# THIRTY THIRD SESSION OF THE INDIAN LABOUR CONFERENCE

**NEW DELHI : OCTOBER 24-25, 1996**

## AGENDA

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THIRTY THIRD SESSION OF THE INDIAN LABOUR CONFERENCE
(NEW DELHI : OCTOBER 24 - 25, 1996)

AGENDA

ITEM 1 : CONFIRMATION OF THE MINUTES OF THE THIRTY SECOND SESSION OF THE INDIAN LABOUR CONFERENCE HELD ON 23-24 NOVEMBER, 1995 AT NEW DELHI


ITEM 2 :

(I) : ACTION TAKEN ON CONCLUSIONS OF THE THIRTY FIRST SESSION OF THE INDIAN LABOUR CONFERENCE HELD ON 3-4 JANUARY, 1995 AT NEW DELHI

CONCLUSIONS

ITEM NO. 2 OF THE 31ST SESSION

1. The practice of holding Tripartite Discussions at the State level should be revived.

The conclusions of the 31st Session of the Indian Labour Conference were conveyed to all the State Governments. The Labour Secretaries of State Governments/Union Territory Administrations were requested to revive the Tripartite Consultation Machinery in their respective States vide Labour Secretary's D.O. letter dated 17.1.1996. The Union Labour Minister vide his letters dated 11.3.96 and 16.8.96 has requested Chief Ministers of all States to not only revive the tripartite consultation machinery in their respective States but also to hold its meetings on a regular basis. The State Governments are being regularly reminded to intimate the action taken in the matter. So far 15 States (viz. Govt. of Arunachal Pradesh, Assam, Chandigarh...
ITEM NO. 4 OF THE 31ST SESSION

2. Recommendations of the Tripartite Committee on the N.T.C. Mills should be implemented immediately.

The issue of modernisation of NTC mills was considered by the Special Tripartite Committee and the Sub-Committee of the Special Committee on NTC affairs and a unanimous agreement was reached on 9.4.94. Based on the unanimous agreement, the Ministry of Textiles prepared a Revival Turn Around Plan for NTC Corporation mills which was approved by the Cabinet on 9.5.95. According to the information available from Ministry of Textiles, draft schemes in respect of four subsidiaries of NTC have been published. Implementation process will commence only after the final approval of the BIFR for the Rehabilitation package.

ITEM NO. 15 OF THE 31ST SESSION

3. The Labour Ministry should set up an Advisory Body to review, from time to time, the status and promotion of employment of women.

A Central Advisory Committee under the Equal Remuneration Act, 1976 has already been set up to advise the Government on measures for providing and expanding employment opportunities for women and reviewing the steps taken for effective implementation of the Act. In the last meeting of the Committee held on 7.4.1995, three recommendations were made, namely, (i) employment exchanges should have career counselling facilities for the benefit of women; (ii) employment exchanges exclusively for women should be set up; and (iii) steps...
should be taken to improve the skills of domestic help and organise them through cooperatives. With regard to Vocational Guidance and Career Counselling, facilities have already been made available to all Employment Exchanges and University Employment Information and Guidance Bureaus in the country. In addition, 314 Vocational Guidance Units have been set up at the Employment Exchanges for providing specialised Vocational Guidance and Career Counselling services to all the job seekers including special category of applicants like SCs, STs, Women etc. A Plan Scheme for setting up special cells for promoting the placement of women at 20 Employment Exchanges in the country is being formulated.

The adequacy of Central Advisory Committee under the Equal Remuneration Act to meet the requirement of ILC recommendations will be examined by the Ministry again.

**ITEM NO. 21 OF THE 31ST SESSION**

4. The Economic Reforms Process should be geared to expansion of employment opportunities by evolving an employment policy which would arrest the loss of job opportunities and provide suitable rehabilitation package for sick industries.

During the first three years of the 8th plan, on an average, 6 million jobs per year were created though it was less than the target. However, it was a substantial increase as compared to the creation of employment opportunities during the period 1985 to 1992. According to information available from the Planning Commission, the study to assess the employment situation in the country is awaiting the finalisation of the results of the comprehensive survey on employment and unemployment conducted by the National Sample Survey Organisation.
during the period July, 1993 June, 1994, as the existing primary data base is rather old. The results of the Annual Survey of Industries relating to 1993-94 are also yet to become available. The results of both these surveys are expected to be finalised shortly.
CONCLUSIONS

ILC and its bodies and tripartism

1. The principle of tripartism having been the very essence of industrial relations in the country all along, the meetings of the ILC should invariably be preceded by SLC meetings; in order that the ILC decisions are followed up with action in an orderly manner, there should be regular tripartite review committee meetings also; there should be two such review committee meetings, apart from the meeting of the SLC before every ILC meeting; in a year, then there shall be four tripartite meetings - two of the review committee, one of the SLC and one of the ILC; the meetings of the SLC and ILC should be scheduled well in advance; the next SLC meeting shall take place on 13th September, 1996 and the next ILC meeting on 24th and 25th of October, 1996.

2. The conclusions reached in the ILC should be construed as matters of continuing importance until they are disposed of by appropriate follow up action; and such of the conclusions of the 31st session of the ILC which have not been so far implemented should be pursued including through review committee meetings.

Industrial Relations

3. Considering the economic implications of major industry-wise strikes in sectors such as banking, coal, textiles including Jute etc.,

ACTION TAKEN

A Tripartite Review Committee for monitoring implementation of decisions of Indian Labour Conference has been constituted vide this Ministry’s letter no. U-12016/2/95-L.C. dated 4th December, 1995. Three meetings of this Committee have been held on 23.2.96, 30.7.96 and 16.8.96. The thirty third session of the Standing Labour Committee was held on 13.9.1996, as decided. The 33rd Session of the Indian Labour Conference is scheduled to be held on 24th & 25th October, 1996.

The conclusions of the Indian Labour Conference have been noted. Some of the conclusions of the 31st Session of ILC needing follow up action have been included for review by the Review Committee.

A note on the settlement achieved as a result of effective intervention by the CIRM and State Industrial Relations Machinery is
Labour Ministry should facilitate prompt and effective negotiated settlement of disputes in such sectors proactively.

4. The working conditions of Labour in Export Processing Zones should be subjected to detailed study so that the workers concerned are given full Labour protection as applicable under the various labour laws.

The CLC(C) along with the Jt. Development Commissioner, Addl. Labour Commissioner, U.P. and his colleagues from the organisation of the Chief Inspector of Factories visited the NOIDA Export Processing Zone on the 5th and 12th January, 1996. The team visited six units, as a test sample case, for having a look at the working conditions, working environment and wages etc. in these units they found that the conditions are satisfactory and the labour laws are being enforced in the Zone. Visits to the remaining Export Processing Zones in Bombay, Kandla, Madras, Cochin, Falta (Calcutta) and Vishakhapatnam had also been undertaken by the concerned Regional Labour Commissioners in the company of the authorities of the State Labour Departments (who in fact, are the statutory inspecting authorities for units located in these zones). No matter violations of labour laws have come to notice as a result of these visits. Welfare amenities/facilities are being provided. However some of the establishments have not got their standing Orders Certified. State Governments Authorities having statutory responsibilities under the Industrial Employment Standing Orders Act have taken note of such instances and will be taking necessary action. In the case of Kandla Port, it has come to the notice that minimum wages are not being paid in some garment units, though they are making entries in their records that minimum wages are
5. Industrial adjudication is being seriously handicapped on account of delays in filling up of the vacancies of Presiding Officers and in providing them adequate secretariat staff support; procedure should be simplified so that these vacancies are filled up promptly and secretariat staff provided adequately.

At present the posts of Presiding Officer in all CGIT-cum-Labour Courts except Jabalpur and Chandigarh are filled up. The vacancies at Jabalpur and Chandigarh occurred with effect from 28.5.96 and 1.3.96 respectively due to reversion of the incumbents to their parent cadre on promotion. Action to fill up the posts of Presiding Officer, CGIT-cum-Labour Court, Jabalpur was initiated on 14.6.96 and that of Chandigarh on 2.4.96. Nominations of eligible judicial officers are still awaited from the various High Courts. The new CGIT-cum-Labour court set up at Jaipur is yet to be made operational.

Staff position in CGIT-cum-Labour Courts

Recruitment to various posts in CGITs other than that of Presiding Officer is made by the respective Presiding Officer being the Head of Deptt. in accordance with the Central Govt. Industrial Tribunal-cum-Labour Court Class-III and IV posts Recruitment Rules, 1976. At present all the CGITs have full complement of supporting staff except in
CGIT-cum-Labour Court, Bangalore for which till posts are filled up on regular basis. RLC(C), Bangalore has been provided certain staff on loan basis.

The terms and conditions of service offered to the Presiding Officers of the CGIT have not been very attractive and as such, the response has not been very prompt and encouraging. The terms and conditions of service of the Presiding Officers might, perhaps, become more attractive after the Vth Pay Commission report.

Wages

6. The scope for introduction of uniform minimum wages in the country should be investigated further so that drastic wage disparities do not contribute to flight of industries and sudden unemployment in pockets.

The subject of floor level minimum wages for unorganised employment was put up before the meeting of the Standing Labour Committee held on 13.9.96 who approved it. The meeting of the Standing Labour Committee also recommended that the national minimum floor should be linked to the cost of living index so as to protect the floor level minimum against inflation.

7. Eligibility and calculation ceilings for bonus under the payment of Bonus Act should be scrapped. Employers have expressed reservations and wanted total review of bonus, while Trade Union Organizations of workers are unanimously in favor of scrapping the above mentioned ceilings, considering that they militate against skilled workers who are normally in comparatively higher wage segments).

After examining the matter, the Ministry assigned a study to Mr. Bhudev Chatterji, Consultant, who has also been requested to give his findings in the shortest possible time. The report is expected shortly.
Public Sector Enterprises

8. The revised DA formula which has been brought under implementation for the benefit of the employees of public sector enterprises should be further discussed.

