

LABOUR JURISDICTION

2.1 Under the Constitution of India, Labour is a subject in the Concurrent List where both the Central and the State Governments are competent to enact legislations subject to certain matters being reserved for the Centre. **(Box 2.1)**

Box 2.1	
LABOUR JURISDICTION: CONSTITUTIONAL STATUS	
Union List	Concurrent List
Entry No.55 - Regulation of labour and safety in mines and oil fields.	Entry No.22 - Trade Unions; industrial and labour disputes.
Entry No.61 - Industrial disputes concerning Union employees.	Entry No.23 Social security and social insurance; employment and unemployment.
Entry No.65- Union agencies and institutions for "vocational... training..."	Entry No.24 - Welfare of labour including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age pensions and maternity benefit

PERSONNEL

2.2 Shri Oscar Fernandes is holding charge of Hon'ble Minister of State for Labour & Employment (IC).

Shri K.M.Sahni, IAS (AGMU:69) relinquished the charge of the post of Secretary (Labour & Employment) on 31.12.2006 on his retirement

from service on attaining the age of superannuation. Smt Sudha Pillai, IAS (KL:72) took over the charge of the post of Secretary (Labour & Employment) on 01.01.2007. Shri S.Krishnan, IAS (UP:75) took over the charge of the post of Additional Secretary (Labour & Employment) on 28.02.2007. Shri R.C.Ray (IES:74) Labour & Employment Adviser in the rank and scale of Additional Secretary relinquished the charge of the post w.e.f.22.01.08. Dr. Ashok Sahu (IES:75) took over the charge of the post of Labour & Employment Adviser in the rank and scale of Additional Secretary w.e.f. 31.01.2008. Shri S.K. Srivastava, IAS (AM:78) continued to hold the post of Joint Secretary in the Ministry of Labour and Employment. Ms. Gurjot Kaur, IAS (RJ:81) relinquished the post of Joint Secretary w.e.f 08.01.2008. Shri S.K. Dev Verman (IAS:MT 88) has assumed charge of the post of Joint Secretary in the Ministry of Labour and Employment w.e.f. 25.2.2008. Shri Anil Swarup, IAS (UP:81) continued to hold the post of Director General, Labour Welfare. Shri Sharda Prasad, IAS (UP: 81) continued to hold the post of Director General, Employment & Training. Dr. Harcharan Singh (ISS:80) continued to hold the post of Deputy Director General (in the rank of Joint Secretary) .Shri S.K. Mukhopadhyay, Central Labour Service continued to hold charge of the post of Chief Labour Commissioner (Central).

STRUCTURE AND FORMATION

2.3 The Ministry has the following four attached offices and ten subordinate offices, four autonomous organizations, twenty-two adjudicating bodies and one arbitration body.

ATTACHED OFFICES

Directorate General of Employment & Training (DGE&T)

2.4 This Office is responsible for laying down the policies, standards, norms and guidelines in

the area of vocational training throughout the country and also for coordinating employment services.

Office of Chief Labour Commissioner (Central) [CLC(C)]

2.5 This Office is responsible for (a) prevention, investigation and settlement of industrial disputes in the central sphere; (b) enforcement of awards and settlements; (c) implementation of labour laws in industries and establishments in respect of which Central Government is the appropriate government; (d) verification of membership of unions affiliated to the Central Organisations of workers for giving them representation in national and international conferences and committees; and (e) fixation and revision of dearness allowance component of minimum wages under the Minimum Wages Act, 1948 in the scheduled employments.

Directorate General of Factory Advice Service and Labour Institutes (DGFASLI)

2.6 This Directorate is concerned with formulation of policy relating to the safety, health and welfare of workers in factories and docks. It is responsible for coordinating the implementation of the measures of the Factories Act, 1948 by the State Governments and formulation of Model Rules thereunder. It is also concerned with the administration of the Dock Workers (Safety, Health and Welfare) Act, 1986. It undertakes research in industrial safety, occupational health, industrial hygiene, industrial psychology and industrial physiology. It provides training mainly in the field of industrial psychology and industrial safety & health including a diploma course of one year duration in industrial safety. The Diploma is an essential qualification for appointment of Safety Officers in factories. Regular in-service training of Factory Inspectors is another important activity of the Organisation.

Labour Bureau

2.7 The Bureau with its headquarters at Chandigarh and Shimla, is responsible for collection, compilation and publication of statistical and other information regarding employment, wages, earnings, industrial relations, working conditions etc. It also compiles and publishes the Consumer Price Index Numbers for industrial and agricultural / rural workers. The Bureau further renders necessary assistance to the States for conducting training programmes in labour statistics at State / District / Unit levels.

SUBORDINATE OFFICES

Directorate General of Mines Safety (DGMS)

2.8 This Office is entrusted with enforcement of provisions of the Mines Act, 1952 and the Rules and Regulations framed thereunder. The provisions of the Indian Electricity Act, 1910 as applicable to mines and oil fields are also enforced by it.

Welfare Commissioners

2.9 The nine Offices of Welfare Commissioners are responsible for providing welfare facilities to the workers employed in mica, limestone and dolomite, iron ore, manganese and chrome ore mines and in the beedi and cinema industries. These offices are located at Allahabad, Bangalore, Bhilwara, Bhubaneswar, Kolkata, Hyderabad, Jabalpur, Karma (Jharkhand) and Nagpur.

AUTONOMOUS ORGANISATIONS

Employees' State Insurance Corporation (ESIC)

2.10 The Corporation is responsible for implementation of the Employees' State Insurance Act 1948, which provides for medical care and treatment to insured persons and their families. Assistance is given in terms of benefits during

sickness and maternity, compensation for employment injury, pensions for dependents on the death of workers due to employment injury, etc.

Employees' Provident Fund Organisation (EPFO)

2.11 This Organisation is responsible for administration of the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Schemes for Provident Fund, Family Pension and Deposit Linked Insurance are implemented by the Organisation for the benefit of workers covered under the scheme. The Organisation is also responsible for administration of Employees' Pension Scheme, 1995 that came into existence on 16.11.1995.

V.V. Giri National Labour Institute (VVGNI)

2.12 The Institute, with its headquarters at Noida (U.P.), is a registered society, which conducts action oriented research and provides training to grass-root level workers in the trade union movement, both in urban and rural areas and also to Officers dealing with industrial relations, personnel management, labour welfare etc.

Central Board for Workers' Education (CBWE)

2.13 The Board with its headquarters at Nagpur is a registered society dealing with schemes for training of workers in the techniques of trade unionism and in bringing about consciousness among workers about their rights, duties and responsibilities. The Board also undertakes programme for rural workers' education and functional adult education.

ADJUDICATING BODIES

Central Government Industrial Tribunals-cum-Labour Courts (CGITs)

2.14 In all, 22 (twenty two) Industrial Tribunal-cum-Labour Courts have been set up under the

provisions of the Industrial Disputes Act, 1947 for adjudication of the industrial disputes in organisations for which the Central Government is the appropriate Government. These Tribunals are located at Dhanbad (Jharkhand), Mumbai, New Delhi and Chandigarh (two courts each) and one each at Kolkata, Jabalpur, Kanpur, Nagpur, Lucknow, Bangalore, Jaipur, Chennai, Hyderabad, Bhubaneswar, Ahmedabad, Ernakulam, Asansol and Guwahati.

ARBITRATION BODY

Board of Arbitration (Joint Consultative Machinery)

2.15 The Board, with its headquarters at New Delhi, set up under the Scheme for Joint Consultative Machinery and Compulsory Arbitration is an institution for compulsory arbitration of disputes between employees and the Government and on matters of pay and allowances, weekly hours of work and leave of a class or grade of employees.

Main Subjects dealt in the Ministry of Labour and Employment

2.16 In pursuance of the powers derived from the respective entries in the Union List and the Concurrent List of Seventh Schedule of the Constitution, the Ministry of Labour and Employment has been allocated the following items of work: -

2.17 Labour policy (including wage policy) and legislation, Safety, health and welfare of labour, Social security of labour, Policy relating to special target group such as women, child labour, Industrial relations and enforcement of labour laws in the Central sphere, Adjudication of industrial disputes through Central Government Industrial Tribunals-cum-Labour Courts and National Industrial Tribunals, Workers' Education, Labour and Employment Statistics, Employment Services

and Vocational training, Administration of Central Labour & Employment Services, International Cooperation in Labour & Employment matters.

Central Labour Service (CLS)

2.18 The Central Labour Service (CLS) was constituted with effect from 3rd February 1987 to ensure better industrial relations, labour law enforcement and labour welfare. Consequent upon the Cadre Review, the Central Labor Service (CLS) was notified as an organized service in 2004.

2.19. The factories and mines employing 500 or more workers and plantations employing 300 or more workers are required to appoint a prescribed number of welfare officers under the relevant statutes. Assistant Labour Welfare Commissioners (Central) and Deputy Labour Welfare Commissioners (Central) under the supervision of Welfare Commissioners discharge these statutory functions and they also advise and assist the management of the concerned establishments in maintaining harmonious industrial relations in the areas of safety, health and welfare of workers etc. Moreover, by assisting in resolution of workers grievances, these officers prevent them from escalating into industrial disputes.

