

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

UNSTARRED QUESTION NO:438
ANSWERED ON:14.07.2014
CONTRACT EMPLOYEES IN AUTO SECTOR
Patel Shri Devji Mansingram

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

- (a) whether the Government is aware of the disputes between contract employees and the management in the Indian Automobile sector regarding huge disparity in wages between the regular and contract employees;
- (b) whether contract employees are not provided with their entitled benefits and facilities resulting in dissatisfaction among them; and
- (c) if so, the reaction of the Government thereto along with the measures taken by the Government to address the same?

Answer

MINISTER OF STATE FOR STEEL, MINES, LABOUR & EMPLOYMENT (SHRI VISHNU DEO SAI)

- (a): The Automobile sector falls within the state jurisdiction. However as per Rule 25(2) (v)(a) of the Contract Labour (Regulation & Abolition) Central Rules, 1971, in case where the contract worker 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.
- (b) & (c): The interests of the contract labour in term of wages and other service conditions are safeguarded under the Contract Labour (Regulation & Abolition) Act, 1970. The social security aspects of contract workers are taken care of under Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employees State Insurance Act, 1948. Under these Acts, the Central Government is the appropriate Government in respect of the establishments falling under central sphere. Respective state Governments are the appropriate Government in respect of the establishment falling under state sphere. Private companies also come under state sphere.