The Tripartite Committee on Dearness Allowance for the Central Public Sector Enterprises, in its last meeting held on 28.7.1992, recommended for enhancement of the Industrial Dearness Allowance rate from Rs.1.65 per point rise to Rs.2.00 per point rise in Consumer Price Index Number with effect from 1.1.1989. The committee also recommended for the introduction of slab system of Dearness Allowance with effect from 1.1.1992. The Department of Public Enterprises in its guidelines issued on 19th July, 1995, has given formulation for the slab system of Dearness Allowance for the Central Public Sector Enterprises. After the Department of Public Enterprises issued guidelines regarding payment of DA to the employees of the Central Public Sector Enterprises, some of the trade unions pointed out certain anomalies in the implementation of the new DA scheme. Basically there was difference of opinion on interpretation of the guidelines issued by the Deptt. of Public enterprises. This matter was taken up with the Department of Public Enterprises, who issued clarifications vide their OM of 29th September, 1995. Subsequently, another clarification was issued by the DPE on 22.12.95. They also clarified that the method of calculation of DA was rightly applied by M/s Hindustan Aeronautics Ltd. Initially, though subsequently because of pressure from other Bangalore based Public Sector Undertakings like BEL, they also reverted to the formula of BEL. Since that was not correct method, the Ministry
of Industry took up the matter with the Ministry of Defence and asked them to impress upon the BEL and other Public Sector Undertakings under their control and to follow the earlier method of HAL.

The matter was discussed in the meeting of the Review Committee & certain members expressed their dissatisfaction with the decision of the Deptt. of Public Enterprises as they wanted all employees to be treated equally. The matter has again been referred to the Deptt. of Public Enterprises for their reconsideration. Their decision is awaited.

9. The managements of public sector enterprises should be given full functional autonomy including on issues relating to wage settlement.

The issue of wage settlement in Central Public Sector Enterprises has been taken up with the Deptt. of Public Enterprises. The Deptt. of Public Enterprises has informed that the Central Public Sector Enterprises have been granted full autonomy to have wage settlement with their workers' union subject to certain broad guidelines on wage revision. As per these guidelines, the Government will not provide any budgetary support for the wage increase and the negotiated wage structure should be consistent with the generation of resources/profits by the individual enterprises/units. Further the wage settlement shall be subject to the condition that there shall be no increase in labour cost per unit of output. Finally increase in wages should not result in increase in administered prices.
The issue of modernisation of NTC mills was considered by the Special Tripartite Committee and the Sub-Committee of the Special Committee on NTC affairs and a unanimous agreement was reached on 9.4.94. Based on the unanimous agreement, the Ministry of Textiles prepared a Revival Turn Around Plan for NTC Corporation mills which was approved by the Cabinet on 9.5.95. According to the information available from Ministry of Textiles draft scheme in respect of four subsidiaries of NTC have been published. Implementation process will commence only after the final approval of the BIFR for the Rehabilitation package.

The New Central Jute Mills Co. Ltd., established in 1915, was owned by the Sahu Jain Group since 1950. The management of the Company decided to close down the mill in 1987 due to various problems. The 13,000 workers of the company formed a Cooperative Society, contributed to the equity capital of the company and accepted other sacrifices. The workers also contributed Rs. 600 lakhs as interest free loan in 1987 and a rehabilitation scheme was sanctioned on 20.9.90 at a cost of Rs. 11.88 crores. However, implementation of the scheme was delayed due to non-release of interest free loan by the Government of West Bengal which was in turn to be released by the Ministry of Textiles from Jute Special Development Fund Scheme. The financial institutions also did not release the full
amount of term loan due to non-creation of mortgage by the company. Delay in the implementation of the scheme led to abnormal increase in the employment cost and other employee related expenses, as a result of which implementation of the revival scheme approved by BIFR faced many problems. Presently the sanctioned scheme of NCUM is under review of BIFR.

The Ministry of Labour received a representation from the NCUM suggesting assistance from the National Renewal Fund for revival of the mill. A team of officers of the Ministry of Labour visited the company on 27.4.92 and submitted a report suggesting that the possibility of availing funds from NRF for labour rationalisation in the company may be explored. The report was subsequently discussed in the Inter Ministerial meeting on 1.11.93 comprising representatives from the Department of Industrial Development, Ministry of Textiles and Ministry of Finance. It was pointed out that the NRF was presently available for rationalisation of the workforce through VRS only in the central public sector undertakings.

Subsequently, the Empowered Authority for NRF in its meeting on 4.5.95 agreed to extend the NRF assistance to State PSUs as also workers’ cooperatives. Based on the decision of the Empowered Authority of NRF the New Central Jute Mills submitted a fresh application to the Deptt. of Industrial Development for NRF assistance. According to the information received from the Deptt. of Industrial...
Development of the matter regarding extension of NRF coverage to industrial workers' cooperatives would be taken up after the operational modalities for grant of NRF assistance have been approved by the Cabinet Committee on Economic Affairs. Deprt. of Industrial Development has been requested to expedite the matter.

One of the priority areas for action by the Government indicated in the common minimum programme is to make a new law to deal with industrial sickness and revamping of BIFR. Finance Minister in his budget speech had mentioned about the proposed amendment of SICA in this regard. Ministry of Labour has also sought views/suggestions of the trade unions on the proposed amendment of SICA as decided by the Special Tripartite Committee. These comments would be sent to Ministry of Finance for consideration while formulating amendment proposals.

The recommendations have been forwarded to the Deprt. of Industrial Development for necessary action and their reply is awaited. Ministry of Industry had conducted studies on sickness in industrial enterprises. The reports of these studies would be made available shortly. The Deprt. of Industrial Development has been requested to send copies of the Report.

Strengthening and streamlining of the Public Distribution System (PDS) is a continuous process to which the Government attaches high importance. PDS is a joint responsibility of Central Government and State Government.

12. The BIFR should be restructured with experts from the areas of management and labour; the BIFR procedures should be significantly simplified to cut down delays in the restructuring of sick enterprises; inordinate delays that occur now in disposal of winding up and liquidation proceedings should be cut down by necessary simplification of laws.

13. Detailed and comprehensive studies of sickness in industrial enterprises should be undertaken for evolving appropriate remedial and preemptive measure.

14. The delivery of essential commodities through the public distribution system should be streamlined with special emphasis on ensuring adequacy of supplies.
Governments, wherein Central Government markets available rice, wheat, sugar, kerosene, imported edible oil and soft coke in bulk to States/UTs for distribution through PDS. It is the responsibility of States to implement PDS including delivery of commodities through fair price shops. The allocations made by Central Government are supplemental in nature and are not intended to meet the entire requests of any States/UTs. In order to improve the reach of PDS, the Central Government decided to revamp the PDS. In consultation with the State Governments and UT Administrations, Blocks covered by various area specific programmes such as Drought Prone Area Programme (DPAP), Desert Development Programme (DDP), Designated Hill Areas (DHA) and Integrated Tribal Development Projects (ITDP), were identified for coverage under the Revamped PDS (RPDS). State Governments/UT Administrations were requested to initiate measures to open additional fair price shops, issue additional ration cards, create or hire additional storage capacity in the interior areas, make arrangements for doorstep delivery of PDS commodities to the fair price shops (FPSs) in the interior areas etc. Progress made by the State Governments is monitored regularly. Progress in the implementation of PDS and RPDS is reviewed from time to time at meetings of the Ministers and Secretaries in charge of Food and Civil Supplies in States/UTs.

The Central Issue Prices (CIP) of foodgrains meant for distribution in the areas

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covered under the RPDS is Rs. 50.00 per quintal lower than the CIP of foodgrains issued under normal PDS. Financial assistance is also given to States and UTs for purchase of vehicles for use either as door step delivery vehicles or as mobile fair price shops. Assistance is also provided to States/UTs for construction of godowns in the RPDS areas. These steps are intended to assist the States/UTs in improving their distribution infrastructures for ensuring timely supply of adequate PDS commodities to consumers. Adequate quantity of foodgrains is allocated to the States for distribution in RPDS areas.

It has also been decided in principle to extend coverage under RPDS to all the 2446 blocks presently covered under the Employment Assurance Scheme (EAS) implemented by the Ministry of Rural Areas and Employment.

**Social Security**

15. While the pension scheme for subscribers to the provident fund under the Employees’ Provident Fund Act is welcome, it should be further modified, taking into consideration the various constructive suggestions that have emerged in the series of consultations which the Labour Minister has had with various interest groups; the details of the pension scheme should also be widely publicised removing the apprehensions that are being entertained in various quarters; and steps for efficient management of the pension fund and for prompt and accurate disbursement of pension dues should be taken. (CITU, UTUC and UTUC(LS) have expressed their.

Keeping in view the suggestions received from the trade unions etc., the scheme has since been suitably amended and a suitable notification has already been issued. The Employees Provident Fund and Miscellaneous provisions (Amendment) Act, 1996 has come into force.
reservations, while INTUC, AITUC, HMS, BMS, NLO and TUCC have unanimously welcomed the Schemes).

16. There are serious cases of default of gratuity payments; measures should be taken to ensure preemption of such defaults apart from settlement of defaulted dues.

Under the payment of Gratuity Act, 1972, the responsibility for Payment of Gratuity vests in the employer. The provisions of the Act are being administered mainly by State Governments except in certain establishment where provisions are being administered by the Office of CLC(C). The recommendation made by the Conference in this regard has been forwarded to the State Governments and the CLC(C) for taking action so as to ensure better compliance under the Act.

17. Vigilance machinery in the Employees’ Provident Fund Organisation should be tightened up particularly at the cutting edge level so that the subscribers receive delivery of services without let or hindrance.

The vigilance machinery in the EPF Organisation comprises, at senior level, Director Vigilance, C.V.O. and the CPFC. The machinery is adequately equipped to handle vigilance cases so as to ensure that the subscribers receive trouble-free services. However, the recommendation of the Conference has been brought to notice of the CPFC for making further improvement in the working of the machinery. Steps would be taken further to reactivate the Grievance Redressal Machinery and the complaints received would be computerised for proper monitoring.

18. The scope for introduction of unemployment insurance should be investigated so as to give protection against job losses.

At present the problem of unemployment caused by closure of establishments is being handled by the Ministry of Industry through National Renewal Fund. So far 87000 workers have taken voluntary retirement under VRS. A survey has been conducted covering 31000 workers who have taken voluntary retirement out
19. The Labour Ministry should present a status paper on the existing social security schemes under implementation in the country, particularly reflecting the experience of various states and bring the matter for consideration in the SLC; the scope for extension of the existing social security laws and systems applicable to the organised sector as well to the unorganised sector should also be gone into.