2.20 In addition, officers appointed as Assistant Labour Commissioners (Central), Regional Labour Commissioners (Central), Deputy Chief Labour Commissioner (Central) in the Central Industrial Relations Machinery (CIRM), headed by the Chief Labour Commissioner (Central) are also entrusted with the task of maintaining good industrial relations in the Central sphere. The officers of the CLS appointed as Assistant Welfare Commissioners and Welfare Commissioners in the Welfare Organisation of the Ministry of Labour and Employment under the Director General (Labour Welfare) administer the Welfare Funds for beedi, cine and certain categories of non-coal mine workers.

WORK STUDY

2.21 With a view to bringing about administrative reforms, determining the staffing patterns and designing suitable organizational structure and methods of work, the Internal Work Study Unit has been conducting Work Measurement Studies, Method Studies, Records Management Studies and Organisations & Methods (O&M) Inspections of various Sections and field offices under the administrative control of the Ministry of Labour & Employment. With regard to O&M matters, the unit is guided by the Department of Administrative Reforms and Public Grievances and in respect of work relating to Work Measurement Studies, the Staff Inspection Unit of the Department of Expenditure guides it. At the beginning of the financial year, an Annual Action Plan of programmes of O&M activities and studies is prepared in consultations with the various Offices / Sections / Units including the attached and subordinate offices. The Internal Work Study Unit functions under the Financial Adviser (L&E) and works through the Controller of Accounts, Senior Analyst and Junior Analysts.

2.22 During the year 2006-2007, the Internal Work Study Unit conducted O&M inspections of eight field establishments including four coming under administrative control of the Directorate General of Employment and Training. In the current financial year 2007-08, O&M inspection of one field unit has been conducted. The shortcomings noticed during the inspections, in the areas of administrative matters (vacancy positions/ promotional aspects etc.), monitoring of court cases/ audit paras, implementation of provisions of Manual of Office Procedure and other day to day functioning, were brought to the notice of the respective Wing heads for taking remedial actions so as to improve the functioning, efficiency and output of these offices. During the inspections, orientation sessions were also held to brush up the knowledge of field staff on O&M matters

especially in the areas of Records Management and Maintenance of Service Books as also on the Right to Information Act, 2005.

O & M MEETINGS

2.23 With a view to reviewing and reducing the pendency in the Ministry, O & M Meetings were convened on 23.10.2006 and 04.05.2007 under the Chairpersonship of Secretary (L&E) and Additional Secretary (L&E) respectively. All the Bureau Heads including representatives from the Employees Provident Fund Organisation (EPFO) and the Employees State Insurance Corporation (ESIC) attended the meetings.

2.24 In the above O&M meetings, cases pending in the Ministry such as Prime Minister's Office / Cabinet references, Public Grievance Cases, Parliamentary Assurances, Court Cases, Audit Para, Record Management etc. were discussed and suitable directions were issued by the Chairman.

Record Management

2.25. To ensure proper maintenance of records, regular special drives are held to focus on this important aspect of Records Management. With the enforcement of the Right To Information Act, 2005, this aspect of Organisation & Methods (O&M) has regained its significance. In the Ministry, a total of 3475 files were recorded, 7998 files were reviewed and 7783 files were weeded out during the year 2006-07 for which special drives were also launched.

CAREER MANAGEMENT AND TRAINING (CMT)

2.26 The substantial function of Career Management and Training (CMT) Unit is to organize training programmes on a decentralized basis for LDCs, UDCs and Stenographers etc. and to nominate Officers and members of staff of the Ministry and its attached & subordinate offices

and other autonomous organizations under its administrative control, to the Institute of Secretariat Training and Management as well as other such Training Institutes for different training programmes. Also this unit makes arrangements for the need based training programmes for officers and staff members of the Ministry, viz. computer applications for the officers/officials through corporate trainers; and behavioural skills and service matters for Group 'D' staff through corporate and in-house trainers.

2.27 During the period from April 2007 to November 2007, 35 Officers and members of staff have been sponsored for various training programmes.

CONSULTATIVE COMMITTEE MEETINGS

2.28 Five meetings of the Consultative Committee attached to this Ministry were held on 15.02.2007, 03.05.2007, 17.07.2007, 07.09.2007 and 26.10.2007 respectively under the Chairmanship of Hon'ble Minister of State for Labour & Employment (IC).

2.29 The following issues were discussed in these meetings: -

- (i) Occupational safety & health;
- (ii) Amending the Plantation Labour Act, 1951 to make it more effective;
- (iii) Amending the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 for taking strong action against defaulting employees;
- (iv) Legislation on unorganised labour;
- (v) Welfare of Beedi workers;
- (vi) Maternity Benefit Act, 1961;
- (vii) Performance of Central Board of Workers Education (CBWE);

- (viii) Vocational training; and
- (ix) Economic upliftment of tea plantation workers.

2.30 Out of 5 meetings, one meeting was held outside Delhi i.e. in Kochi on 26.10.2007.

FINANCE WING

2.31 Finance Wing is mainly responsible for scrutiny of all Plan Schemes and to give advice on all financial and allied proposals, preparation of budget and revised estimates related to services concerning the Ministry of Labour and Employment (Main Secretariat) proper and the attached and subordinate offices, Performance Budget, expenditure control and financial review, work measurement studies, internal audit etc

2.32 A Controller of Accounts, who is responsible for cash management, heads the accounting set-up. The important tasks and activities of the Integrated Finance Division are:-

- to advise the Administrative Ministry on all matters falling within the field of delegated powers;
- to screen all expenditure proposals required to be referred to the Finance Ministry for concurrence or comments;
- to ensure that the schedule for preparation of budget is adhered to by the Ministry and that the budget is drawn up according to the instructions issued by the Ministry of Finance from time to time;
- to scrutinize budget proposals thoroughly before sending them to the Ministry of Finance;
- to see that complete departmental accounts are maintained in accordance with the requirements under the General Financial Rules;
- to keep itself closely associated with the formulation of Schemes and important expenditure proposals from their initial stages;

- to associate itself with the evaluation of progress/performance in the case of projects and other continuing schemes and to see that the results of such evaluation studies are taken into account in the budget formulation;
- to watch the settlement of audit objections, Inspection Reports, draft audit paras etc.;
- to ensure prompt action on Audit Reports and Appropriation Accounts, Reports, Reports of the Public Accounts Committee, Estimates Committee and Committee on Public Undertakings;

2.33 During the year 2007-2008, all budget and accounts matters were attended to within the time schedule prescribed. By careful scrutiny of proposals, it was ensured that the expenditure conformed to budgetary appropriations, the rules and regulations prescribed by the Finance Ministry and that it was consistent with economy, efficiency and the objectives of the relevant schemes/programmes in connection with which it was being incurred. The guidelines with regard to fiscal prudence and austerity in Expenditure Management as prescribed by the Ministry of Finance, Department of Expenditure were also sought to be enforced and guidelines relating to effective cash management were also followed.

PROGRESSIVE USE OF HINDI

2.34. The Ministry of Labour and Employment has made several efforts to promote the use of Hindi in official work and create interest in officers/employees to work in Hindi during the year 2007-2008. Steps were taken to ensure compliance of the provisions of the Official Language Act/Rules and orders / instructions / guidelines issued by the Department of Official Language from time to time. Hindi Division of the Ministry of Labour and Employment is entrusted with the task of implementation of the Official Language Policy of the Government of India and translation of

important documents such as papers to be placed before the Parliament, Labour Laws , Hon'ble Labour & Employment Minister's Speech, Press release etc. and the routine work of the Ministry.

2.35 Hindi Month fortnight was observed during 14-30 September, 2007 to promote the use of Hindi in the Ministry. On this occasion, nine Hindi related competitions were conducted to promote use of Hindi among the officials. A large number Officials of the Ministry participated in these competitions.

2.36 The Hindi work is done on computer by the Hindi Division. One stenographer and three typists of the Hindi Section are working on the Computer. The Ministry is issuing computerized

pay slips & GPF statements to officers and employees in Hindi.

2.37 All documents under section 3(3) of the Official Language Act, 1963 were issued both in Hindi and English. The Ministry of Labour and Employment is making all efforts to ensure effective implementation of the Government's Official Language policy and is committed to fulfill this objective

2.38 Hindi Advisory Committee of Ministry of Labour and Employment has been re-constituted and one meeting of it was conducted on 25.07.2007. Besides this Parliamentary Committee has also visited the Ministry on 03.10.2007 and expressed their satisfaction regarding implementation of Official Language.

BRIEF REPORT ON ACTIVITIES OF CLC's (C) ORGANISATION

3.1 The Chief Labour Commissioner's (Central) [CLC(C)] Organisation, also known as Central Industrial Relations Machinery (CIRM), is an attached office of the Ministry of Labour and Employment. The CIRM is headed by the Chief Labour Commissioner (Central). It has been entrusted with the task of maintaining Industrial Relations, enforcement of Labour Laws and verification of Trade Union Membership in central

sphere. CIRM has a complement of 18 officers at the Head Quarters and 253 Officers in the field. The offices of CIRM are spread over different parts of the country with zonal, regional and unit level formations.

