

**GOVERNMENT OF INDIA  
LABOUR AND EMPLOYMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2039

ANSWERED ON:27.08.2007

MODIFICATION IN LABOUR LAWS

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**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:**

- (a) whether a report by World Bank Economists has suggested that modification of certain labour laws could create a huge quantum of employment opportunities in the manufacturing sector as reported in Hindustan Times dated June 20, 2007;
- (b) if so, the details thereof and the reaction of the Government thereto; and
- (c) the other steps taken by the Government to generate employment opportunities in manufacturing sector?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a & b) Yes, Sir. World Bank economists in their research paper 'Assessing the effects of job securities, labour disputes and contract labour laws in India' have estimated that lifting chapter V (b) of Industrial Disputes Act, 1947 would add about 8,80,000 registered manufacturing jobs. Review/updation of labour laws is an ongoing process in order to bring them in tune with the emerging needs of the economy such as increasing production, productivity, employment, etc. The required changes in the labour laws are accomplished by the Government after detailed consultation with the social partners with a view to harmonise the interests of all stake holders.

(c) The Approach to the Eleventh Five Year Plan Document provides a framework to restructure policies to achieve a new vision based on faster, more broad-based and inclusive growth. It aims at making employment generation an integral part of the growth process and devise strategies to accelerate not only growth of employment but also of wages of the poorly paid.

As one of the policy initiatives, measures would need to be taken to boost labour intensive manufacturing sectors such as food processing, leather products, footwear and textiles, etc.