Employment

20. Detailed studies should be undertaken in various sectors in respect of the employment generation; the progress in promoting employment in agro-based industrial sector should be studied too; and special measures including in terms of reviewing the existing laws and amending them where appropriate should be taken to enhance employment of women.

21. The issues of modernisation and restructuring of employment exchanges should first be examined in a special meeting of the State Directors of Employment and thereafter in

of which over 2000 were found redeployed. For proper monitoring, a proposal to obtain information in a questionnaire at the time of voluntary retirement is under consideration.

The Social Security Association of India has been entrusted to carry out a study on the subject. They have been asked to take stock of the social protection measures introduced by the Central and State governments, Public Corporations like LIC, NGO’s etc. to assess their effectiveness. The study will give an overview of the Social Security situation in India covering both promotional and protective measures available for the organised and unorganised sectors of employment and for those outside the workforce, such as the unemployed, the underemployed and the unemployable such as the old, the handicapped etc. The study is likely to take one more year.

NLI has agreed to carry out a detailed study on the subject, particularly with reference to food processing and air transport sectors. NLI has been requested to complete the study as quickly as possible.

This item was discussed in the meeting of the Standing Labour Committee held on 13.9.96.

The Agenda is also being included in the meeting of the
the next meeting of the State Labour Ministers; subsequently, the matter should be brought for consideration before the SLC and ILC.

Vocational Training

22. The vocational training system should be modernised;

Modernisation of Infrastructure of Vocational Training Institutions has been taken up under the Vocational training project (VTP) assisted by the World bank, which DGE&T is implementing in 28 States/UTs where ITIs are located. Under this Project, outdated, worn-out equipment are being replaced under the scheme of Modernisation of Equipments in existing ITIs. New construction is also being carried out under various schemes of the VTP. Staff of the field institutes is being provided with the training within the country and overseas under the Technical Assistance Scheme.

Under the Women’s Vocational Training Programme, schemes have been formulated for strengthening the existing NVTI/RVTIs by diversifying into new areas and upgrading/updating the existing programmes at the advanced and instructional skill levels.

The project was originally scheduled to close on 31.12.96. On the request of the Ministry of Labour and the Department of Economic Affairs, the World Bank has agreed to extend the closing date by 12 months i.e., up to 31.12.97 so as to complete the activities which have already been started under various schemes. The formal agreement for extending the closing date, however, is yet to be signed by the World Bank with Government of India.
New courses relevant to employment market should be introduced; such courses should have more practical orientation; and special emphasis should be laid on multi-skilling the trainees;

Under the National Vocational Training System, a close interaction between Vocational Training Institutes and standard setting bodies such as NCVT & SCVTs has been established. These councils constituted by the Central and State Government also have representatives of industries. Industries are also represented on the Trade Committees and other forums. There is interaction with industry in the vocational training programmes being conducted by the training institutions. The institutions are guided by the Trade Committees in updating the ongoing courses to keep abreast with the changing technology and introducing new courses relevant for the labour market. Training in new areas, namely Computer Engineering, Desk Top Publishing, Chemical Engineering etc. have been introduced in the recent past. Training programmes in Hi-tech areas are also being introduced in selected Central/State Government institutions to meet the emerging demand of new industries. Under the apprenticeship Training Scheme, 132 trades in 29 trade groups in 218 specified industries have been designated under the Apprentices Act, 1961. These trades have been identified based on the assessed demands of industrial enterprises.

The Central Apprenticeship Council (CAC) at its 25th meeting held on 29.11.95, while discussing the above subject, had recommended that since multi skilled workers are required to meet the challenges of fast changing technologies in the country,
new trades having multi-skill components should be designated under the Apprenticeship Act so as to make the scheme more meaningful for industries. Based on the recommendation of the C.A.C., a Sub Committee was formed which met at M/s Telco, Pune and Diesel Components Works (Railways), Patiala. The Sub-Committee has recommended the following multiskilled trades for designation under the Apprentices Act:

i. Operator - Industrial Automation; and

ii. Industrial Electronics Mechanic.

In addition to the above, M/s Ahmedabad Electricity Co. Ltd. Ahmedabad, in consultation with the local industries of Western India and DGE&T, have proposed designation of multi-skill trades for the Electrical Power System, as under:

iii. Power Plant Mechanic and


Action has already been initiated by DGE&T (HQ) for curriculum development for the above referred four trades in consultation with Trade Experts from the respective industries. The proposal for multi-skilling of trades was approved by the Standing Labour Committee, keeping in view the need for shifting workers from one job to another to avoid retrenchment.

The proposals presented on the agenda for the restructuring of the vocational training system should first be discussed in the National Council for Vocational Training (NCVT) and then The proposal for re-structuring of national Vocational Training System was placed on the agenda of the 31st meeting of NCVT held on 30.11.95. In view of the lack of unanimity on the subject,
brought before the Standing Labour Committee.

it was resolved that the status quo be maintained for the time being and a sub-group of NCVT was formed to make an in-depth study on the merits and demerits of the proposal for re-structuring of NVTS on lines similar to the AICTE. In the meeting of the sub-group of NCVT held in March, 1996, the proposal for re-structuring of the National Vocational Training System was accepted in principle. However, the sub-group suggested that a study be assigned to a professional organisation to prepare micro level details. The recommendations of this study would be placed before the NCVT for further deliberations.

Environment and Labour Protection

23. The measures for environment protection have wide ranging implications for labour. So the workers' organisations should be given adequate representation in Government bodies in charge of establishing and regulating environment standards.

The matter was taken up with the Ministry of Environment & Forests who in turn took up with the Environment Pollution Control Board, Ministry of Environment & Forests. The Ministry have informed that Central Pollution Control Board (CPCB) would give hearing to Workers' Organisations while framing the environmental standards in future. It has also been intimated that CPCB would also publish the draft standards as and when formulated before holding meetings of the Expert Committee for finalising the standards.

Child Labour

24. Trade unions should be more extensively involved in implementation of schemes for elimination of child labour; child labour elimination schemes under implementation should also be brought under tripartite review; the Child Labour Advisory Board should

The Central Advisory Board has been reconstituted on 2.11.94 ensuring representation to all major national Trade Unions. The meeting of the reconstituted Board was held on 27th December, 1995.

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meet more regularly; special incentives for parents of children removed from employment should be provided; and State Govts. may be empowered to prohibit employment of children in non-hazardous occupations as well (outside the scheduled hazardous occupations and processes), keeping in view the local circumstances.

Under ILO's IPBC programmes, Trade Unions are supported in conducting workshops and seminars to heighten members' critical awareness of the Child Labour problem and the need to combat it.

Under the National Child Labour Projects currently under implementation, the children working in hazardous occupations are withdrawn from work and put in special schools where they are provided with incentives like nutrition and stipend of Rs.100/- per month. The parents of children are also given priority coverage under poverty alleviation and employment generation scheme. As regards the suggestion for prohibition of employment in non-hazardous occupations, it is clarified that Child Labour (Prohibition & Regulation) Act, 1986 prohibits the employment of children in 7 occupations and 18 processes. Inclusion of occupations and processes in the schedule of Child Labour (Prohibition & Regulation) Act, 1986 for prohibiting the employment of children is done by the Central Govt. on the basis of the recommendations of the Technical Advisory Committee.

Any occupation considered hazardous to the health of children is recommended by the committee on the basis of an objective assessment. The Technical Advisory Committee has been reconstituted on 5th February, 1996 - under the Chairmanship of Director General, Indian Council of Medical Research.

The Common Minimum Programme announced by the Government recently speaks of elimination of child labour from all occupations. Keeping in view
Legislation

25. The issue relating to the notification of section 2 (j) of the I.D. Act being one on which employers and workers are not agreed (employers are for notifying this provision and workers are not, and a few State Governments want notification after alternative grievance redressal systems are established), it may be taken up for detailed consideration before the Standing Labour Committee.

26. The employers are opposed to the Workers' Participation Bill and they are for bipartite participatory mechanisms; workers want the legal framework; the Bill and the amendments that have been proposed by various quarters and the report of the Parliamentary Committee will be discussed further in the SLC after consideration in the review committee.

27. The proposal for the enactment of law for giving protection to agricultural workers should be presented for tripartite consultation in the SLC.

This policy of the Govt., necessary consultation process has already been initiated.

This was included in the agenda of the meeting of Standing Labour Committee (13.9.96). The Committee could not discuss it.

The Central Trade Union Organisations and Employers Organisations have been requested to send their considered views in writing by 4.10.96 to enable the Ministry to finalise the recommendations and place them before the Indian Labour Conference.

This has been included in the agenda of the meeting of Standing Labour Committee (13.9.96). The Committee could not discuss it.

The Central Trade Union Organisations and Employers Organisations have been requested to send their considered views in writing by 4.10.96 to enable the Ministry to finalise the recommendations and place them before the Indian Labour Conference.

The proposal for enactment of a law for giving protection to agricultural workers was discussed in an All Party meeting held on 21.8.96. Bill to this effect is likely to be introduced very soon in the Parliament.
ANNEXURE-I

TRIPARTITE CONSULTATIONS AT THE STATE LEVEL

GOVERNMENT OF ASSAM

Government of Assam has intimated that they have already four Tripartite Bodies at State Level to consider the problems of the workers and to review the working and living conditions of the workers both in organised and unorganised sectors. The Committees have been meeting frequently at regular intervals and have been found to be quite effective.

The Tripartite Committees are:

(i) State Level Standing Labour Committee for Plantation Workers.

(ii) State Level Standing Committee for Workers other than Plantation Workers.

(iii) State Level Standing Committee on Rural unorganised labour and

(iv) The Tripartite Committee to examine the implementation of the provisions of the Beedi & Cigar (C.E.) workers Act, 1966.

GOVERNMENT OF TRIPURA

Government of Tripura has informed that there exists a tripartite consultative body namely, Tripura State Labour Advisory Board with the Hon’ble Labour Minister, as its Chairman and other members drawn from the employers and workers organisations. It meets regularly at least once in a year to advise the Government in respect of labour related matters such as enforcement of labour laws, industrial relations, social security and welfare measures for workers etc.

