

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

UNSTARRED QUESTION NO:2186

ANSWERED ON:03.08.2015

Merger of Labour Laws

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

- (a) whether a 93% of the labour force are working in unorganized sector and if so, the details thereof;
- (b) whether the Government has initiated process of simplifying, rationalizing and amalgamating the age-old labour laws and if so, the details thereof;
- (c) whether the Government proposes to initiate labour reform and a more simplified and rational labour law and if so, the details thereof;
- (d) whether the proposed labour reforms are likely to boost manufacturing in the country thereby making the "Make in India" mission a grand success and if so, the details thereof;
- (e) whether three Acts, namely, Trade union Act, Industrial Dispute Act, and the Industrial Employment Standing Orders Act, are proposed for merger by the Government in order to simplify labour laws and if so, the details thereof;
- (f) whether State Governments and Trade unions have been consulted before moving this proposal and if so, the conclusion of the discussions thereof; and
- (g) the details of other labour laws which the Government proposes to amend in the interest of bringing investment and building Industrial environment in the country?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a): As per National Sample Survey Organisation (NSSO) survey 2011-12, the percentage distribution of workers in organised and unorganised sector is as under:

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Percentage distribution

Industry Sector

Unorganised Organised Total

Worker Informal 82.6% 9.8% 92.4%

Formal 0.4% 7.2% 7.6%

Total 83.0% 17.0% 100.0%

(b) to (d): Reforms in labour laws are an ongoing process to update legislative system to address the need of the hour and to make them more effective and contemporary to the emerging economic and industrial scenario. Government has taken a number of initiatives for governance reforms as well as amendment in labour laws which will facilitate ease of compliance and bring transparency and accountability in the enforcement of labour laws. These reforms will help in catalyzing the creation of employment opportunities in the country, without diluting basic aspects of safety, security and health provisions/standards for workers and thus support the 'Make in India' programme. The second National Commission on Labour had recommended that the existing Labour Laws should be broadly grouped into four or five Labour Codes on functional basis. Accordingly, the Ministry has taken steps for drafting four Labour Codes on Wages; Industrial Relations; Social Security & Welfare; and Safety & Working Conditions respectively, by simplifying, amalgamating and rationalizing the relevant provisions of the Central Labour laws.

(e) & (f): Ministry has taken steps for drafting a Labour Code on Industrial Relations, by simplifying, amalgamating and rationalizing the relevant provisions of the following three Labour Laws: -

(i) The Industrial Disputes Act, 1947,

(ii) The Trade Unions Act, 1926,

(iii) The Industrial Employment (Standing Orders) Act, 1946

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The process of legislative amendments and drafting of labour laws includes consultations with stakeholders including Central Trade Unions, Employers' Associations and State Governments in the form of tripartite consultations. First tripartite consultation meeting with the representatives of Central Trade Unions, Employers' Associations and State Governments was held on 06.05.2015 to consider the draft Labour Code on Industrial Relations. It was decided in the Meeting to set up a Sub-Committee with representatives from Central Trade Unions, Employers' Associations and State Governments, as its Members to look into the provisions of the draft Labour Code and provide suggestions to improve or modify the draft. The Sub-Committee has held three meetings to discuss the draft Code. The draft Labour Code on Industrial Relations is under consultation with stakeholders.

(g): Government is contemplating amendments in various labour laws to make them more effective and contemporary to the emerging economic and industrial scenario. The Acts under which the amendment proposals are at various stages of consideration are as under:

- (i). The Child Labour (Prohibition and Regulation) Act, 1986
- (ii). The Factories Act, 1948
- (iii). The Mines Act, 1952
- (iv). The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (v). The Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996
- (vi). The Building and Other Constructions Workers' Welfare Cess Act, 1996
- (vii). The Minimum Wages Act, 1948
- (viii). The Contract Labour (Regulation and Abolition) Act, 1970
- (ix). The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- (x). The Payment of Bonus Act, 1965
- (xi). The Employees' State Insurance Act, 1948.
