

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

UNSTARRED QUESTION NO:566
ANSWERED ON:14.07.2014
UNORGANISED SECTOR WORKERS
Rajesh Shri M. B.;Venugopal Shri K. C.

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

- (a) whether the Government has any proposal to amend the legislation on unorganised sector workers;
- (b) if so, whether the Government has taken into consideration the recommendations of the Parliamentary Standing Committee on Labour in this regard and if so, the details thereof;
- (c) whether the Government also proposes to constitute a National Fund for unorganised sector workers in the country and if so, the details thereof;
- (d) whether the Government proposes to link the minimum wages with the Consumer Price Index and if so, the details thereof and if not, the reasons therefor; and
- (e) the various other steps taken by the Government to ensure job security and minimum wages to unorganised sector workers in the country?

Answer

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

- (a): There is no such proposal at this moment.
- (b): Does not arise.
- (c): Yes, Madam. The National Social Security Fund announced in the General Budget for 2010-11 has been set up with an initial allocation of Rs. 1000 crore. This fund supports the social security schemes for various segments of unorganised workers as most of these workers do not have social security cover in the form of life and disability insurance, health care and pensions. The Ministry of Labour and Employment has been designated as the Nodal Ministry for the operation of the National Social Security Fund. The schemes relating to health and maternity benefit, life & disability cover, old age protection or any other scheme as may be determined by the Central Government are proposed to be funded from the National Social Security Fund for unorganised workers based on proposals from Ministries/ Departments.
- (d): Minimum Wages are already linked with Consumer Price Index. Under the provision of the Minimum Wages Act, 1948, both Central and State Governments are appropriate Governments to fix, review and revise the minimum wages of the workers employed in the scheduled employments under its jurisdiction at an interval not exceeding five years. Variable Dearness Allowance (VDA) is revised periodically twice a year effective on April and October and added to the minimum wages fixed for various scheduled employments to protect wages against erosion. VDA is directly linked to Consumer Price Index Numbers.
- (e): As per the provisions of the Minimum Wages Act, the implementation of the Act is carried out by the Centre as well as the States in respect of their respective jurisdiction. In the Central Sphere, the enforcement is secured through the inspecting Officers under Central Industrial Relations Machinery (CIRM). The compliance in the State Sphere is ensured through the State Enforcement Machinery. They conduct regular inspection and in the event of detection of any case of non-payment or under payment of Minimum Wages, they advise the employers to make payment of the shortfall of wages. In case of non-compliance, penal provisions against the defaulting employers are invoked.