

**GOVERNMENT OF INDIA
PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA**

STARRED QUESTION NO:304
ANSWERED ON:30.07.2014
OUTSOURCING OF JOBS
Roy Prof. Saugata

Will the Minister of PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

- (a) whether a large number of employees are reportedly working on contract basis and several jobs have been outsourced in various Ministries/ Departments of the Government of India;
- (b) if so, the details of the existing policy/guidelines/rules which regulate contractual workers and outsourcing of jobs/services along with the number of such workers in various Ministries/ Departments;
- (c) whether such policy/guidelines/rules provide for social security and other benefits to be given to workers on contract basis and those performing in outsourced jobs;
- (d) whether the Government proposes to formulate any scheme for providing welfare measures and improving the service conditions of such workers; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

Minister of State in the Ministry of Personnel, Public Grievances and Pensions and Minister of State in the Prime Minister's Office.
(DR. JITENDRA SINGH)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION No. 304 FOR 30.07.2014

(a): The fundamental principles applicable to all Ministries/Departments regarding engagement of consultants and outsourcing of services are provided in General Financial Rules 2005. The Ministries/ Departments may hire external professionals, consultancy firms or consultants for a specific job which is well defined in terms of content and time frame for its completion or outsource certain services. A Ministry/Department may outsource certain services in the interest of economy and efficiency and it may describe detailed instructions for this purpose. As the respective Ministries/ Departments are empowered to outsource certain services on their own, no centralized data is maintained.

(b)&(c): Engagement of contract labourers is regulated under the Contract Labour (Regulation & Abolition) Act. The Central Government is the appropriate Government in respect of the establishments falling in central sphere. The interest of contract labourers in terms of wages and other service conditions are safeguarded under this Act. As far as the security in term of wages is concerned, as per Rule 25(2)

(v)(a) of the Contract Labour (Regulation & Abolition) Central Rules, 1971, the wages of the contract labour shall not be less than the rates prescribed under Minimum Wages Act, 1948 and in cases where the contract workers perform the same or similar kind of work as the workmen directly employed by the principal employer of the establishment, the wage rates, holidays, hours of work and other conditions of service shall be the same as applicable to the workmen directly employed by the principal employer doing the same or similar kind of work. The liabilities to ensure payment of wages and other benefits is primarily that of the contractor and, in case of default, that of the principal employer.

The Social Security aspects of contract labourers under Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employees State Insurance Act, 1948 are enforced by the Employees Provident Fund organization and Employees State Insurance Corporation respectively provided the establishments in which contract labourers are working are covered under the said Acts.

In the Central sphere, the Central Industrial Relations Machinery (CIRM) has been entrusted with the responsibility of enforcing the provisions of the Act and rules made thereunder. Aggrieved workers may raise their issues, if any, before the Appropriate Authority under Labour laws.

(d)&(e): The Social Welfare Schemes of the Government are also applicable to the Contract Labourers if they fulfil the conditions of the Scheme to be eligible for the benefits of a particular Scheme. However, the interests of Contract Workers are protected specifically under Contract Labour (Regulation & Abolition) Act, 1970.

Some of the prominent social welfare legislations are as follows:-

Payment of Gratuity Act, 1972 # Employees' Provident Fund & Misc. Provisions Act, 1952 # Employees' Pension Scheme, 1995

Employees' State Insurance Act, 1948 # Minimum Wages Act, 1948 # Payment of Wages Act, 1936 # Maternity Benefit Act, 1961 # Equal Remuneration Act, 1976 # Payment of Bonus Act, 1965 # Workmen Compensation Act, 1923 # Mines Act, 1952 # Factories Act, 1948 # Industrial Dispute Act, 1947 # Contract labour (Regulation & Abolition) Act, 1970