GOVERNMENT OF PUNJAB

Government of Punjab has intimated that they have already two tripartite bodies namely Punjab State Advisory Contract Labour Board and Evaluation and Implementation Committee. The Labour matters and problems of Labour are discussed in the meeting of Punjab State Advisory Contract Labour Board and the matters regarding implementation of awards are discussed in the meetings of Evaluation and Implementation Committee.

GOVERNMENT OF MAHARASHTRA

Government of Maharashtra has informed that they have already constituted (the State Level Advisory Committee) as the Tripartite Consultations Forum in 1981. This comprises the representatives of Employers, Employees and independent representatives particularly for advising Government on the
industrial relations and related matters. This Advisory Board has been reconstituted from time to time. The last reconstitution was vide Government Resolution, Industries, Energy and Labour Department, No.LWA 1092/(405)/LAB.12, dated the 29th June, 1994.

With the change in Government reconstitution of the said body is under consideration of the State Government.

Incidentally, it is also pointed out that the State Government has taken a decision to repeal the existing B.I.R. Act, 1946, which regulates the industrial relations and matters incidental thereto. The Tripartite Advisory Committee set up under the Chairmanship of the Labour Minister is also examining the Maharashtra Recognition of Trade Unions and Prevention Unfair Labour Practices (MRTU & PULP) Act. It has been decided to prescribe a separate comprehensive legislation in its place, so as to ensure more healthy and conducive labour relations, which will augment the national production and efficient and quick services.

GOVERNMENT OF KERELA

Government of Kerala has intimated that their State is one in which tripartite consultations are being done in almost all major industrial sectors. At present 13 Industrial Relations Committee are effectively functioning in the following industries:


Every month there will be meetings of the Committees to discuss state wide problems that exist in the industrial relations field. Major decisions with State wide implication are being taken in such committees. Wages revision, Annual bonus and improvement on service conditions are discussed and resolved in these committees. The State Government is intending to extend such committees at District level to cater to the needs of unorganised sectors and in industries where there is no state wide Industrial Relations Committees. There is also proposal to constitute/re-constitute such committees, in other 14 major industrial sectors also.

One thing noteworthy in the filed is the recent revival of the Industrial Relations Board which was re-constituted on 1.9.1995. The first meeting of the Board was held in October, 1995 with the Minister for Labour in the Chair. This meeting discussed at length the various industrial relations problems in the Shops and Commercial Establishments in major cities, export processing zone, cashew Industry, employment of women and Children etc. This meeting also decided to revive the State Arbitration Board and formulation of code of conduct for employees and employers.
Tripartism in the settlement of industrial disputes is widely practised in the State and in almost all industrial units. Long Term Settlements are being arrived at on account of the intervention of the state conciliation machinery. The effective functioning of the State Industrial Relations Board and the various I.R.C.s are ample proof to show that tripartite machinery is effectively functioning in the State.

CHANDIGARH ADMINISTRATION

Chandigarh Administration has informed that the Chandigarh Administration has already constituted a Tripartite Committee in the shape of Chandigarh Labour Advisory Committee consisting of representative of employers/employees and official members.

ADMINISTRATION OF THE UNION TERRITORY OF LAKSHADWEEP

Lakshadweep Administration has informed that Lakshadweep is the smallest Union Territory in India. There are no big industries either in public or in Private sector in this Union Territory. Few labourers are engaged by various departments of this Union Territory on daily wages. No labour unions are functioning here and no strike and labour unrest are reported in this Union Territory so far. Therefore, the Administration has no action to take to revive the tripartite consultation in this Union Territory.

GOVERNMENT OF WEST BENGAL

Government of West Bengal has informed that there are several tripartite bodies at the State level to discuss issues concerning industries and labour namely:

1) The State Labour Advisory Board to discuss policy issues concerning labour and industry

2) Advisory Board, under Minimum Wages Act, Child Labour (Prohibition & Regulation) Act, 1986 contract Labour (Regulation and Abolition) Act, Equal Remuneration Act etc. which are all tripartite in nature. Moreover the industrywise wage settlements in major industries like Jute, Cotton, Engineering, Plantation etc. are reached through discussion at the tripartite level.

GOVERNMENT OF RAJASTHAN

Necessary action has already been taken to review the tripartite committees at the State level. Work has been done.

GOVERNMENT OF ARUNACHAL PRADESH

The suggestions on constitution of tripartite committees at the State level are being examined by this Government and any decision taken on this matter will be intimated to the Ministry.
GOVERNMENT OF HARYANA

In the State of Haryana a State Level Labour Advisory Board (Tripartite in character) has already been functioning and the same has been reconstituted lastly on 13.2.95. The aims of this Board are to discuss the labour problems implementation of labour laws, welfare of workers and to educate the employers/employees to have cordial relations to maintain industrial peace & harmony in the State. Meetings of this Board are regularly held. Last meeting was held on 4.12.95.

In addition to above a District Level Joint Monitoring Cell consisting of representatives of Government, Employers and Employees is also functioning since 1993. Meetings of the same are being held at regular intervals.

GOVERNMENT OF ORISSA

It is submitted in this connection that the State of Orissa has already taken action in this regard and State Labour Advisory Board has been constituted. This is a Tripartite board with Government representatives, Employers representative and employees representatives. This Board functions as the State Apex Advisory Body to sort out the general problems of industrial relations in public and Private Sector in order to motivate the workers to increase productivity and assist the Government in solving their related problems. This Board was last reconstituted on 18th November, 1993.

GOVERNMENT OF GOA

Government of Goa has informed that the State Labour Advisory Board was first constituted in the year, 1979. The Board is a tripartite body with equal representations of the Unions and Employers with Independent Government members.

The functions of the Board are to provide guidance and make recommendations/suggestions on labour relations, and enforcement of various Labour Laws. The Government of Goa has consulted the Board time and again to decide labour policies and for major decisions.

In the recent past, this Board met to examine the Ramanujam Committee report and also was consulted in 1991 for deciding the level of Minimum Wage in Goa. The last meeting of this Board was held on 12.4.95.

ADMN. OF DAMAN & DIU (U.T.)

Admn. of Daman & Diu (U.T.) has informed that this Administration concurs with the practice of holding tripartite discussions at the State level.
GOVERNMENT OF SIKKIM

Sikkim being an industrially backward State, has a minimum number of small industries. Moreover, Industrial Dispute Act, 1947 and Trade Union Act, 1926 are yet to be implemented in our State. As such, it has not been felt immediate necessary to revive the practice of holding tripartite consultations at State level, so far our State is concerned.
ANNEXURE II

ANNEXURE REFERRED IN ACTION TAKEN AGAINST CONCLUSION NO.3 OF THE 32ND SESSION OF INDIAN LABOUR CONFERENCE

NOTE ON THE DEVELOPMENTS FOR THE PURPOSE OF INDIAN LABOUR CONFERENCE

As decided by Indian Labour Conference (ILC) in its 32nd Session held on 23rd and 24th November, 1995, the Ministry of Labour through Central Industrial Relation Machinery in Central Sphere and State Govts. through State Industrial Relation Machinery in State Sphere have played proactive role in resolving/settling issues/disputes thereby averting nation-wide/industry wide strikes or getting them called off in Banking, Coal and Jute Sectors as under:-

BANKING INDUSTRY

Workmen employed in 56 'A' Class public sector, private sector and foreign Banks under the aegis of AIBBA, NCBE, BBFI and INBFE resorted to industry wide strike for one day on 31.8.95 and subsequently for two days on 26th and 27th September, 1995 in support of their demand of reconstruction of pay scales of sub staff and clerks on parity with the lowest category officers in Banks (Scale-I) during conciliatory intervention by CLC(C).

CLC(C) had advised the workmen & their Unions by his communications dated 30.8.95 and 25.9.95 that these strikes would be against the law and would be punishable under section 26, 27, 28 & 29 of the I.D. Act, 1947. As the strikes were held despite the advice of CLC(C), prosecution proceedings were launched against the General Secretaries/Secretaries on 28.9.95. CLC(C) continued his efforts and arranged several meetings of the representatives of these trade unions and the IBA with Union Labour & Finance Ministers as a result of which a memorandum of understanding was reached on 27.11.95 between the Indian Bank Association and the four unions for constituting a three-member independent committee to go into the alleged anomalies in the wage settlement. Further indefinite strike proposed by workmen/union from 19th December did not take place. The three-member Committee has also since been constituted. The three-member Committee constituted following a Memo of Understanding dated 27.11.95 between the Indian Banks Association and four unions to go into the alleged anomalies in the wage settlement had submitted its report. The report is under consideration of the Government. No strike notice was received. It is learnt that MOU has been signed between the IBA and Bank employees on 30.9.1996. A formal settlement is likely to be signed shortly.

COAL INDUSTRY

All the five Central Trade Union Organisations (INTUC, AITUC, CITU, HMS & BMS) representing almost the full strength of workers in the Coal industry gave a call for 6 days’ general industry-wide strike in Coal from 18.12.95 to 23.12.95 over a
five-point charter of demands including pension and industrial D.A. on a portion of wage. CLC(C) held conciliation on 6.12.95, 7.12.95 and 14.12.95. On 14.12.95, a memorandum of settlement was signed before CLC(C) in the presence of the settlement was signed before CLC(C) in the presence of the Union Minister of Labour and the Minister of State for Coal Providin for deferment of strike, inclusion of Rs.448/- notionally in basic pay for comutation of D.A., benefitting over 7 lakh workers in Coal Industry. However, representatives of CITU and HMS did not sign the memorandum of settlement and went on a day's strike on 18.12.95. The strike was partial. Majority of workmen ignored the strike call.