FUNCTIONS OF THE ORGANISATION:

3.2 The functions of CIRM are given as under:

FUNCTIONS OF CIRM

- Prevention and settlement of Industrial Disputes, in the Central Sphere;
- Enforcement of Labour Laws and Rules made thereunder in the Central Sphere;
- Implementation of awards.
- Quasi-Judicial functions.
- Verification of the membership of the Trade Unions.
- Welfare.
- Other Miscellaneous functions.

PREVENTION AND SETTLEMENT OF INDUSTRIAL DISPUTES

3.3 The CIRM ensures harmonious industrial relations in the Central Sphere establishments through: -

- Monitoring of industrial relations in the Central Sphere.
- Intervention, mediation and conciliation in industrial disputes in order to bring about settlement of disputes.
- Intervention in situations of threatened strikes and lockouts with a view to avert the strikes and lockouts.

- Implementation of settlements and awards.
- Enforcement of other provisions in the Industrial Disputes Act, 1947 relating to: (1) Works Committee, (2) Recovery of Dues, (3) Lay off, (4) Retrenchment, (5) Unfair Labour Practices, etc.

3.4 During the year 2006-2007 the CIRM intervened in 454 threatened strikes and its conciliatory efforts succeeded in averting 445 strikes, which represent a success rate of 98%. The machinery handled the Industrial Disputes during the year 2006-2007 as given as under: -

Details of the Industrial Disputes handled by CIRM						
No. of Disputes received by CIRM	No. of Disputes which were considered unfit for intervention by CIRM	No. of Disputes which were settled without holding formal conciliation proceedings	No. of Disputes which formal C.P. were held	No. of Disputes in which conciliation proceeding led to the settlement of Disputes	No. of Disputes in which conciliation proceedings ended in failure	No. of Disputes Pending with the CIRM on the close of the year
8332	-	1685	3047	989	2058	3600

ENFORCEMENT OF LABOUR LAWS:

3.5 Another important function of CIRM is the enforcement of Labour Laws in the establishments for which the Central Government is the Appropriate Government. The machinery enforces following Labour Laws and Rules framed there under: -

- (i) The Payment of Wages Act, 1936 & Rules made there under for Mines, Railways, Air Transport Services & Docks, Wharves and Jetties.
- (ii) The Minimum Wages Act, 1948 and Rules.
- (iii) The Contract Labour (Regulation & Abolition) Act, 1970 and Rules.
- (iv) The Equal Remuneration Act, 1976 & Rules.
- (v) The Inter-State Migrant Workmen (RE&CS) Act, 1979 and Rules.
- (vi) The Child Labour (Prohibition & Regulation) Act, 1986 and Rules.
- (vii) The Payment of Gratuity Act, 1972 and Rules.
- (viii) The Labour Laws (Exemption from Furnishing returns and Maintaining Registers by certain Establishments) Act, 1988.
- (ix) The Building and Other Construction workers (Regulation of Employment & Conditions of Service) Act, 1996 and Rules.

- (x) Chapter VI-A of Indian Railway Act; Hours of Employment Regulations for Railways Employees.
- (xi) The Industrial Employment (Standing Orders) Act, 1946 & Rules.
- (xii) The Maternity Benefit Act, 1961 (Mines and Circus Rules, 1963) & Rules.
- (xiii) The Payment of Bonus Act, 1965.

3.6 There are approximately 1.5 lakh establishments in the Central Sphere. The Inspecting Officers of CIRM inspect these establishments under different Labour enactments through routine inspections, special drives for inspections under the crash inspection programmes and taskforce inspections to secure benefits of the beneficial legislations to workers. Special emphasis is given to enforcement of beneficial enactments such as the Contract Labour (Regulation & Abolition) Act, 1970, the Minimum Wages Act, 1948 and the Building and Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996 in the unorganised sector. Prosecutions are launched against persistent defaulters and in respect of major violations. Details for the year 2006-2007 are given as under -

STATEMENT SHOWING NUMBER OF INSPECTIONS ETC. UNDER VARIOUS LABOUR LAWS				
No. of Inspections	No. of Irregularities		No. of Prosecutions launched	No. of Convictions
	Detected*	Rectified		
33926	725869	317513	13556	4940

*including brought forward from the previous year

IMPLEMENTATION OF AWARDS:

3.7 The officers of the CIRM implement Awards issued by the Central Government Industrial Tribunal-cum-Labour Courts (CGITs). During the year 2006-2007, 2219 awards (including those brought forward) were received. Out of these, 169 were implemented, implementation of 523 Awards was in progress, implementation of 838 Awards was stayed by High Courts & implementation of 799 Awards was pending due to other reasons. Difficulties in implementing the awards are experienced as employers obtain stay orders from High Courts on implementation. Besides, sanction for prosecution of employers by the employing Ministries as required under section 197 of Cr PC seldom comes.

QUASI-JUDICIAL WORK:

3.8 CIRM officers from the level of ALC (C) up to the level of CLC(C) also perform certain Quasi Judicial Functions as shown below:

CLC(C) -Director General (Inspection) under the Building and Other Construction Workers (Regulation of Employment & Conditions of Service)

Act, 1996, Appellate Authority under Industrial Employment (Standing Orders) Act, 1946.

Dy. CLC(C) Appellate Authority under the Industrial Employment (Standing Orders) Act, 1946. Authority under Rule 25(2)(v)(a) and (b) of the Contract Labour (Regulation and Abolition), Rules 1971

RLC (C)- Authority under the Minimum Wages Act, 1948. Appellate Authority under the Contract Labour (Regulation and Abolition), Rules 1971. the Payment of Gratuity Act, 1972 and Equal Remuneration Act, 1976. Certifying officer under Industrial Employment (Standing Orders) Act, 1946, Supervisor of Railway Labour under Hours of Employment & Regulation Act, 1889

ALC(C)- Controlling Authority under Payment of Gratuity Act, 1972; Authority under Equal Remuneration Act, 1976; Registering and Licensing Officer under Contract Labour (Regulation and Abolition) Act, 1970.

3.9 The cases decided by these officers under some of the above enactments / rules are given in the table below: -

Nature of Quasi Judicial Work	Cases/ Applications / Claims B/F from previous year	Cases/ Applications / Claims received during the year	Total	Cases/ Applications / Claims disposed off	Amount Awarded (in Rupees)
Gratuity Applications under the Payment of Gratuity Act, 1972 (2006-2007)	7589	3503	11092	3938	163974913
Gratuity Appeals by RLCs under the Payment of Gratuity Act, 1972 (2006-2007)	509	505	1014	395	10243540
Claim applications by RLCs(C) under the Minimum Wages Act, 1948 (2006-2007)	2992	1460	4452	1698	14008752
Applications for certification/modification of Standing Orders by RLCs(C) (2006-2007)	46	27	73	30	5668611
Cases under BOCW Act (2007-08) (P)	291	221	512	89	43400

P= All figures are provisional.

VERIFICATION OF MEMBERSHIP OF CENTRAL TRADE UNION ORGANISATIONS:

3.10 The General Verification of membership of trade unions affiliated to Central Trade Union Organisations (CTUOs) is an important exercise, which is undertaken by the CLC(C) organization. The purpose of general verification is to give representation to CTUOs in the International and National conferences, Committee, Councils, Wage Boards, etc.

3.11 The last general verification of membership of Trade Unions affiliated to 12 Central Trade Union Organizations (CTUOs) was conducted with the date of reckoning as 31.12.1989. The result of general

verification was declared by Ministry of Labour in December, 1996.

3.12 The fresh General Verification with date of reckoning 31.12.2002 is being conducted in compliance of order dated 25.7.2003 of Hon'ble High Court of Delhi. 13 Central Trade Union Organisations have filed their membership claim of about 42 million workers through 18168 affiliated unions. The first phase of General Verification i.e. checking of union's particulars from the records of various Registrars of Trade Unions is completed and the second phase of general verification i.e. checking of records of individual unions and personal interrogation of workers, is nearing completion. Provisional results of general verification have been

delivered to all the 13 Central Trade Unions. They have also submitted their errors / omissions on the provisional results.

3.13 The errors / omissions received from CTUOs have been sent to the Dy. CLC (C) / RLC(C) for their scrutiny and report. Report from some of the Dy. CLC (C) / RLC(C) are yet to be received. Out of 13 Central Trade unions, objections were reconciled in respect of 6 unions. All efforts are being made to reconcile the objections in respect of the remaining unions.

Code of Discipline

3.14 Verification of memberships of trade unions operating in establishments in the Central Sphere is conducted by CLC (C) office under the Code of Discipline for recognition purpose, as and when directed by the Ministry of Labour and Employment.

