

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

UNSTARRED QUESTION NO:4633
ANSWERED ON:11.08.2014
NEW CPI
Patil Shri Shivaji Adhalrao

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

- (a) whether the Government is aware that skilled/semi-skilled workers outsourced by the Central Government/State Governments through contractors are not being paid as per the Consumer Price Index (CPI);
- (b) if so, the response of the Government thereto;
- (c) whether the Government is considering to prepare new CPI for the purpose and if so, the details thereof;
- (d) the extent of representation each factor would be given in the new CPI and the basis thereof; and
- (e) the steps taken by the Government to ensure that contract workers are paid as per their minimum entitled scale?

Answer

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

(a) & (b): The skilled/semi-skilled workers outsourced by the Central Government/ State Governments through contractors are being paid wages as per Central Govt./ State Govt. rules as amended from time to time. Variable Dearness Allowance (VDA), based on the Consumer Price Index (CPI), is given to Contract Workers in addition to minimum wages fixed under the Minimum Wages Act, 1948. The VDA is revised twice in a year i.e. on 1st April and 1st October by the Chief Labour Commissioner (Central), Ministry of Labour & Employment.

(c) & (d): The Government releases Consumer Price Indices (CPI) for all India States/UTs separately for Rural, Urban and Combined every month with effect from January 2011. CPI (Rural) and CPI (Urban) cover entire rural and urban population respectively. The Government however, does not prepare CPI by terms of employment (Contract). Further, there is no such proposal to prepare a CPI for contract workers.

(e): Under 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.