**JUTE INDUSTRY**

On expiry of the industry-wide Tripartite Settlement on 16.3.95, the Federations and Unions of jute workers submitted 34-pointed charter of demands. Conciliation proceedings were initiated and discussions were held in the presence of Labour Minister, Govt. of West Bengal for amicable settlement between owners of 59 Jute Mills and 14 Trade Unions. Despite the efforts of the Labour Minister of West Bengal Govt., about 2.5 lakh jute workers resorted to strike from 28.11.95. The Strike was called off on 2.12.95 following a tripartite settlement reached in the presence of the Chief Minister, West Bengal, providing for permanency to an additional 10,000 (ten thousand) workmen over the existing permanent strength, increase in basic wage at Rs.90/per head per month with effect from 1.12.95, increase in dearness allowance to Rs.1.90 from Rs.1.75 per point over 43 points consumer price index for working class, Calcutta (base 1960=100). The settlement will remain in force for 3 years from 1.12.95.
ITEM 3 : MODERNISATION AND RE-ORGANISATION OF EMPLOYMENT EXCHANGE

3.1 The Directorate General of Resettlement and Employment, now known as Directorate General of Employment & Training (DG&ET), in the Union Ministry of Labour was created in July, 1945 with the objective of training and resettlement of ex-servicemen. After Independence, the scope of its function was widened to include training and resettlement of displaced persons. The Government of India threw open the Employment Service to all employment seekers in early 1948 in response to an ever increasing public demand. This resulted in enormous increase in its workload. As the organisation had been hurriedly set up to tackle the emergent problem of resettlement of released war service personnel and displaced persons, it was required to be restructured to function as an effective machinery for placement and training of the job-seekers. As a result, this Service has undergone several organisational changes from time to time. At present development of these programmes at the national level, particularly in the area of evolving uniform policies, laying down of common standards and procedures, training of officers and evaluation of the programmes is the responsibility of the Central Government (DG&ET). The day-to-day administration of the Employment Exchanges on the other hand, rests with the respective State Governments/Union Territory Administrations.

3.2 The Employment Service has functioned all through these years within the conceptional frame work of the ILO Convention No.88 on Organisation of Employment Service (1945). This service has gradually expanded and at the end of April, 1996 there was a network of 905 Employment Exchanges including University Employment Information and Guidance Bureaux (UEI&GBx). About 367 lakh job-seekers were awaiting job assistance from the Employment Exchanges.

3.3 National Employment Service primarily aims at providing assistance to the unemployed for their settlement by arranging regular jobs, career counselling, vocational guidance, self-employment ventures etc. Employment Exchange is the meeting point for the employers and the job-seekers. Job requirements and suitability of the candidates are matched and candidates are recommended for appointment.

3.4 Unemployment is one of the major problems of the country. We also have a serious problem of underemployment resulting in large number of registrations in the Employment Exchanges for suitable jobs. The Eighth Five Year Plan document has projected that about 23 million persons would be looking for full time employment - in other words would be unemployed at the beginning of the VIII Five Year Plan i.e. as on 1.4.1992. During the VIII Five Year Plan period i.e. 1992-97 about 35 million persons are expected to be added to the labour force. Therefore, the task during Eighth Five Year Plan is to create job opportunities for 35+23 = 58 million persons. As against this, about 19 million jobs are estimated to have been created during the period 1992-95. If the same
The trend & pace of job creation is maintained, additionally 13 million jobs are expected to be created in the economy during the remaining period of the Eighth Five Year Plan. At the end of the Eighth Five Year Plan, therefore, we will be left with a backlog of 27 million unemployed.

3.5 Employment in the organised sector, which is the domain of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 has been more or less stagnant since 1992. This means that no significant additional employment generation is taking place in the organised sector. This has resulted in the poor record of placements by the employment exchanges. It is also recognised that generation of employment in the organised sector in future may be limited and cannot solve the problem of unemployment and underemployment in the country. The Eighth Five Year Plan has accepted this phenomenon and has placed expansion of small scale and agro-industries, encouragement of self-employment ventures and employment oriented poverty alleviation programmes on top of its agenda. The IX Five Year Plan will continue the strategy of employment generation adopted in the VIII Five Year Plan.

3.6 The National Employment Service, therefore, will have to work within the overall employment and unemployment scenario and the strategies for employment intensive growth being followed through the Five Year Plans. Employment Exchange should concentrate on Career Counselling, Vocational Guidance and promotion of self-employment, in addition to the work of registration and placement of job-seekers. Employment Exchanges by no means should be projected as mere placement agencies and should assume a proactive role for rehabilitation and settlement of the unemployed.

3.7 The Employment Exchanges (Compulsory Notification of Vacancies) Act should be reviewed from this perspective so that it may further enterprise development and job creation and not inhibit or hinder the process of selection of suitable candidates by the prospective employers. The Supreme Court in a recent judgement has opined that recruitment of candidate exclusively from the list supplied by the employment exchange is not consistent with the principles of fair play, justice and equal opportunity. Many deserving candidates who are either not registered or do not come within the seniority list maintained by the employment exchanges are deprived of the right to be considered for appointment to posts under the State. The Supreme Court have, therefore, suggested that, in addition to the list of candidates furnished by the employment exchanges, the employing Departments, undertakings & establishments should call for names of potential candidates by advertising through newspapers and other media in order to give wide publicity and consider all such candidates for appointment.

3.8 Employment Exchanges which were hitherto engaging most of their attention in registration and placement of job-seekers will have to restructure and reorient themselves to meet the present and future needs of the economy. The Employment
Service is thus now at crossroads trying to carve out a useful role for itself in the changed environment. It has to consider not only the organised sector but also the unorganised labour market and the tertiary informal and services sector.

3.9 Considering the new role the National Employment Service has to play, it is necessary that each Employment Exchange should be able to gather relevant information, put it in the computer network and disseminate information to the job-seekers as well as employers under one umbrella so as to help the job-seekers in effective career planning. Effective literature support for Career Information and Counselling, audio-visual aids for vocational guidance, sophisticated computer network for collection, compilation and analysis of the Labour Market Structure are required to be given to the Employment Exchanges to meet the challenge being faced by the job-seekers.

3.10 The matter was placed before the Standing Labour Committee at its meeting held on September 13, 1996. The SLC accepted the approach in principle but felt that details of the new role and functions of Employment Exchanges in the context of economic reforms and industrial liberalisation would need to be formulated. They also felt that the Employment Exchanges should explore employment, self-employment and vocational training needs in totality, taking into account both the organised and unorganised sectors. The database under Employment Market Information Programme may be systematic with enlarged scope and content so as to make it a more effective tool not only for planners and policy makers but also for the employers and job-seekers, giving special emphasis on the scope and potential of self-employment and training needs for venturing into such activities. The SLC also suggested that the Employment Exchanges should be equipped with all modern aids to guide the job-seekers for their career planning. Considering the new role to be performed by the Employment Exchanges they may be redesignated as Employment Guidance and Promotion Centres. The SLC also suggested that a tripartite committee may be set up to look into the detailed proposal for modernisation and restructuring of Employment Exchanges after they have been considered by the Working Group of National Employment Service.

3.11 SUMMARY POINTS FOR DELIBERATION

In the light of what has been stated above, the Indian Labour Conference may kindly consider the following points:

1. Employment Exchanges may be redesignated as Employment Guidance and Promotion Centres in tune with its new role.

2. Employment Exchanges should explore employment & selfemployment opportunities and vocational training needs in totality, taking into account both the organised and unorganised sector.
3. The database under the Employment Market Informatic Programme may be systematic with enlarged scope and content so as to make it a more effective tool not only for planners and policy makers but also for the employers and job-seekers, giving special emphasis to the scope and potential of self-employment and the training needs for venturing into such activities.

4. The use of computers and audio-visual aids should be promoted to render vocational guidance, career counselling and advice on self-employment ventures.

5. A Tripartite Committee may be constituted to consider the proposal for modernisation and restructuring of employment exchanges after the proposals have been finalised by the Working Group on National Employment Service.
ITEM 4: MODERNISATION OF VOCATIONAL TRAINING SYSTEM

MODERNISATION ACHIEVED THROUGH WORLD BANK ASSISTED VOCATIONAL TRAINING PROJECT

4.1 Modernisation of the infra-structure of Vocational Training Institution in the country is the focus of the Vocational Training Project being implemented with assistance from the World Bank. DGE&T has been executing the World Bank assisted Vocational Training Project through a network of Central and Centrally Sponsored Schemes being implemented in 28 States/UTs and the field institutes of DGE&T.

4.2 The following significant achievements have been attained under this Project:-

(a) 378 ITIs have been equipped with modern equipment in replacement of old, obsolete and worn out equipment.

(b) 6 regional maintenance service centres; 17 maintenance workshops and 80 maintenance cells have been established to ensure proper upkeep and maintenance of newly acquired and already existing equipment in the identified training institutions.

(c) 386 ITIs have been provided with modern audio-visual aids to be used during the training/learning process, there by enhancing the effectiveness of the training courses.

(d) 306 new trade courses in 188 identified ITIs have been introduced there by increasing the training capacities of the institutes.

(e) 12 Basic Training Centres (BTC) in the State sector and 1 BTC in the Central sector have been established which would provide facilities for initial training of apprentices normally not provided by the industries where apprentices under the Apprentices Act are engaged.

(f) 34 Related Instruction Centres in the State sector and 6 Related Instruction Centres in the Central sector have been established for the benefit of apprentices in conducting theory classes during their period of Apprenticeship Training.

(g) 29 ITIs and 6 training institutes under DGE&T have been upgraded with the provision of additional infrastructure for conducting advanced level courses for in-service personnel.

(h) 93 new ITIs/ITI Wings have been started exclusively for training of women.
109 new trades in 61 existing women ITIs have been established increase the opportunities for training of women.

Under the Hi Tech Training Scheme, an important component of the project, one new Apex Hi-Tech Institute will be established in Bangalore. In addition, 9 existing institutes under DGE&T and 10 ITIs in different States will be suitably upgraded to provide short term training courses in newly emerging Hi Tech areas. GIZ, a German Agency for Technical Cooperation, has been engaged as advisers for implementation of this component for the project.

A few Regional Vocational Training Institutes for women are also being established in the Central sector for providing additional training slots for women.

CSTARI at Calcutta and Trade Testing Cell at DGE&T headquarters are in the process of being expanded/modernised.

This is for the kind information of the members.

Re-structuring of the National Vocational Training System (NVTS)

4.3 With the aim of ensuring a steady flow of skilled workers for the industry, raising the quantity and quality of production on the basis of systematic training of workers and equipping the educated youth for suitable industrial employment and thereby mitigating the problems of unemployment, the Craftsmen Training Scheme was introduced by DGE&T in 1950 with the establishment of a limited number of ITIs in the country.

