 2019

Recently, the Lok Sabha has passed the Consumer Protection Bill, 2019, which seeks to **strengthen the consumer rights** and provides a **mechanism for redressal of complaints** regarding defects in goods and deficiency in services.

- Apart from setting up of **authorities for timely and effective administration and settlement of consumer disputes**, the bill also seeks to bring in **e-commerce under their jurisdiction** and **hold celebrities accountable** for false and misleading advertisements of products that they endorse.
- Apart from the consumer courts at the district, state and national level, the bill proposes a **Central Consumer Protection Authority (CCPA)** to promote, protect and enforce consumer rights as a class and protect them from unfair trade practices.
CCPA, envisaged as a regulator, can file a class action suit if required and would take immediate action on any consumer complaint.
- The bill proposes **strict action against the advertiser** in case of misleading advertisements but **not against the media** through which the advertisement is being publicised.
Celebrities can be fined up to ₹10 lakh. For repeat offences, this may rise to ₹50 lakh, with a jail term of up to five years
- It also provides for **product liability action** on account of harm caused to consumers due to defective products or deficient services.
- The Bill will **replace the earlier Consumer Protection Act, 1986**.

Source: The Hindu

ECB Norms for Corporates, NBFCs Relaxed

With a view to further liberalise the External Commercial Borrowing (**ECB framework**, **Reserve Bank of India (RBI)** has recently decided to relax the end-use restrictions relating to external commercial borrowings for Working Capital requirements, General Corporate purposes and Repayment of rupee loans.

- It is a move aimed at providing **access to cheaper and longer term funds** for the corporate sector, especially liquidity-starved **Non Banking Finance Companies (NBFCs)**.
- RBI has allowed eligible borrowers to raise ECBs with a maturity period of 10 years from recognised lenders, **except foreign branches and overseas subsidiaries** of Indian banks.
- ECBs with a minimum average maturity period of 10 years will be allowed for working capital purposes and general corporate purposes.
- **Borrowing for on-lending** (When an organization lends money that they have borrowed from another organization or person) by non-banking financial companies for the 10 year maturity and end-use of funds is also permitted.
- For **repayment of rupee loans availed domestically** for purposes other than capital expenditure and for on-lending by NBFCs for the same, the minimum average maturity period of the ECB would have to be 10 years.
- RBI also allowed ECBs with a minimum **average maturity period of 7 years** for repayment of rupee loans availed domestically for capital expenditure.
- The **borrowings for on-lending** by NBFCs for the repayment of rupee loans would also be permitted.

Source: IE

National Conference on e-Governance

Meghalaya will host the 22nd National Conference on e-Governance 2019.

- The Department of Administrative Reforms & Public Grievances (DARPG), in association with **Ministry of Electronics & Information Technology** (MeitY), Government of India will organize the 22nd National Conference on e-Governance 2019 on 8-9th August, 2019 at **Shillong, Meghalaya**.
- Theme of the conference is **“Digital India: Success to Excellence”**.
- Key discussions of the conference are to be held around five **sub themes**:
 - India Enterprise Architecture (INDEA)
 - Digital Infrastructure
 - One Nation – One Platform
 - Secretariat Reforms
 - National e-Governance Service Delivery Assessment (NeSDA)
- This is the **first** time that National Conference on e-Governance is being organized in North-Eastern region of the country.
- The conference provides a platform to disseminate knowledge on effective methods of **designing** and **implementing sustainable e-Governance** initiatives to provide end-to-end:
 - Digital Services
 - Exchange experiences in solving problems

- Mitigating risks
- Resolving issues and planning for success.

Source:PIB

Maharashtra to Adopt AMBIS

Maharashtra became the **first** state to adopt an **Automated Multi-modal Biometric Identification System (AMBIS)** to aid **police investigations**.

- The Automated Multi-modal Biometric Identification System (or AMBIS) adopted by the Maharashtra police will soon be replicated by other **state police forces** in the country.
- An AMBIS unit comprises a **computer terminal**, a **camera**, and **iris, fingerprint, and palm scanners**.
- It also includes a portable system to dust off and capture **fingerprints** from crime scenes.
- AMBIS (with **facial recognition** from CCTV cameras), enables the police to **cross-refer** criminals whose fingerprints have been captured on paper over the decades, apart from solving fresh crimes.
- AMBIS with **facial recognition technology** feature is an updated version of the **Automated Fingerprint Identification System (AFIS)**, which has been used by Indian **law enforcement agencies** to search finger and palm prints.
AFIS has limited utility, providing only one-to-**one fingerprint matches** as compared **multimodal matches** possible with AMBIS

Source:IE