3.15 Verification of membership of Unions operating in 16 establishments (Rajasthan Atomic Power Project Unit 1 to 6 in Nuclear Power Corporation of India Ltd. (NPCIL) Rawatbhata, Rajasthan, Cambata Aviation Pvt. Ltd, IGI Airport T-II New Delhi, IOCL(AOD) Digboi, Guwahati, Indian Govt. Mint, Hyderabad, Mahanagar Telephone Nigam, Delhi and Mumbai, Bharat Sanchar Nigam Ltd., Tuticorin Port Trust, Tuticorin, NALCO, Orissa, Jawaharlal Nehru Port Trust, Mines of Bisra Stone Lime Co. Ltd., Birmitrapur Sundergarh (Orissa), Nuclear Fuel Complex, Hyderabad, Andhra Pradesh Mineral Development Corporation Ltd., Hyderabad, Bhakra Beas Management Board (BBMB) (IW) Talwara, Punjab, Kerala Minerals & Metals Ltd., Chavara, Cochin, Singareni Collieries Co. Ltd., Andhra Pradesh, Konkan Railway Corporation Ltd., Mumbai) through Secret Ballot was conducted and final verification reports were sent to Ministry of Labour and Employment.

Statutory verification of membership of unions operating in Nationalized Banks:

3.16 Verification of membership of trade unions operating in 27 nationalized banks, State Bank of India and their subsidiary banks is conducted under

four statutory rules / schemes viz. State Bank of India (Appointment of Employee Director Rules, 1974); The Nationalized Banks (Management and Misc. Provisions) Scheme 1970; The Nationalized Banks (Management and Misc. Provisions) Scheme 1980 and The Subsidiary Banks (Appointment of Employee director Rules, 1974).

3.17 The verification is conducted by the CLC(C) office on the request of Ministry of Finance, Department of Banking, for appointing Workmen Director of Bank. The final report of verification of membership of unions operating in 7 banks (Vijaya Bank, Union Bank of India, Canara Bank, State Bank Of India, Central Bank of India, State Bank of Indore, State Bank of Bikaner & Jaipur) was completed and results communicated to Ministry of Finance during the period 01.04.2007 till date. Verification of membership of unions operating in 7 Banks is in progress. The final verification result in respect of two more banks i.e. Corporation Bank and United Bank of India will be sent to Ministry of Finance Department of Financial Services by the end of this year positively.

The Right to Information Act ,2005

3.18 About 65 petitions including those forwarded by Ministry of Labour & Employment to CLC(C) organization were disposed off as per the provisions of the Right to Information Act,2005

MISCELLANEOUS FUNCTIONS

3.19 The CIRM performs the following miscellaneous functions also: -

1. Conducting periodic meetings of Minimum Wages Advisory Board and notifying Variable Dearness Allowance every six months as per A.I.C.P.I. number.
2. Defending the Ministry of Labour and Employment in Writ Petitions filed against the Ministry in different High Courts.
3. Investigations of Complaints as per direction of the Ministry of Labour and Employment.
4. Assisting Central Advisory Contract Labour Board as conveners of different sub-committees

to examine prohibition of contract Labour in different employments.

5. Assisting the Ministry in preparation of different reports required to be submitted to International Labour Organisation.
6. Supplying information to the Ministry in replying Parliament Questions on statutes enforced by CLC(C) organization.
7. Advising the Ministry of Labour and Employment in conflict situations like strikes of All India Nature and other Labour matters.
8. Attending to Parliamentary Committees and other important delegations as per the advice of the Ministry.
9. Keeping Liaison with State Government Labour Departments for collection of information as per direction of the Ministry.
10. Assisting the Ministry of Labour and Employment in training of Central Labour Service Officers.

WELFARE

3.20 The Assistant Labour Welfare Commissioners (ALWCs) and Deputy Labour Welfare Commissioners (DLWCs) are posted in Defence and other establishments, such as, CPWD, Security Presses, Mints, Ordnance Factories, Telecom Factories, and Hospitals etc., which are under the control of Central Government. The LWCs are posted at the Head Quarters of these establishments. Together these officers ensure harmonious Industrial Relations in their respective establishments. They also look after the welfare and redressal of grievances of the workers, administration of Welfare Schemes and advise the managements on various Labour matters including constitution of bilateral committees, such as, Shop Councils, Works Committees etc.

MAJOR INDUSTRIAL RELATION EVENTS DURING THE YEAR (2007-2008) IN WHICH CIRM PLAYED IMPORTANT ROLE

Air Transport

3.21 In pursuance of their demand for wage revision and Career Progression, the Air Corporation

Employees Union(ACEU) served a notice on 15.05.2007 to the management of Indian Airlines proposing to observe two and half hours walk out between 9.00 AM to 11.30 AM all over India on 17.05.2007 and one day Mass Casual Leave on Friday the 18th May, 2007. The ACEU was demanding wage revision w.e.f. 1.01.1997 in line with settlement arrived at by Air India for its 9000 employees with full arrear of wages. CLC(C) conciliated the matter on 17.05.2007, 28.05.2007 and 16.06.2007. The conciliation on 12.06.2007 was adjourned due to divergent views held by the parties. ACEU went on a flash strike without any notice from 9.15 PM on 12.06.2007 causing large scale disruption in the operations of Indian Airlines

3.22 As the matter was getting out of hand CLC(C) issued a letter on 13.06.2007 addressed to the President / General Secretary of the Union impressing upon him the illegality of strike held during the conciliation process alongwith relevant provisions of ID Act and invited them to come for negotiation before CLC(C) for meaningful dialogue across the table. The management of Indian Airlines obtained an order from the vacation judge of the Hon'ble High Court of Delhi, which softened the attitude of trade union and the strike, was called off from 3 PM on 14.06.2007. Conciliation was held by CLC(C) on 15.06.2007, which brought about settlement on all issues and a memorandum of settlement was signed before the CLC(C) mainly to the effect of revision of payment allowances w.e.f. 1.01.1997, Payment of arrears from 1.01.2000 arising out of revision of pay within 18 months, Revised career progression for workmen as per formula / pattern annexed to MOU. About 12000 employees of Indian Airlines benefited by the settlement.

Oil Sector

3.23 In pursuance of their demand for immediate Ad-hoc relief pending wage revision, 50% of DA merger and Re-imbusement of perquisite tax, the Oil Sector Offices Association (OSOA) had served a notice to all the Oil Companies namely, IOC, ONGC, BPCL, HPCL Oil India Ltd and GAIL etc. proposing/agitation plan including indefinite strike from 21.08.2007.

3.24 The RLC(C), Mumbai held conciliation proceedings on 17.08.2007 and 20.08.2007, which was attended by representatives of management but none, attended on behalf of OASA. It was pointed out by RLC(C), Mumbai that Hon'ble High Court of Delhi had given an ex-parte interim order on 17.08.2007 restraining the OSOA & its member associations from going on strike. Although OSOA commenced the strike from 6.00 AM to 10.00 AM, but following assurance given by Ministry of Petroleum to consider interim relief for immediate payment of adjustable advance ranging from Rs.60,000/- to Rs.1,20,000/- and re-instatement of perks tax with board approval the proposed strike was averted.

Banking Sector

3.25. In pursuance of their 3 point charter of Demands, namely (i) Second option for pension (ii) Restoration of compassionate Appointment Scheme and (iii) Opposing outsourcing, the convener of United Forum of Bank Unions served a strike notice dated 22.08.2007 to the Chairman, Indian Bank Association, World Trade Centre, 5th Floor, Cuffe Parade, Mumbai to go on strike on 12.09.2007. The CLC(C) intervened in the matter and held conciliation proceedings on various dates. After prolonged discussion and persuasion, management agreed to initiate discussion within a fortnight on all the issues in order to find amicable solution and the United Forum of Bank Unions also agreed to defer the proposed strike. A Report on conciliation proceedings under Section 12(4) of Industrial Disputes Act, 1947 was sent to the Secretary (Labour) on 11.09.2007.

Rail Transport

3.26 In support of their opposition to management of Indian Railway's violating 4 year's transfer policy, overlooking of registration priority and Transfer not for eligible Registrants, all India Station Master's Association, Madurai Division served notice proposing strike for a period of 48 hours. The modus operandi of the strike was to stop all trains at signals for a period of 2 minutes. Dy. CLC(C) Chennai, who was advised to intervene, informed that due to

his persuasion proposed the strike on 02.06.2007 was averted.

Major Ports

3.27 In pursuance of their 7- point charter of Demand including restoration of age of retirement of Port and Dock workers as 60, merger of 50% DA with pay w.e.f 01.01.2005 and interim relief @ Rs. 1000/- per month to all the workers including pensioners etc, 5 recognised Federations namely All India Port & Dock Workers Federation (workers), Water Transport Workers Federation of India, Indian National Port & Dock Workers Federation and Visakhapatnam Port & Dock Workers Sangh affiliated to BMS (unrecognized) representing approximately 60,000 workers of major ports across the country served notice of strike to commence on or after 1.09.2007. Following the receipt of the strike notice the CLC(C) intervened and held conciliation proceedings on 28.08.2007. Stalemate in the discussion resulted in CLC(C) making a last- ditch effort to avert the strike by making a fresh appeal to the Federations to call off the strike or atleast to defer it so as to engage in further fruitful discussions for resolving the issues in a peaceful manner which, the Federation after persuasion, agreed and decided to defer their strike for 20 days from 1st September, 2007 to allow management to solve the issues. Conciliation proceedings were adjourned till 11AM on 19th September, 2007. During the conciliation proceedings held on 21.09.2007, the unions informed that Hon'ble Minister for Shipping & Transport, New Delhi had accepted the demands of the union for the restoration of the age of retirement of the Port & Dock workers as sixty years and other issues will be resolved through bilateral discussions with the Unions. With this assurance, Union had unilaterally withdrawn the strike notice.