4.4 The National Council for Vocational Training (NCVT), the highest apex body consisting of representatives of Employers, Employees, Union and State and Central Governments with Labour Minister as its Chairman, was set up in 1956 to advise the Government of India on the overall policy matters related to training, such as prescribing the standards and curricula, conducting All India Trade Test and affiliation and de-affiliation of training institutes etc. Following the recommendations made by several eminent bodies in the past the Apprenticeship Training Programme in industry was made statutory by enactment of the Apprentices Act, 1961 to regulate the programme of training of apprentices in industry as well as to utilise the facilities available in industry for imparting practical training.

4.5 Although a large number of training programmes are also being implemented by DGE&T, either directly or through other agencies, the Craftsmen Training Scheme (institutional training) and Apprenticeship Training Scheme (in-plant
training) are the basic training schemes, engaging by far the largest number of trainees and are popular among the school leavers in pursuit of professional careers.

4.6 During the last three decades, there has been a tremendous growth in the number of ITIs i.e., from 352 in 1968 to more than 3000 in 1996. During this period, there have been tremendous developments in technology, as a result of which the skill profiles of various industrial occupations have undergone tremendous changes. The present system of institutional training being somewhat rigid does not provide enough flexibility to cope with the emerging situation. Further, it has also become necessary to devise a systematic monitoring system to supervise the quality of training and other related matters in the large number of training institutes.

4.7 Keeping the aforesaid points in view, a proposal for strengthening of the NVTS and formation of a statutory All India Council of Vocational Training (AICVT), independent of Government control, on the lines of the All India Council of Technical Education under the Ministry of HRD, was placed in the 32nd Session of the Indian Labour Conference (ILC) held on 23-24th November 1995. A copy of the item of the agenda is placed at Annexure-L.

4.8 As advised by the ILC, the proposal was subsequently placed before the NCVT at its last meeting held on 30th November 1995. As there were divergent views expressed by the members on the proposal for restructuring of the NVTS, the Council resolved that the proposal be examined in its first meeting by a Sub-Group of NCVT. Accordingly, the proposal was considered by the Sub-Group of NCVT at its meeting held on 25.3.96 and was accepted in principle. However, the Sub-Group observed that as the proposal was only indicative at the macro level, a study may be assigned to a professional organisation to prepare micro level details. Discussions are presently going on with the Department of Science & Technology for taking up such a study. The recommendations of the study, when completed, would be put up to NCVT for further deliberations and decision.

SKILL DEVELOPMENT FUND

4.9 The Apprenticeship Training Scheme is a joint effort by Government and Industry to upgrade the skill profile of the force and prepare them for industrial employment. The scheme aims at full utilisation of the facilities available with industries for imparting practical training with the view for meeting the requirement of skilled workers by the industries at present and in the future.

4.10 Industrial establishments are required to engage apprentices in trades designated under the Apprentices Act’, 1961 depending upon the strength of workers (other than unskilled workers) and the training facilities available for those trades.
4.11 Although training seats are located in industries based on the criteria referred to above, some industrial establishments do not engage apprentices for one reason or the other, causing avoidable wastage of training facilities available with them. This deprives the youth from availing the skill training facilities which would prepare them gainful employment.

4.12 It is proposed that a levy @ 2% of the annual turnover of establishments covered under the Apprenticeship Act, 1961 may be charged from the establishments by the appropriate Government. This levy may be refunded to the establishments that are fully utilising the seats located for trade apprentices by the appropriate Government. The balance amount may be retained to constitute a Skill Development Fund from which disbursements can be made to the industrial establishments for augmenting their existing training facilities.

MULTI-SKILLING OF TRADES:

4.13 The Central Apprenticeship Council (CAC) at its 26th meeting held on 29.11.95, while discussing the above subject, recommended that since multi-skilled workers are required to meet the challenges of fast changing technologies in the country, new trades having multi-skill components are required to be designated under the Apprenticeship Act so as to make the scheme more meaningful for industries. Based on the recommendation of the C.A.C., a sub-committee was formed and the sub-committee held meetings at M/s Telco, Pune and Diesel Components Works (Railways) Patiala.

4.14 The sub-committee has recommended the following multiskilled trades for designation under the Apprentices Act:

i. Operator - Industrial Automation; and
ii. Industrial Electronics Mechanic.

In addition to the above, M/s Ahmedabad Electricity Co. Ltd. Ahmedabad, in consultation with the local industries of western India and DGB&T, have proposed designation of multi-skill trades for the Electrical Power System, as under:

iii. Power Plant Mechanic and

4.15 Action has already been initiated by DGB&T (HQ) for curriculum development for the above referred four trades in consultation with Trade Experts from the respective industries.
PREAMBLE

4.16 The National Vocational Training System (NVTS) in India, which has evolved its present status in more than four decades of operation under the Ministry of Labour, has come to occupy a prominent role in meeting the trained manpower needs of industry. The Directorate General of Employment & Training (D.G.E & T) in the Ministry of Labour is responsible for the development and organizing Vocational Training Programmes at various levels e.g., semi-skilled/skilled workers, technicians, supervisors, foremen, instructors and training managers in addition to the training of women as a special target group in the country, primarily to meet the trained manpower need of industries in the organised sector. Under NVTS, a large number of Industrial Training Institutes/Industrial Training Centres are functioning all over the country to meet the training requirements of potential industrial work force for which Central & State Governments are actively collaborating. Besides a large number of Govt. & non-Govt. agencies are also involved in organizing training for different categories of personnel.

4.17 Under the National Vocational Training System, two major schemes viz., Craftsmen Training Scheme (CTS) and Apprenticeship Training Scheme (ATS) meet the training needs of the industrial workforce at the semi-skilled/skilled level. Under CTS, training is imparted to the school leavers through a network of about 2700 Industrial Training Institutes/Centres having a total seating capacity of about 4.5 lakhs covering 42 Engineering and 22 non-Engineering trades. In addition, with a view to imparting practical training in actual job situation to the passed out Craftsmen of the ITIs and also involving the industries to share the responsibility of developing skilled manpower for their own requirement, Apprenticeship Training Scheme was introduced in 1961 as an extension of the Craftsmen Training Scheme through Apprentices Act 1961. Under this scheme, about 138,000 trade apprentices undergo trade training annually in 132 trades in 218 specified industries in about 16,000 Industrial Establishments. These two major Schemes engage by far the largest number of trainees and are popular amongst school leavers in the pursuit of their career. Qualitative improvement in these schemes would significantly improve productivity in industrial production.

4.18 Development of the training schemes at the national level, particularly in the area of evolving policies, laying down standards and procedures, staff training etc. is the responsibility of DGB&I, whereas the day to day administration of Industrial Training Institutes/Apprenticeship Training in the state sector remains the responsibility of the State Governments/Union Territory Administrations. Regional Directorate of Apprenticeship Training under DGB&I are responsible for the implementation of Apprenticeship Training
Scheme in Central Sector. All the aspects of training of Vocational trainers, training of executives etc. are catered to by the field institutes functioning directly under the control of DGB&T.

4.19 In the formulation of policies, procedures and training standards etc. in the execution of Craftsmen Training, Apprenticeship training Schemes and other programmers, the Central Government is advised by two tripartite bodies viz. the National Council for Vocational Training (NCVT) and the Central Apprenticeship Council (CAC) which have representations from Government, Employers and Trade Unions. At the level of States/Union Territories, there are corresponding State Councils for Vocational Training (SCVT) and State Apprenticeship Councils (SAC) to advise State Govts. on Training matters. Recommendations of the Council are sent to respective State Govts. for decision.

WEAKNESSES IN THE SYSTEM

4.20 The system has its own strength and weaknesses. In regard to its strength, the schemes contribute to the stock of building skilled manpower, has national coverage, recognition even abroad, and capability to meet emerging requirements and introduce new schemes/programmes.

4.21 The following are the main deficiencies of the NVTS.

- Since the training is supply oriented and not demand oriented, the efficiency and effectiveness of the training is not up to the mark.

- Changing needs as a result of technological developments are not assessed in time.

- Curricula and syllabi are old and not revised in time.

- As a result of non-availability of adequate number of Basic Training Centres, a large number of trainees are not trained under ATS. Adequate number of Apprentices are not engaged in many trades i.e. in 90 out of 232 trades less than five hundred trainees have been engaged in each trade through out the country.

- System mainly caters to the organised sector of economy especially, the medium and large scale industries, but not to the small and un-organised sector.

- No follow up action is taken either by industries or by training institutes regarding post employment of trainees.
In many states SCVTs & SACs have been more or less non functional and in some cases even non existent for a considerable length of time which has led to the inadequate monitoring & hence deterioration in the quality of training.

Coverage of more trades having self employment potential.

Providing of Vice-Principal post at ITI's so that Principal is relieved from routine administrative work and is enable to pay adequate attention to training matters.

4.22 In view of the above, there is a need to restructure and strengthen the management system of NVTS as follows:

A. FORMATION OF ALL INDIA COUNCIL OF VOCATIONAL TRAINING (AICVT):

4.23 In December, 1994, various State Training Directorates were requested to send their comments on the proposal for setting up of an All India Council for Vocational Training (AICVT) by an Act of Parliament, on similar lines to that of All India Council of Technical Education (AICTE) as this would help in promoting and regulating Vocational Training in the Country. Comments from some of the State have been received and majority of them have favoured the idea of formation of AICVT replacing NCVT. The proposal is again being put up to NCVT scheduled to be held shortly. The AICVT is proposed to be a statutory body which would advise DGE&T on policy matters relating to Vocational Training and re-orient/strengthen NVTS management system.

B. RESTRUCTURING THE FUNCTIONS OF THREE DGE&T INSTITUTES AND TRADE TESTING SYSTEM

(i) The activities of CSTARI, Calcutta, a Nodal Institute in the field of research and policy advice, central information and documentation services, and executive staff training, would be restructured to meet the requirements of NVTS.

(ii) The role of CIMI Madras would be enlarged to cover all training schemes, as far as development of curricula & instructional media is concerned. Development of Question Bank will also be undertaken by CIMI Madras.

(iii) Setting up of a new Nodal Institute for Instructor training to develop and disseminate training norms, curricula & instructional material relating to instructors training.

(iv) Establishment of a statutory Trade Testing and Certification Board to strengthen and modernise the existing system at DGE&T (HQ) and Trade Testing Centres in the field.
4.24 All the above mentioned three nodal institutes are proposed to be autonomous ones so as to ensure functional flexibility and demand oriented service delivery and thereby strengthening the NVTS.

