



Labour Reforms

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Why in News

Recently, the recent versions of three labour codes namely **Industrial Relations Code Bill, 2020**, **Code on Social Security Bill, 2020** and **Occupational Safety, Health and Working Conditions Code Bill, 2020** have been introduced in Lok Sabha.

Key Points

- **Industrial Relations Code Bill, 2020:**

- It has **raised the threshold for the requirement of a standing order to over 300 workers** which implies that industrial establishments with up to 300 workers will not be required to furnish a standing order.
 - **Industrial Employment (Standing Orders) Act, 1946** makes it obligatory for employers of an industrial establishment **where 100 or more workers are employed to clearly define the conditions of employment and rules of conduct for workmen**, by way of standing orders/services rules and to make them known to the workmen employed.
 - The new provision for standing order will be **applicable for every industrial establishment wherein 300 or more than 300 workers are employed** or were employed on any day of the preceding twelve months.
 - It was **earlier suggested by the Standing Committee on Labour** which also suggested that the **threshold be increased accordingly in the Code itself** and the words **‘as may be notified by the Appropriate Government’ be removed** because reform of labour laws through the executive route is undesirable and should be avoided to the extent possible.
 - After becoming a law, **orders will not be dependent on whims and fancies of executives of state governments.**
 - Without the need of a standing order in increased industrial establishments due to the raised threshold, the process of **hiring and firing workers will be more flexible and faster for employers which would** result in increased employment.
- It also introduces **new conditions for carrying out a legal strike.** The time **period for arbitration proceedings has been included** in the conditions for workers before going on a legal strike **as against only the time for conciliation at present.**
 - No person employed in any industrial establishment shall go on strike **without a 60-day notice and during the pendency of proceedings** before a Tribunal or a **National Industrial Tribunal** and sixty days after the conclusion of such proceedings.
 - **At present**, a person employed in a **public utility service** cannot go on strike unless they give notice for a strike **within six weeks before going on strike or within fourteen days of giving such notice**, which the IR Code now proposes to apply for all the industrial establishments.
- It has also proposed to set up a **re-skilling fund for training of retrenched workers** with contribution from the employer, of **an amount equal to 15 days last drawn** by the worker.

- **Concerns:**
 - It will **water down the labour rights for workers in small establishments having less than 300 workers** and would **enable companies to introduce arbitrary service conditions** for workers.
 - It will give **tremendous amounts of flexibility to the employers** in terms of **hiring and firing, dismissal** for alleged misconduct and retrenchment for economic reasons will be completely possible for all the industrial establishments employing less than 300 workers which is complete demolition of employment security.
 - The new conditions for carrying out a legal strike **elongate the legally permissible time frame** before the workers can go on a legal strike, making a legal strike near impossible.
 - It has **expanded to cover all industrial establishments** for the required notice period and other conditions for a legal strike **even though the Standing Committee on Labour had recommended against it beyond the public utility services like water, electricity, natural gas, telephone and other essential services, as is the case at present.**
 - The **mention of ‘other sources’ for funding the re-skilling fund is vague.** The reskilling fund is **arbitrarily framed** as the Code has no idea from where the funds for the same will come apart from employers’ contributions.
 - These **ambiguities are left to the rule-making processes** and the bureaucrats and, further, there are **unclearities over who will reskill the workers and how adequate the funding will be.**
- **Social Security Code Bill, 2020:**
 - It **proposes a National Social Security Board** which shall recommend to the central government for formulating suitable schemes for different sections of unorganised workers, gig workers and platform workers.
 - Also, **aggregators employing gig workers will have to contribute 1-2% of their annual turnover for social security**, with the total contribution not exceeding 5% of the amount payable by the aggregator to gig and platform workers.

- Occupational Safety, Health and Working Conditions Code Bill, 2020:
 - It has **defined inter-state migrant workers** as the worker who has come on their own from one state and obtained employment in another state, earning up to Rs. 18,000 a month.
 - The proposed definition **makes a distinction from the present definition of only contractual employment.**
 - It has **dropped the earlier provision for temporary accommodation** for workers near the worksites and has **proposed a journey allowance**, a lump sum amount of fare to be paid by the employer for to and fro journey of the worker to their native place from the place of their employment.

Source: IE