

AIR Spotlight - Discussion on Labour Reforms by the Government

AIR Spotlight is an insightful program featured daily on the All India Radio Newsonair. In this program, many eminent panelists discuss issues of importance which can be quite helpful in the [IAS exam](#) preparation. In this article, the recent labour reforms by the government are discussed.

Participants:

1. **Shankar Aggrawal, Former Secretary, Ministry of Labour and Employment**
2. **Ruchika Chitravanshi, Journalist**

Context:

In India, labour is a subject in the Concurrent List. As it is on the concurrent list, the parliament and legislatures of the federal states can pass laws on labour. According to the central government, before the new labour law was passed, there were more than 40 central laws and more than 100 state laws on labour and related matters. The various recent initiatives of the government in this regard are mentioned below.

e-Shram Portal

- The Ministry of Labour and Employment has launched the e-Shram Portal for creating a National Database of Unorganized Workers (NDUW), which will be seeded with Aadhaar.
- This is the first time the country has developed a system for registering 380 million unorganized workers.
- The **e-Shram** portal will cover all unorganized workers in the country and help them connect to the Indian government's social security system on the portal site.
- Any unorganized worker registered will be provided with accident insurance coverage of Rs 200,000. If a worker is registered on the e-Shram portal and an accident occurs, he is entitled to 200,000 rupees in the case of death or permanent disability, and 100,000 rupees in the case of partial disability.
- Each registered unorganized employee will receive one e-Shram card with a unique universal account number (UAN), and this card can be used to enjoy the benefits of various social security systems anytime, anywhere.

Read more on the [e-Shram Portal](#) in the link.

Four bills on labour codes

The Central Government introduced [four bills on labour codes](#) to consolidate 29 central laws. These are:

1. **Code on Wages**
 - The wages code aims to regulate the payment of wages and bonuses for all occupations engaged in industry, commerce, trade, or production.

- According to the code, the central government sets a minimum wage based on the living standards of workers.
- The minimum wage may vary by geographic location.
- When setting the minimum wage, the government should consider the difficulty of the work and the skill level of the workers.
- The government also reviews the minimum wage at least every five years.
- Employers are not allowed to hire workers below the minimum wage.

Also read: [Code on Wages](#)

2. Industrial Relations Code

- The Industrial Employment (Standing Orders) Act, 1946 had made it mandatory for employers of industrial establishments with 100 or more workers to define the conditions of employment and rules of conduct for workmen, by way of standing orders/services rules and to inform the workers of the same clearly.
- The Code also introduces new conditions for conducting a legal strike. Employees are prohibited from going on strike without giving a 60-day notice.
- The new Code also proposes the setting up of a re-skilling fund for training retrenched workers with contribution from the employer, of an amount equal to 15 days last drawn by the worker.

3. Social Security Code

- The definition of employees has been widened to include inter-state migrant workers, construction workers, film industry workers, and platform workers.
- There is a provision for the central government to decrease or defer the employer's or employee's contribution towards the PF or ESI for up to 3 months in the event of a pandemic, national disaster, or epidemic.

Also read: [Code on Social Security](#)

4. Occupational Safety, Health, and Working Conditions Code

- The Code expands the definition of a factory as a premise where at least 20 workers work for a process with power and 40 workers for a process without power.
- The Code removes the manpower limit on hazardous working conditions and makes the application of the Code obligatory for contractors recruiting 50 or more workers (earlier it was 20).
- The Code empowers women to be employed in all kinds of establishments and at night (between 7 PM and 6 AM) subject to their consent and safety.

Also read: [Occupational Safety, Health and Working Conditions Code 2020](#)

Contract Labour

- It has been argued that labour compliances and economic considerations have resulted in the increased use of contract labour.

- Flexibility comes at the cost of increased vulnerability because contract labour has been denied basic protections (such as assured wages) and is not entitled to be regularized in cases where contract labour is prohibited by the government. The National Commission on Labour (NCL) points out that organizations must have the flexibility to adjust workforces based on economic efficiency.
- In 2001, the Supreme Court ruled that contractors, even if the company prohibits the use of agents workers, do not have the right to automatically integrate into the workforce, which allows employers to hire contract workers more freely.

BRICS Labour and Employment Ministers' Declaration 2021

- India organized the BRICS Labour and Employment Ministers' Meeting to share views and improve information sharing on the impact of Covid-19 on the global labour market.
- The Ministerial Declaration recognizes that the Covid-19 pandemic has had a negative impact on the efforts made to address unemployment, decent work deficits, and inequality.
- The strategy of women's sustainable participation in the labour market and promotion of women's participation is the top priority of the **BRICS** countries.
- The BRICS countries have reached an agreement on gender equality employment and social protection policies that promote medium and long-term recovery.

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