SUMMARY POINTS FOR DELIBERATIONS:

4.25 The Indian Labour Conference may kindly consider the following issues as have been stated above:

(i) Formation of a statutory All India Council for Vocational Training (AICVT) on similar lines as All India Council for Technical Education (AICTE) or on the pattern of CSIR/ICAR—a comparative statement of the patterns of structure of these organisations will be supplied at the time of the meeting.

(ii) Restructuring the functions of two DGE&T Institutes, namely, CSTARI Calcutta & CIMP Madras as autonomous organisations.

(iii) Setting up of a Nodal Institute for Instructors Training as an autonomous body.

(iv) Establishment of a statutory Trade Testing and Certification Board.
MODERNISATION OF VOCATIONAL TRAINING SYSTEM

4.26 The thirty third Session of Standing Labour Committee (SLC) held on 13th September, 1996 acknowledged that both institutional training under the Craftsmen Training Scheme and in-plant training under the Apprenticeship Training Scheme have to be mutually complementary to meet the requirement of trained workers for industries. However, greater flexibility in course content was advocated to remove the mismatch between the skills imparted by the vocational training system and the skills required by industry. This could be done inter-alia by suitable training of trainers, filling up vacant posts in the training institutions, improving the quality of training by introducing new courses to meet the requirements of fast changing technologies etc.

VERTICAL INTEGRATION

4.27 The SLC recommended that, for proper development of human resources, there should be a system of vertical integration of the vocational training courses under the Craftsmen and Apprenticeship Training Schemes with the Diploma and Degree Courses offered in the Engineering disciplines. A credit system for the upward mobility of passed out ITI graduates/apprentices could be introduced for full realisation of the potential of trainees under the Vocational Training System. Whereas this was accepted as a desired policy objective, the modalities of the proposal would have to examined in consultation with the Ministry of Human Resource Development.

APPRENTICESHIP TRAINING SCHEME

4.28 The Employers’ group under the SLC expressed concern about the rising cost of stipends payable under the Apprentices Act, whereas the Workers’ group complained that the stipend rates were lower than the minimum wages for the unskilled workers. The Workers’ group also stated that apprentices were being used by the industry for regular production and requested the Government to take necessary steps to check the malpractice of employers using apprentices as cheap labour. The need for developing appropriate linkages between the quality of training and the needs of the employment market was emphasised.

SKILL DEVELOPMENT FUND

4.29 The Apprenticeship Training Scheme is a joint effort by the Government and Industry to upgrade the skill profile of the workforce and prepare them for industrial employment. The scheme aims at full utilisation of the facilities available
with industries for imparting practical training with a view to meeting the requirement of skilled workers by the present and future industries.

Industrial establishments are required to engage apprentices in trades designated under the Apprentices Act, 1961 depending upon the strength of workers (other than unskilled workers) and the training facilities available for those trades.

Although training seats are located in industries based on the criteria referred to above some industrial establishments do not engage apprentices for one reason or the other causing wastage of the training facilities available with them. This deprives the youth from availing of the skill training facilities which would prepare them for gainful employment.

It was proposed that a levy @ 2% of the annual turnover/annual salary bill of establishments covered under the Apprentices Act, 1961 may be charged from the establishments by the appropriate Government. This levy may be refunded to the establishments that are fully utilising the seats located for trade apprentices. The balance amount may be retained to constitute a Skill Development Fund from which disbursements can be made to the industrial establishments for augmenting their training facilities. The general consensus in the SIC was that the proposal for introducing a Skill Development Fund needs further study in depth so that the quantum or proportion of levy and the system of disbursements to establishments for improving their in-plant training facilities can be worked out keeping in view the various system prevalent in other countries.

The Union Labour Minister also desired to know the system prevalent in China. In conclusion, it was decided to constitute a tripartite committee having representatives of employers, trade unions and the government to prepare a proposal containing full details for further examination of the matter.

MULTI-SKILLING OF TRADES:

4.30 The Central Apprenticeship Council (CAC) at its 26th meeting held on 29.11.95, while discussing the above subject, had recommended that since multi skilled workers are required to meet the challenges of fast changing and newly emerging are required to meet the challenges of fast changing technologies in the country, new trades having multi-skill components may be designated under the Apprenticeship Act so as to make the scheme more relevant and meaningful for industries. Based on the recommendation of the C.A.C., a Sub Committee was formed which held meetings at M/s Telco, Pune and Diesel Components Works (Railways) Patiala.

The Sub-Committee has recommended the following
multiskill trades for designation under the Apprentices Act:

i. Operator - Industrial Automation; and
ii. Industrial Electronics Mechanic.

In addition to the above, M/s Ahmedabad Electricity Co. Ltd. Ahmedabad, in consultation with the local industries of western India and DGE&T, have proposed designation of multi-skill trades for the Electrical Power System, as under:

iii. Power Plant Mechanic and

Action has already been initiated by DGE&T (HQ)' for curriculum development for the above referred four trades in consultation with Trade Experts from the respective industries.

The proposal for multi-skilling of trades was approved by the Standing Labour Committee keeping in view the needs for shifting workers from one job to another to avoid retrenchment.

RESTRUCTURING OF NATIONAL VOCATIONAL TRAINING SYSTEM (NVTS)

4.31 Regarding restructuring of the NVTS and converting NCVT into an autonomous All India Council for Vocational Trades (AICVT) on the pattern of the All India Council for Technical Education (AICTE), the SLC felt that the proposal may be examined keeping in view the difficulties faced and experience gained in the functioning of the AICTE. The SLC suggested that instead of establishing a parallel Council, the proposed AICVT and AICTE could be integrated to function in tandem and complementary to each other.

Autonomy to Central Instructional Media Institute (CIMI) and Central Staff Training and Research Institute (CSTARI)

4.32 During deliberations in the SLC, Labour Secretary explained the advantages of granting autonomy to CIMI, Madras and CSTARI, Calcutta to allow more flexibility to these institutes in their day-to-day functioning instead of approaching the Government for approvals in routine administrative matters.

Summing up the discussions, the Director-General/ Joint Secretary informed the Standing Labour Committee that the basic approach to modernisation of the Vocational Training system is to make it more need-based to meet the fast changing needs and demands of the Labour market under the new liberalised economic policies. DG/JS further mentioned that the success of any training programme cannot be guaranteed unless there is cooperation from the employers/industries and constant vigilance by the trade unions.

There was a general consensus that restructuring of the National vocational Training System may be based on the German model which had achieved notable success.
The SLC endorsed all the proposals for modernisation of the Vocational Training System and commended them for early implementation.

This is accordingly placed before ILC for consideration and approval.
ITEM 5 : FIXATION OF FLOOR LEVEL OF MINIMUM WAGES FOR UNORGANISED WORKERS

MINIMUM WAGES ACT, 1948.

5.1 The Minimum Wages Act, 1948 provides for fixation of minimum rates of wages in employments, in which labour is vulnerable to exploitation, being not well organised and having no effective bargaining power. The Act, therefore, covers fixation and revision of minimum wages in the unorganised sector. Under the Minimum Wages Act, both the state and the Central Government are appropriate Governments for fixation/revision of minimum wages in the scheduled employments falling in their respective jurisdiction.

CENTRAL SPHERE

5.2 The Central Government is the appropriate Government for any scheduled employment carried on by or under the authority of the Central Government, or Railway, or in relation to a mine, oil field, or major port or any corporation established by the Central Government. The Central Government is responsible for fixation and revision of minimum wages in 40 Scheduled employments. The minimum wages for the Scheduled employment in Agriculture were revised on 12.8.92. While the wages in 39 other scheduled employments relating to the mining, construction and railway sectors in the Central sphere were revised on 12.7.94. There is also a provision of Special Allowance as part of minimum wages in the Central sphere. The Special Allowance is linked to the Consumer Price Index numbers and is revised every six months commencing on the 1st October and 1st April of each year. A statement indicating the minimum rate of wages along with the Special Allowance for the lowest category of unskilled workers in different scheduled employments in the Central sphere as on 1.10.96 is given in Annexure-I.

STATE SPHERE

5.3 The State Government and U.T. Administration are the appropriate Governments in respect of all other scheduled employments not covered by the Central Government. The total number of employments which stand covered under the Act (as on 1.10.96) in the State sphere for which minimum wages have been fixed/revised is 1135. A number of states have also made provision of Variable Dearness Allowance as a part of the minimum wages. A statement indicating the number of scheduled employments, range of minimum wages notified for the unskilled category of workers, provision of Special Allowance etc., in various states is given in Annexure-II.

FIXATION/REVISION OF WAGES

5.4 The Minimum Wages Act, 1948 stipulates that review/revision of minimum wages in the scheduled employments should be undertaken at intervals not exceeding 5 years. However, the National Commission on Labour (1969) recommended...
that this period should be reduced to three years. At the 31st session of the Labour Ministers Conference held in July 1980, it was decided that the minimum rates of wages may be reviewed and revised if necessary, within a period not exceeding two years or on a rise of 50 points in the CPI numbers, whichever is earlier. The 36th Labour Ministers Conference held in May 1987 also reiterated these recommendations. These recommendations were communicated to the State Governments/UT Administrations. It is also proposed to amend the Minimum Wages Act, to provide for revision in the minimum wages, once in every two years or on a rise in the Consumer Price Index by 50 points, if there is no component of Variable Dearness Allowance. However, it has been observed that the wages have not been revised within the stipulated period in certain employments in various states. The Government have reminded the State Government/UT. Administration in such cases from time to time. The Statement at Annexure-II also indicates the available information on number of employment in various states for which revision is due.

CRITERIA FOR FIXATION OF MINIMUM WAGES

5.5 There are no uniform criteria for fixation of minimum wages by different appropriate Governments. The appropriate Governments take into account the local conditions and other factors while deciding the minimum rates of wages to be fixed. However, the following 5 norms recommended by the Indian Labour Conference in its Session held in 1957 are to be adopted for fixation/revision of minimum rate of wages:

(a) Three consumption units for one wage earner;
(b) Minimum food requirement of 2700 calories per average Indian adult.
(c) Clothing requirement of 72 yards per annum per family;
(d) Rent corresponding to the minimum area provided for under Government’s Industrial Housing Scheme.
(e) Fuel, Lighting and other miscellaneous items of expenditure to constitute 20% of the total minimum wage.