VISION STATEMENT OF CLC(C) ORGANISATION

- To simplify labour laws capable of protecting the interests of social partners and economy.
- To secure social security measures for workmen in unorganised sectors through umbrella legislation.

- To further improve conciliation services, administration and enforcement of labour laws to meet the expectations of social partner and future changes in economy and global scenario through a system of meaningful dialogue and regular interactions with them.
- To secure national minimum wages for workers in all employments.
- To equip the CLC's(C) organisation with trained and motivated officials with proper orientation through continuous training and development programmes.
- To maintain a data bank at the national level relating to industrial relations, administration and enforcement of labour laws with facilities of continuous updating through computer network across the country.

The Trade Unions Act, 1926

3.28 The Trade Unions Act, 1926 provides provisions for registration of trade unions of employers and workers and in certain respects, it defines the law relating to registered trade unions. It confers legal and corporate status on registered trade unions. The Act is administered by the concerned State Governments.

3.29 The Trade Unions Act, 1926 has been amended and enforced w.e.f. 09.01.2002. The objective of these amendments, in brief, is to ensure orderly growth of trade unions and reduce multiplicity of trade unions and promote internal democracy.

Amendment proposals to the Industrial Disputes Act, 1947

3.30 The Industrial Disputes Act, 1947 provides for investigation and settlement of industrial disputes. The main objectives of the Act are: promotion of measures for securing and preserving amity and good relations between the employer and workmen; investigation and settlement of industrial disputes, between employers and employees, employers and workmen or workmen and workmen, prevention of illegal strikes and lock-outs; relief to workmen in the matter of lay-off and retrenchment; and collective bargaining.

3.31 Keeping in view the National Common Minimum Programme (NCMP), that the changes in labour laws must take place after consultation with the Industry and Trade Unions, Ministry of Labour and Employment has held tripartite consultations with stakeholders and formulated certain draft proposals for amendment in the Industrial Disputes Act, 1947. The draft proposals are at the stage of consultation with the Central Ministries / Departments.

Plantations Labour Act, 1951

3.32 The Plantation Labour Act, 1951, is a Central Act enacted by the Union Government in 1951. The Act is in operation since 1954. The Act is enforced by the respective State Governments, who designate Chief Inspectors under the Act. The Chief Inspectors under the Act, on the basis of rules framed by the respective State Governments, ensure implementation of welfare measures relating to medical facilities, educational facility, housing facilities, drinking water facility, sanitation and conservancy etc. However, since 1951, the socio-economic conditions, the infrastructure facilities and the welfare activities of the State Governments have evolved significantly.

3.33 In accordance with the National Common Minimum Programme (NCMP) that the changes in labour laws must take place after consultation with the Industry and Trade Unions, Ministry of Labour and Employment has held tripartite consultations with stakeholders and formulated certain draft proposals for amendment in the Plantation Labour Act, 1951. The draft proposals are at the stage of consultation with the Central Ministries / Departments.

Industrial Employment (Standing Orders) Central (Amendment) Rules, 2007

3.34 The Government had amended the Industrial Employment (Standing Orders) Central Rules, 1946 to include "Fixed Term Employment Workman" in the Schedule of the Industrial Employment (Standing Orders) Act, 1946 and Model Standing Orders annexed to the Industrial Employment (Standing Orders) Act, 1946 vide Notification No. GSR No.936(E) dated the 10.12.2003.

3.35 Keeping in view the National Common Minimum Programme, it was decided to rescind the above Notification and accordingly the order rescinding the earlier notification was issued on 10.10.2007.

Monitoring of Industrial Relations

3.36 The Labour Relations Monitoring Unit, set up in 1981, monitors the extent of industrial harmony based on the information that it collects on the number and spatial dispersion of strikes/lockouts, number of workers involved and man days lost, number of units reporting retrenchment and the extent of lay offs.

3.37 The total number of strikes and lockouts in 2006(P) is 420 as compared to 456 in 2005. The workers affected due to these disturbances decreased by 38% as compared to 2005.

3.38 The spatial/industry wise dispersion of the number of strikes and lockouts and the workers affected as a result of this is not uniform. Among the States, West Bengal witnesses the maximum number of the strikes & lockouts followed by Tamil Nadu, Gujarat and Andhra Pradesh. West Bengal witnessed 173 instances of strike & lockouts during 2006. Tamil Nadu, Gujarat, Andhra Pradesh, Rajasthan and Karnataka witnessed 61, 27, 20, 17 and 16 strikes & lockouts respectively.

3.39 Mandays lost is a direct measure of the impact of industrial unrest on the workmen. At the aggregate level, mandays lost due to strikes and lockouts have decreased substantially in 2006 as compared to 2005. The total Mandays lost due to strikes & lockouts in 2006(P) was 20.27 millions as compared to 29.66 millions in 2005.

3.40 Most of the industrial unrest, as indicated by strikes and lockouts has been primarily related to indiscipline & violence, non-payment of wages & allowances, personnel, bonus, retrenchment etc. During 2006(P), indiscipline & violence was the major causal factor behind 35% of strikes &

lockouts, while wage related issues were main cause for 19% of these unrests.

Closure

3.41 The number of units effecting closure in both central and state spheres, has been 168 in 2006(P). Financial stringency led to closure in 32 cases, while lack of demand was the main reason for 7 closures during the period. All the closure took place in private sector.

Lay-Off

3.42 Lay-off can be defined as the failure, refusal or inability of an employer on account of shortage of power, raw materials, accumulation of stocks or breakdown of machinery, to give employment to a workman whose name is borne on the muster rolls of his industrial establishment and who has not been retrenched. It is usually an indication of the supply side bottlenecks faced by the industrial unit leading to low capacity utilization. The number of units effecting lay-off declined sharply from 104 in 2005 to 50 in 2006(P). All 50 cases of lay off took place in states sphere. The number of workers affected due to lay-off also declined significantly from 12255 in 2005 to 8299 in 2006(P).

Retrenchment

3.43 The number of units reporting retrenchment decreased from 35 in 2005 to 24 in 2006(P). The number of workers retrenched, declined from 2184 in 2005 to 884 in 2006(P). Out of 24 cases of retrenchment registered in 2006(P), 19 took place in state sphere while 5 were in central sphere.

3.44 As per the provisions contained in Chapter V-B of the Industrial Disputes Act, 1947, establishments employing 100 persons or more are required to seek prior permission of the appropriate Government in the prescribed application form before effecting closure, retrenchment or lay-off. In this Ministry applications are received from CPSUs and other establishments falling in the Central sphere. These applications are examined and a hearing is

held in order to provide an opportunity to both the management and the workers to make submissions on issues pertaining to the proposed action of the management. Based on the oral and written submissions made by the parties, and considering the reasonableness/ genuineness of the management's application, a decision as to granting or not granting permission for closure, retrenchment or lay-off is taken. Wherever permission is granted, it is ensured that workers' interests are protected as far as possible.

INDUSTRIAL TRIPARTITE COMMITTEES

3.45 Industrial Tripartite Committees (ITCs) have been constituted with the view to promote the spirit of tripartism. These tripartite bodies provide a forum whereby the social partners through dialogue can appreciate the problems of industries and workers affected by Economic Reforms. These Committees are non-statutory Standing Committees meetings of which are convened as and when required. Government's proactive role has successfully harmonized the interest of the employers and the workers resulting in a change of attitude from confrontation to that of co-operation.

3.46 There are eight Industrial Tripartite Committees (ITCs) one each on Cotton Textiles, Jute, Road transport, Electricity Generation & Distribution, Engineering, Sugar, and Chemicals and Plantation industry. Meeting of Industrial Tripartite Committees on Plantation, Cotton Textiles, Road transport and Electricity Generation and Distribution were held on 26.08.2005, 30.06.2006, 07.07.2006 and 27.01.2007 respectively.

ADJUDICATION

3.47 For adjudication of industrial disputes, in respect of which the Central Government is the appropriate Government, there were 17 Central Government Industrial Tribunals (CGITs)-cum-

Labour Courts. Five new CGIT-cum- Labour Courts have been set up at Guwahati, Ahmedabad, Ernakulam (Cochin), Delhi and Chandigarh during the year 2003-2004 and 2004-2005 thus taking the total number of CGITs to 22. In addition, the Industrial Tribunals-cum-Labour Court set up by the State governments and Union Territories Administrations are also utilized by the Central Government for adjudication of industrial disputes, where no Central Government Industrial Tribunal-cum-Labour Court in existence.

3.48 In order to reduce the pendency of cases, Lok Adalats are being organized by the CGIT-cum-Labour Courts through which 1524 cases have been settled, out of which 326 cases have been settled during 2006-07 and 42 during 2007-08 so far.

