Parliamentary Committee On Industrial Relations Code Bill, 2019

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Why in News

Recently, the Parliamentary Committee on Labour submitted its report on the **Industrial Relations Code, 2019.**

> The Industrial Relations Code 2019 (IR Code) **is the third bill** in a series of four being framed **to amalgamate and rationalise more than 40 central laws governing labour affairs.**
>
> Two other bills were : (a) Code on Wages, 2019 and (b) Occupational Safety, Health and Working Conditions Code, 2019.

Key Points

- **Payment of wages unjustifiable:** The Committee in its report said that **in case of natural calamities, payment of wages to the workers** until the re-establishment of the industry may be **unjustifiable.**
  - The idea behind the recommendations is that the **industry should not be forced when the situation is beyond their control.**
  - The law has to be reasonable, in such cases it is for **the government to step in** and **extend a helping hand for the industries.**
  - According to the Committee **Covid-19** would be counted as natural calamity.
- **50% wages:** The **Industrial Code** makes it incumbent upon the employer to pay **50% wages** to the workers/employees who are laid off due to shortage of power, coal, raw material etc. for 45 days.
- The **Industrial Relations Code, 2019** was introduced in the Lok Sabha and referred to the Standing Committee on Labour in December, 2019.

  With the ongoing lockdown, the draft report was circulated to the members via email on April 15 and later the final adopted report was accepted by the Speaker.

Industrial Relations Code Bill, 2019

- The Industrial Relations Code, 2019 was introduced in Lok Sabha. It seeks to replace three labour laws:
    - The Industrial Disputes Act, 1947
    - The Trade Unions Act, 1926
    - The Industrial Employment (Standing Orders) Act, 1946.
- **Key features of the Bill**
    - **Trade Unions:**
        - Under the Code, **seven or more members of a trade union** can apply to register it.
        - Trade unions that have a membership of at least 10% of the workers or 100 workers, whichever is less, will be registered.
        - Further, the central or state government may recognise a trade union or a federation of trade unions as Central or State Trade Unions respectively.
    - **Negotiating Unions:**
        - The Code provides for a **negotiation union** in an industrial establishment for negotiating with the employer.
        - If there is only one trade union in an industrial establishment, then the employer is required to recognise such trade union as the **sole negotiating union of the workers.**
        - In case of multiple trade unions, the trade union with the **support of at least 75% of workers** will be recognised as the negotiating union by the government.
    - **Lay-off and Retrenchment:**
        - The Code defines lay-off as the inability of an employer, due to shortage of coal, power, or breakdown of machinery, from giving employment to a worker. It also provides for employers to terminate the services of a worker, i.e., retrenchment.
        - Employers of industrial establishments with **at least 100 workers** are required to **take prior permission of the central or state government** before lay-off, retrenchment or closure of an establishment.
        - The central or state government can modify this threshold number of workers by notification. Any person who contravenes this provision is punishable with a fine between **Rs 1 lakh and Rs 10 lakh.**
    - **Resolution of Industrial Disputes:**
        - The **central or state governments** may appoint **conciliation officers** to mediate and promote settlement of industrial disputes.
        - These officers will investigate the dispute and hold conciliation proceedings to arrive at a fair and amicable settlement of the dispute.
        - If no settlement is arrived at, then any party to the dispute can make an application to **an Industrial Tribunal set up under the Code.**

Source: TH