BOARD OF ARBITRATION (JOINT CONSULTATIVE MACHINERY)

3.49 Government of India had introduced in 1966 a Scheme for Joint Consultative Machinery and Compulsory Arbitration for resolving differences between the Government as an employer and the general body of its employees.

3.50 The Scheme provides for compulsory arbitration on Pay and Allowances, weekly hours of work and leave of a class or grade of employees. Under the Scheme the Board of Arbitration (JCM) was set up in July, 1968. The Board consists of a Chairman and two other members. The Chairman is a whole time person. The Ministry of Labour appoints the other two members at the time of referring the dispute to the Board out of a panel of members from the Staff Side as well as from the Official Side maintained by it.

3.51 As on 30.11.2007, the Board has given 257 Awards out of 259 references referred to them.

4.1 Productivity is a measure of efficiency with which resources, both human and material, are converted into goods and services:

- Faster rate of economic growth can be ensured through accelerated production and higher productivity in all branches of economic activity. The productivity of human resources (labour), being an important input besides land and capital, plays a significant role in determining the overall economic growth of a nation.
- Apart from the level of human skills, the quality of raw materials and the technology employed are also responsible for productive human resources.

LABOUR PRODUCTIVITY

4.2 Comparison of Labour Productivity growth across Asian Countries during the year 1996 to 2002 as depicted in **Table 4.1** shows that labour productivity growth in 2002 has been the highest in Vietnam (4.70%), followed by Republic of Korea (3.98%), Iran (3.87%), Singapore (3.60%), Bangladesh (3.03%), Indonesia (2.74%), India (2.57%) and so on. India ranks 7th among the 18 Asian Countries for which the study has been made. The labour productivity growth for India exhibited a decline during the latest year under consideration

4.3 The labour productivity growth in India measured in terms of growth in real GDP per person employed is worked out to be ranging from 3.12% in 2000 to 6.84% during 1996 thus maintaining a satisfactory level in labour productivity. The labour productivity growth in India was 4.41% and 2.57% during 2001 and 2002 respectively. It may be noted that India's Labour Productivity growth during 2001 was the highest among the 18 Asian Countries. The labour productivity growth during 1996 to 2002 in India has all along been better than the comparative position in respect of benchmark countries like Australia, Germany, United Kingdom and United States (Excepting US in 2002), thus indicating the shift towards betterment of Indian economy through higher labour productivity in all these years of globalization.

4.4 A statement giving the labour productivity measured in terms of Gross Domestic Product (Purchasing Power Parity) per Person Employed per Hour and Overall Productivity - Real Growth i.e. Percentage Change of Real GDP per Person Employed in Asian Countries and four benchmark countries during 2006 from the World Competitiveness Year Book 2007 are given in the **Table 4.2**.

4.5 The comparison reveals that productivity in India during the year 2004 in comparison to other Select Asian countries is the lowest at 4.16 US \$. The labour productivity in select 10 Asian Countries has been reported to be the highest at 32.22 US \$ in case of Hong Kong followed by Japan (31.10 US \$) and Singapore (25.92 US \$) and the countries with labour productivity in proximity with India are Indonesia (4.42 US \$), China - Mainland (6.02 US \$) and Philippines (6.31 US \$).

4.6 The labour productivity in four benchmark countries during 2006 is measured to be much higher at 43.99 US \$ for United States of America, 38.57 US\$ for United Kingdom, 37.06 US\$ for Germany and 36.91 US\$ for Australia.

4.7 The growth in overall productivity estimated in terms of "Percentage Change of Real GDP per Person Employed" in India during 2006 is, however, observed to be 6.55%, which is higher than four benchmark countries as well as all other Asian Countries except China (9.87%).

4.8 The observations in World Employment Report, 2004-05, International Labour Organisation in respect of variations in Labour Productivity among different countries need to be kept in mind for comparing the labour productivity among different countries. These observation are quoted below:

"There is wide variation in labour productivity among different countries in the world owing to a host of factors, most of which are directly and positively related to the level of economic development of the countries concerned. It is important to underscore the fact that differences in labour productivity levels have essentially nothing to do with differences in how

hard workers work- on the contrary they often indicate differences in working conditions. A poor worker in a developing economy can work long hours, strenuously, under bad physical conditions, but yet have low labour productivity and, therefore, receive a low income because he or she lacks access to technology, education, or other factors needed to raise productivity. Similarly a worker in a highly developed economy may have high labour productivity despite working relatively fewer hours'.

MEASURES FOR INCREASING LABOUR PRODUCTIVITY

4.9 Labour productivity does not increase automatically. A developing country needs to have a certain level of human capital, and technological and industrial endowment in order to reap the benefits of higher labour productivity. Labour productivity also requires substantial investment in vocational training facilities in order to enable job aspirants to harness emerging employment opportunities while making the final products globally competitive.

4.10 The basic thrust for enhancing labour productivity throughout the country is emphasized by way of overall skill development and up-gradation through:

- **Setting up of new ITIs/TCs under Craftmen Training Schemes in the country**
- **Introduction of new Trades under Craftmen Training Schemes and Apprenticeship Training Schemes**
- **Up-gradation of 400 ITIs into Centres of Excellence from World Bank Assistance**
- **Up-gradation of 1396 ITIs into Centres of Excellence in PPP Mode**
- **Up-gradation of ITIs in North-Eastern States, Sikkim and Jammu & Kashmir, and**
- **Skill Development Initiatives to reach those who have not derived the benefit of formal training.**

NATIONAL PRODUCTIVITY COUNCIL

4.11 The National Productivity Council is an autonomous body and is partly funded by the Government of India:-

- It aims at dissemination of knowledge and experience in productivity, promotion of consciousness and improvement in productivity, strengthening of the performance and competitiveness of the economy and improving the conditions and quality of working life.
- It operates through Regional Professional Management Groups (RPMGs).
- Ministries of the Government of India and representatives of employers' and workers' organizations are members of the council.
- It undertakes training programmes in the area of management services, industrial training and human resource development and also provides consultancy services in both the formal and informal sectors.
- It has instituted National Productivity Awards for selected sectors of the economy such as agriculture and food processing industries with the objective to recognize the enterprises, which excel in productivity performance and to motivate other enterprises to increase their productivity.

4.12 To give recognition to outstanding contribution towards production and productivity, technological innovations, cost saving, import substitution, saving of foreign exchange and for showing exemplary zeal and enthusiasm in the discharge of duties, the Ministry of Labour and Employment administers a scheme entitled 'Prime Minister's Shram Awards' for workers (as defined in Industrial Dispute Act, 1947) employed in departmental/public sector undertakings of the Central/State Governments and the manufacturing units employing 500 or more workers in the private sector in recognition of their performance, devotion to duty etc. Only those workers are eligible for the awards, who are engaged in manufacturing and productive processes and whose performance is assessable. These awards are announced every year generally on the eve of either Republic Day or Independence Day. The awards in the order of precedence are Shram Ratna, Shram Bhushan, Shram Vir/Shram Veerangana and Shram Shree/

Devi. The cash prize and number of awards for each category are given in **Table 4.3**

4.13 Besides the cash prize, the awardees also receive a "Sanad" from the Prime Minister.

4.14 The Prime Minister's Shram Awards for the year 2004 were distributed to 45 workers, including

6 women, by the Hon'ble Prime Minister in the Award Presentation Ceremony held on 27th April, 2007 at Vigyan Bhawan, New Delhi. The Prime Minister's Shram Awards for the year 2005, announced on the eve of Independence Day, 2007 to 68 workers including 9 women, are proposed to be given away by the Hon'ble Prime Minister shortly.

Table 4.1								
LABOUR PRODUCTIVITY GROWTH (%)								
(Growth in real GDP per person employed)								
Sl. No.	Country/ year	1996	1997	1998	1999	2000	2001	2002
01.	Bangladesh	2.68	3.99	3.83	3.48	4.54	3.87	3.03
02.	Republic of China	5.79	6.46	4.77	4.44	4.88	3.67	3.38
03.	Fiji	-1.13	-3.40	1.84	8.02	-0.91	N.A.	N.A.
04.	India	6.84	3.76	5.38	4.86	3.12	4.41	2.57
05.	Indonesia	0.78	3.08	-13.74	-0.51	3.73	2.35	2.74
06.	Iran	1.72	0.02	1.35	-1.11	1.98	0.43	3.87
07.	Japan	5.25	2.70	0.01	1.64	0.93	4.31	1.34
08.	Republic of Korea	10.01	7.37	-6.26	12.19	5.27	1.57	3.98
09.	Malaysia	5.70	5.60	-1.79	3.86	6.10	0.29	2.46
10.	Mongolia	2.09	4.61	-0.06	0.55	1.63	-1.80	-0.55
11.	Nepal	1.62	-0.18	0.38	1.52	0.59	-1.54	0.72
12.	Pakistan	4.09	-4.17	-1.49	1.87	5.19	0.02	-0.55
13.	Philippines	0.42	2.72	-1.27	-0.42	11.86	-3.05	0.64
14.	Singapore	1.80	2.30	-3.60	7.30	5.40	-5.20	3.60
15.	Sri Lanka	0.35	4.99	-2.18	2.99	2.20	-0.37	N.A.
16.	Thailand	2.02	-1.86	-12.87	9.37	2.85	0.08	2.52
17.	Vietnam	6.98	5.85	3.54	2.61	4.67	4.13	4.70
Benchmark Countries								
01.	United States of America	3.80	0.63	2.83	2.60	5.83	-4.13	2.77
02.	Germany	1.13	1.81	0.44	2.49	2.33	0.54	1.04
03.	Australia	2.66	4.49	2.50	1.72	-1.76	3.09	0.69
04.	United Kingdom	1.53	1.40	1.97	1.58	2.47	1.14	0.48

Source : APO Asia Pacific Productivity data & Analysis 2004, Tokyo, Japan

Table 4.2			
Labour Productivity – Asian Countries, 2004			
Sl. No.	Name of the Country	Gross Domestic Product (at Purchasing Power Parity) Per Person Employed Per Hour (in US \$)	Percentage Change of Real GDP Per Person Employed
01	China – Mainland	6.02	9.87
02	Hong Kong	32.22	4.62
03	India	4.16	6.55
04	Indonesia	4.42	4.99
05	Japan	31.10	1.79
06	Republic of Korea	19.78	3.66
07	Malaysia	12.30	3.52
08	Philippines	6.31	0.94
09	Singapore	25.92	0.27
10	Thailand	7.63	3.02
Benchmark Countries			
01	United States of America	43.99	1.38
02	Germany	37.06	1.90
03	Australia	36.91	0.41
04	United Kingdom	38.57	1.79
Source: World Competitiveness Yearbook 2004, Institute of Management & Development, Lausanne, Switzerland			

Table 4.3		
Prime Minister's Shram Awards		
The Cash Prize and Number of Awards under different Categories		
Name of awards	Amount of Cash Prize (in Rupees)	Number of awards
Shram Ratna	2,00,000.00	01
Shram Bhushan	1,00,000.00	04
Shram Vir / Shram Veerangana	60,000.00	12
Shram Shri / Devi	40,000.00	16

Introduction

5.1 Even though there is no uniform and comprehensive wage policy for all sectors of the economy in India, a mechanism exists for determination of wages in the Organized and Unorganized sectors and their enforcement. Wages in the organized sector are determined through negotiations and settlements between employer and employees. In the unorganized sector, where labour is vulnerable to exploitation due to illiteracy and lack of effective bargaining power, minimum rates of wages are fixed both by Central and State Governments in the scheduled employments falling within their respective jurisdictions under the provisions of the Minimum Wages Act, 1948. The Act binds the employers to pay to the workers the minimum wages so fixed from time to time.

Minimum Wages Act, 1948

5.2 On the recommendation of the 8th Standing Labour Committee, the Minimum Wages Bill was introduced in the Central Legislative Assembly on 11.04.1946 to provide for fixation of minimum wages in certain employments. The Minimum Wages Bill was passed by the Indian Dominion Legislature and came into force on 15th March 1948. Under the Act both State and Central Government are "Appropriate Governments" for fixation/revision of minimum rates of wages for employments covered by the Schedule to the Act. The minimum rates of wages also include Special Allowance i.e. Variable Dearness Allowance (VDA) linked to Consumer Price Index Number, which is revised twice a year effective from April and October. The Central Government and twenty-six States/UT Governments have adopted VDA as a component of minimum wage. The range of wages for the unskilled workers as fixed/revision in respect of employments covered under Central and State sphere are at **Table 5.1**.

National Floor Level Minimum Wage

5.3 The 28th Indian Labour Conference in 1985 recommended a national basic subsistence level wage

below which no wages may be fixed regardless of the nature of work, nature of employment and other considerations. In the absence of a Uniform National Minimum Wage, the Central Government introduced a National Floor Level Minimum Wage. Initially, it was fixed at Rs.35/- per day in May, 1996 based on the recommendations of the National Commission on Rural Labour, 1991 and by taking into consideration the subsequent increase in price level. The Central Government has revised the National Floor Level Minimum Wage periodically to Rs.40/- per day in 01.08.1998, Rs.45/- per day in 01.12.1999, Rs.50/- per day in 01.09.2002 and Rs.66/- per day in 01.02.2004 and Rs. 80/- per day with effect from 01.09.2007, on the basis of the increase in the Consumer Price Index for Industrial Workers. The revision of National Floor Level Minimum Wage is a non-statutory measure. Thus, the State/UT Governments have been requested to revise the minimum wages upwards so as to ensure that in none of the scheduled employments; the minimum wages are less than the National Floor Level Minimum Wage of Rs.80/- per day.

Enforcement of the Minimum Wages Act, 1948

5.4 The UPA Government is committed to enhance the welfare and well being of farm labour and workers particularly those in the Unorganized sector and to ensure the fullest implementation of Minimum Wage laws for labour. Minimum Wages under Central sphere are enforced through Central Industrial Relations Machinery (CIRM). The position in respect of cases of enforcement by CIRM is provided in **Table 5.2**.

5.5 In the State Sphere, the State Industrial Relations Machinery ensures enforcement of the Minimum Wages Act, 1948. The National Common Minimum Programme, the progress relating to enforcement of the Minimum Wages Act, 1948 is being sent regularly to Ministry of Statistics and Programme Implementation for further transmission to Prime Minister's Office. The position of

enforcement of this Act in different States / UTs during 2005-06 is shown in **Table 5.3**.

5.6 The Minimum Wages Act 1948 was last amended in the year 1986 and further amendments are under consideration of the Government, which were discussed in the 40th session of ILC held on 9th & 10th Dec, 2005. The matter would be discussed further in the Central Advisory Committee on Minimum Wages after its re-constitution in order to arrive at a consensus as mandated in the National Common Minimum Programme (NCMP) before finalizing the proposals.

The Payment of Wages Act, 1936

5.7 The Payment of Wages Act, 1936 was enacted to regulate payment of wages to workers employed in industries and to ensure a speedy and effective remedy to them against illegal deductions and/or unjustified delay caused in paying wages to them. The wage ceiling under Payment of Wages Act, 1936, was fixed at Rs. 1600/- p.m. in 1982. With a view to enhance the wage ceiling to Rs.6500/- p.m. for applicability of the Act, to empower the Central Government to further increase the ceiling in future by way of notification and to enhance the penal provisions etc., the Payment of Wages (Amendment) Act, 2005, which was passed by both Houses of Parliament, has been notified on 06.09.2005 as an Act 41 of 2005 by the Ministry of Law & Justice. Subsequently, the Ministry of Labour & Employment has issued the Notification S.O. 1577(E) to make the Payment of Wages (Amendment) Act, 2005 effective from the 9th November 2005. In exercise of the powers conferred by sub-section (6) of Section 1 of the Act, the Central Government, on the basis of figures of the Consumer Expenditure Survey published by National Sample Survey Organization, has enhanced the wage ceiling, further, to Rs. 10,000/- per month vide gazette notification No. S.O. 1380 (E) dated 8th August, 2007.

WAGE BOARDS

5.8 In the 1950s and 60s, when the organised labour sector was at a nascent stage of its development without adequate unionization or with trade unions without adequate bargaining power, Government in appreciation of the problems which arise in the arena of wage fixation, constituted various Wage Boards. The Wage Boards are tripartite in character in which representatives of workers, employers and independent members participate and finalize the recommendations. The utility and contribution of such boards in the present context are not beyond question. Except for the Wage Boards for Journalists and Non-Journalists newspaper and news-agency employees, which are statutory Wage Boards, all other Wage Boards are non-statutory in nature.

5.9 The National Commission on Labour (NCL) has recommended that 'there is no need for any Wage Board, statutory or otherwise, for fixing wage rates for workers in any industry'. However, Government decided not to accept its recommendations regarding constitution of statutory wage boards i.e. Wage Boards for Working Journalists and Non-Journalists Newspaper Employees under the Working Journalists and Non-Journalists Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1965.

WAGE BOARDS FOR NEWSPAPER EMPLOYEES

5.10 The Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 provides for regulation of conditions of service of working journalists and other persons employed in newspaper establishments. Sections 9 and 13 C of the Act, inter alia, provide for setting up of Wage Boards for fixation and revision of rates of wages in respect of working journalists and non-journalists newspaper / news agency employees respectively. According to the Act, Wage Boards shall consist of the following:

- Three persons representing employers in relation to newspaper establishment;
- Three persons representing working journalists for Wage Board under Section 9 and three persons representing non-journalists newspaper employees for Wage Board under section 13 C of the Act
- Four independent persons, one of whom shall be a person who is or has been a judge of High Court or the Supreme Court, and who shall be appointed by the Government as the Chairman thereof.

5.11 The Act does not lay down the periodicity for constituting the Wage Boards. The Wage Boards for such employees were set up in the years 1956, 1963, 1975, 1985 and 1994. The previous Wage Boards i.e. Manisana Wage Boards were constituted in the year 1994. Their reports were submitted to the Government on 25th July, 2000. Government after examining the recommendations of the boards decided to accept them with some minor modifications.

5.12 Government has, now constituted two new Wage Boards one for Working Journalists and other for Non-Journalists Newspaper Employees under Sections 9 and 13 C respectively of the Working Journalists and Non-Journalists Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1965 vide notification in the Gazette of India (Extra Ordinary) S.O. Nos. 809 (E) and 810 (E) dated 24.05.2007. The Wage Boards have been given three years time to submit their reports to the Union Government. Dr. Justice K. Narayana Kurup, as a common Chairman who is a former Judge, High Court of Kerala and acting Chief Justice of High Court of Madras, will head these Wage Boards. In addition, it has also been decided to have a common full time Member Secretary besides two common independent members and three persons representing employers

in relation to Newspaper establishments, three persons representing working journalists for Wage Board under Section 9 and three persons representing non-journalist Newspaper Employees under Section 13 C of the Act. The Wage Boards have already started functioning from their Headquarter at New Delhi.

PAYMENT OF BONUS ACT , 1965

5.13 The Payment of Bonus Act, 1965 provides for payment of bonus to employees of factories and other establishments employing 20 or more persons.

5.14 The minimum bonus of 8.33% is payable by every industry and establishment under the section 10 of the Act. The maximum bonus including productivity link bonus that can be paid in any accounting year shall not exceed 20% of the salary/ wage of an employee under the section 31 A of the Act.

5.15 At present, employees drawing salary or wage not exceeding Rs.3,500/- per month in any industry to do any skilled or unskilled, manual, supervisory, managerial, administrative, technical or clerical work for hire or reward are eligibility for payment of Bonus. The eligibility limit and calculation ceiling under clause 13 of section 2 and Section 12 of the Act respectively were last revised from Rs.2,500/- to Rs.3,500/- per month and from Rs.1600/- to Rs.2500/- per month, in the year 1995 and made effective from 1st April, 1993.

5.16 The second National Commission on Labour (NCL) has recommended that the present system of two wage ceiling for reckoning entitlement and for calculation of bonus should be suitably enhanced to 7,500/- per month and Rs.3,500/- per month respectively. The issue was taken up for discussion in the 40th Session of the Indian Labour Conference held in New Delhi in 2005.

5.17 Considering the recommendation made by Second National Commission on Labour in respect

of eligibility / calculation ceiling and further developments, the amendments to Payment of Bonus Act, 1965 were again discussed in 41st Session of Indian Labour Conference (ILC) held during 27-28 April, 2007 at New Delhi. A consensus was arrived at to enhance the eligibility limit from Rs.3,500/- to Rs.10,000/- per month and calculation ceiling from Rs.2500/- to Rs.3500/- per month. Further, it was also decided to bring the employees employed through contractors on building operations within the ambit of the Payment of Bonus Act, 1965.

5.18 Accordingly, on 27th October, 2007 the Payment of Bonus (Amendment) Ordinance, 2007

has been promulgated raising the eligibility limit from Rs.3,500/- to Rs.10,000/- per month and calculation ceiling from Rs.2500/- to Rs.3500/- per month and omit clause (vi) of Section 32 to bring employees employed through contractors on building operations within the ambit of the Payment of Bonus Act, 1965.

5.19 So as to give effect to the changes incorporate, the Payment of Bonus (Amendment) Bill, 2007 has been passed by both Houses of Parliament i.e. Lok Sabha on 27th November, 2007 and Rajya Sabha on 3rd December, 2007 by replacing the Payment of Bonus (Amendment) Ordinance, 2007 (No.8 of 2007).

Table 5.1

Table 5.1		
RANGE OF MINIMUM WAGES FOR UNSKILLED WORKERS IN DIFFERENT STATES / UNION TERRITORIES		
S.No.	State/Union Territory Central	Range of Minimum Wages per day (in rupees) 66-115
States/Union Territories		
1.	Andhra Pradesh	45.00-128.00
2.	Arunachal Pradesh	55.00-57.00
3.	Assam	48.00-97.00
4.	Bihar	66.00-75.00
5.	Chhattisgarh	52.87-79.13
6.	Goa	75.00-94.00
7.	Gujarat	50.00-99.00
8.	Haryana	94.00-95.00
9.	Himachal Pradesh	70.00
10.	Jammu & Kashmir	66.00
11.	Jharkhand	50.06-77.57
12.	Karnataka	63.00-103.00
13.	Kerala	72.00-189.00
14.	Madhya Pradesh	61.37-94.13
15.	Maharashtra	45.00-155.22
16.	Manipur	69.55-72.40
17.	Meghalaya	70.00
18.	Mizoram	91.00
19.	Nagaland	66.00-70.00
20.	Orissa	55.00
21.	Punjab	90.44-94.24
22.	Rajasthan	73.00-82.00
23.	Sikkim	85.00
24.	Tamil Nadu	54.44-150.00
25.	Tripura	51.35-65.77
26.	Uttar Pradesh	58.00-104.41
27.	Uttaranchal	61.61-97.00
28.	West Bengal	64.22-125.00
29.	Andaman & Nicobar	100.00-107.00
30.	Chandigarh	114.00
31.	Dadra & Nagar Haveli	91.00
32.	Daman & Diu	80.00
33.	Delhi	127.38
34.	Lakshadweep	70.00
35.	Pondicherry	45.00-124.00

Table-5.2

Enforcement of Provisions of Wage Laws by Central Industrial Relations Machinery (CIRM) during 2005-2006							
Sl. No	Name of the Act		No of Inspections done	Irregularities Rectified	Prosecutions Launched	Convictions Obtained	Claims filed
1	Payment of Wages Act,1936						
	i)	Mines	3084	47805	1410	1261	9
	ii)	Railways	1082	7178	13	0	0
	iii)	Air Transport	118	770	22	18	0
2	Minimum Wages Act,1948		12392	140307	4620	4616	2208

Table 5.4

STATE-WISE STATEMENT SHOWING THE PRESENT POSITION OF THE CONSTITUTION OF STATE LEVEL MONITORING COMMITTEE AND QUARTERLY PROGRESS REPORT FOR THE IMPLEMENTATION OF THE MANISANA WAGE BOARD RECOMMENDATIONS (As on 31.12.2005)								
S.No	State / U.T	QPR	No. of estt.	Which have implemented			Tripartite Committee Formed	Impl Cell
				Fully	Partially	Not		
01.	Andhra Pradesh	05/05	37	8	29	-	0	-
02.	Assam	09/04	91	6	2	83	03.04.2002	1
03.	Arunachal Pradesh	09/05	6	-	-	6	26.04.2004	-
04.	Bihar	09/05	7	6	-	1	19.06.2002	-
05.	Chhattisgarh	9/03	4	1	-	3	25.03.2003	-
06.	Goa	09/05	7	6	1	-	25.09.2002	-
07.	Gujarat	09/05	19	16	-	3	29.01.2003	-
08.	Haryana	N.R	-	-	-	-	-	-
09.	Himachal Pradesh	12/03	22	-	16	6	17.04.2004	-
10.	Jammu & Kshmir	12/03	62	-	62	-	-	-
11.	Jharkhand	N.R	-	-	-	-	-	-
12.	Karnataka	12/04	103	17	28	58	07.04.2003	-
13.	Kerala	12/04	46	5	6	35	14.03.2001	-
14.	Madhya Pradesh	09/04	126	35	10	81	-	-
15.	Manipur	N.R	-	-	-	-	-	-
16.	Maharashtra	12/04	136	114	-	22	22.02.2002	-
17.	Meghalaya	N.A.	-	-	-	-	@@	-
18.	Mizoram	N.A	-	-	-	-	@	-
19.	Nagaland	N.A.	-	-	-	-	@@	-
20.	Orissa	12/04	19	7	5	7	17.11.2001	1
21.	Punjab	12/04	10	7	-	3	-	-
22.	Rajasthan	3/03	*243	5	1	237	04.04.2001	-
23.	Sikkim	N.A	-	-	-	-	@	-
24.	Tamil Nadu	06/05	90	85	1	4	21.08.2003	-
25.	Tripura	09/04	18	-	-	18	Yes	-
26.	Uttar Pradesh	03/04	260	67	1	192	20.09.2001	-
27.	Uttaranchal	09/05	+149	4	-	145	Yes	-
28.	West Bengal	N.R	-	-	-	-	24.04.2003	-
29.	A & N Island	N.A	-	-	-	-	@@	-
30.	Chandigarh	09/05	3	-	-	3	-	-
31.	Delhi	6/05	36	28	-	8	06.05.2003	-
32.	Daman & Diu	N.A	-	-	-	-	@@	-
33.	D & Nagar Haveli	N.A	-	-	-	-	@	-
34.	Lakshadweep	N.A	-	-	-	-	@@	-
35.	Pondicherry	09/05	13	6	-	7	-	-
	Total		1507	423	162	922		

* 207 estts. are one man estt. + 143 estts. are one man estt. NR: Not Received, N.A: Not Applicable
 QPR: Quarterly Progress Report @ : The recommendations are not applicable in these States/UTs. as the newspaper estt. are very small.

@@: There is no newspaper establishment in these States/UTs.