5.6 The Supreme Court in its judgement in 1991 in the case of Reptakos Brett and Co. Vs. Others have held that an additional component for children’s education, medical requirements, recreation including festivals/ceremonies and provision for old age, marriage, etc. should constitute 2% percent of the total minimum wage package. This was also brought to the notice of all the State Governments/UTs Administrations as a guideline for fixation of minimum wages.

DISPARITY IN MINIMUM RATES OF WAGES

5.7 The wage level, as fixed by the various appropriate Governments under the Minimum Wages Act, 1948 has been found to be widely varying from one state to the other. Even within the same State various appropriate Governments have fixed different
rates of wages for different scheduled employments. The disparity in the rates of wages can be explained to a limited extent by the fact that the capacity to pay may vary from industry to industry and region to region and the fact that purchasing power of the Rupee is different in different places. But the existing disparity is so wide that it cannot be explained except by the fact that different appropriate Governments are following different criteria for the fixation of the minimum rate of wages. Further the minimum rates of wages for certain employments in some states are so low that they do not fulfill any of the prescribed norms. It is felt that the various appropriate Governments have been giving consideration to the extraneous factors than those prescribed by the various fora in the past.

5.8 There has been wide criticism of the existing disparity in the minimum rates of wages and it has been alleged that it has been resulting in an unwanted flight of labour and industry from one region to other. Demand has been raised from time to time to fix national minimum wage for the country as a whole.

ENFORCEMENT OF THE ACT

5.9 Enforcement of the Minimum Wages Act, 1948 in the Central Sphere is ensured by the officers of the Central Industrial Relation Machinery (CIRM). Presently, there are in all 259 officers who have been appointed as Inspectors under the Act by the Central Government. These officers make inspections regularly in order to ensure the enforcement of the provisions of the act. The details of the inspections conducted during 1994 are given below:

<table>
<thead>
<tr>
<th>No. of Inspection</th>
<th>Rectification of Irregularities</th>
<th>Prosecutions done</th>
<th>Convictions effected</th>
<th>Claims for Recovery handled</th>
</tr>
</thead>
<tbody>
<tr>
<td>10664</td>
<td>99987</td>
<td>3888</td>
<td>2779</td>
<td>1581</td>
</tr>
</tbody>
</table>

5.10 In respect of the employments within the jurisdiction of State Governments the enforcement is done by the State Machinery. The Central Government has also advised the State Governments from time to time to take various steps for gearing up the State Machinery. As a result the States have taken a number of steps which includes the utilisation of the services of other departments in the enforcement of the provisions of the Minimum Wages Act, to increase the number of inspectors, to set up Monitoring Committees at different levels and to give wide publicity through media to the provisions of the Act. The implementation of the Minimum Wages Act in the State Sphere has also been taken as part of the new 20-point programme and the states have been requested to send half-yearly returns in the prescribed proforma on the status of implementation and enforcement of the Act. However, there has been a time lag in receiving the information from the States/Union Territories. A
statement indicating the state-wise position on violations/prosecutions etc under the Minimum Wages Act is given at Annexure-III.

NATIONAL MINIMUM WAGE

5.11 The subject of national minimum wage has been considered by several bodies in the past. The National Commission on Labour (1969) was of view that such a wage in the sense of a uniform minimum monetary remuneration for the country as a whole is neither feasible nor desirable. The 28th Indian Labour Conference (1985) also discussed the need for national minimum wages. It felt that till such time the national minimum wage is feasible, it would be desirable to have regional minimum wages. It also suggested that the Central Government may lay down the guidelines for regional minimum wages.

REGIONAL MINIMUM WAGES ADVISORY COMMITTEES


REGION STATES/UTs COVERED

1. Eastern Region - West Bengal, Orissa, Bihar, Sikkim, Andaman & Nicobar Islands.

2. North-Eastern Region - Assam, Manipur, Meghalaya, Nagaland, Tripura, Arunachal Pradesh, Mizoram.

3. Northern Region - Punjab, Rajasthan, Himachal Pradesh, Jammu & Kashmir, Haryana, Delhi, Chandigarh.

4. Central Region - Uttar Pradesh, Madhya Pradesh

5. Western Region - Maharashtra, Gujarat, Goa, Daman & Diu, Dadra & Nagar Haveli.

6. Southern Region - Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Pondicherry, Lakshadweep

5.13 The scope and functions of these Committees have since been enlarged to cover all areas of importance for Labour and have been re-named as Regional Labour Ministers Conference. The first-round of meetings of these conferences for all regions except the Central Region were held during 1987 and 1992. The Second round of meetings of Regional Labour Ministers were held in 1994 and 1995.

5.14 The meetings of the first round as well as second round have made a number of recommendations on minimum wages. These included the reduction of disparities in minimum wage between different states of the same region, provision of component of special allowance linked to Consumer Price Indices, revision of minimum wages in two years wherever the
special component linked to Consumer Price Indices is not provided, enhancement of the Penal provisions under the Minimum Wages Act, strengthening of the enforcement machinery under the Minimum Wages Act measures to give wide publicity to the provisions of the Minimum Wages Act, measures to have better inter-state coordination in the implementations of the Minimum Wages Act, etc.. All these recommendations have been communicated to the concerned States/UTs for implementation.

FIXATION OF FLOOR LEVEL MINIMUM WAGES

5.15 The Government have also made attempts to fix a national minimum wage in the sense of a floor minimum wage below which no appropriate Government should fix minimum wage under the Minimum Wages Act, 1948. The 36th Labour Minister’s Conference held in May 1987 had recommended that the Minimum Wages fixed under the Minimum Wages Act should bear a relation to the concept of ‘Poverty line’ as evolved by the Planning Commission. The Conference also recommended that minimum wages should not be fixed below Rs.11/- per day. The Ministry keeping in view the rise in cost of living had raised this limit to Rs.15/- per day in 1990.

5.16 The National Commission on Rural Labour in its report submitted in July, 1991 recommended that the minimum rate of wages for the employment in agriculture shall not be fixed below Rs.20/- per day at the prices prevailing during 1990. The Commission followed the Calorie Consumption requirement laid down by the Planning Commission for its definition of Poverty line. The Commission also recommended that the minimum wages may consist of a variable component linked to index number and this variable component may be revised every six months on the basis of a rise or fall in the index numbers. These recommendations were communicated to all the State Governments for implementations. The matter was also taken up at the level of Labour Minister with Chief Ministers of all States.

POINT FOR THE CONSIDERATION OF THE CONFERENCE

5.17 The question of National Floor Level Minimum Wages was also discussed in the meeting of the Standing Labour Committee held on 13.9.96. The Standing Labour Committee unanimously approved the idea of having national floor level minimum wages. It was also suggested during discussion that the floor level minimum wages should be linked to the Consumer Price Index so as to protect the wages against increase in cost-of-living. The general opinion was that initially the floor level minimum wages may be fixed by linking them with the poverty line criteria of the Planning Commission. The Indian Labour Conference may kindly give their considered view on the subject.
<table>
<thead>
<tr>
<th>Sl.</th>
<th>Name of Employment</th>
<th>Date of last Revision</th>
<th>Minimum wage to the lowest paid worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agriculture</td>
<td>12.08.92</td>
<td>Rs.56.09</td>
</tr>
<tr>
<td>2.</td>
<td>Construction or maintenance of roads or building operations.</td>
<td>12.07.94</td>
<td>Rs.34.96</td>
</tr>
<tr>
<td>3.</td>
<td>Stone breaking or stone crushing.</td>
<td>12.07.94</td>
<td>Rs.34.96</td>
</tr>
<tr>
<td>4.</td>
<td>Maintenance of buildings.</td>
<td>12.07.94</td>
<td>Rs.34.96</td>
</tr>
<tr>
<td>5.</td>
<td>Construction and Maintenance of Runways.</td>
<td>-do-</td>
<td>Rs.34.96</td>
</tr>
<tr>
<td>6.</td>
<td>Gypsum mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>7.</td>
<td>Barytes mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>8.</td>
<td>Bauxite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>9.</td>
<td>Manganese mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>10.</td>
<td>China Clay mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>11.</td>
<td>Kyanite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>12.</td>
<td>Copper mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>13.</td>
<td>Clay mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>14.</td>
<td>Stone mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>15.</td>
<td>White Clay mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>16.</td>
<td>Ochre mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>17.</td>
<td>Fire Clay mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>18.</td>
<td>Steatite (Soapstone and Talc) mines</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>19.</td>
<td>Asbestos mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>20.</td>
<td>Chromite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>21.</td>
<td>Quartzite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>22.</td>
<td>Quartz mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>23.</td>
<td>Silica mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>24.</td>
<td>Magnesite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>25.</td>
<td>Graphite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>26.</td>
<td>Felspar mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>27.</td>
<td>Redoxide mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>28.</td>
<td>Laterite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>29.</td>
<td>Dolomite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>30.</td>
<td>Iron Ore mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>31.</td>
<td>Granite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>32.</td>
<td>Wolfram mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>33.</td>
<td>Magnetite mines.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>34.</td>
<td>Rockphosphate mines.</td>
<td>-do-</td>
<td>Rs.36.10</td>
</tr>
<tr>
<td>35.</td>
<td>Hematite mines.</td>
<td>-do-</td>
<td>Rs.36.10</td>
</tr>
<tr>
<td>36.</td>
<td>Loading, unloading in Railways' sheds.</td>
<td>-do-</td>
<td>Rs.36.10</td>
</tr>
<tr>
<td>37.</td>
<td>Ash Pit Cleaning in Railways.</td>
<td>-do-</td>
<td>Rs.36.10</td>
</tr>
<tr>
<td>No.</td>
<td>Industry</td>
<td>Minimum Wages</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td>38.</td>
<td>Marble and Calcite mines.</td>
<td>Rs. 34.96</td>
<td></td>
</tr>
<tr>
<td>39.</td>
<td>Uranium mines.</td>
<td>-do-</td>
<td></td>
</tr>
<tr>
<td>40.</td>
<td>Mica mines.</td>
<td>-do-</td>
<td></td>
</tr>
</tbody>
</table>

* Minimum Wages also include a component of Special Allowance which was last revised on 1.10.96.

## STATUS OF THE IMPLEMENTATION OF MINIMUM WAGES ACT, 1948
### IN DIFFERENT STATES/UNION TERRITORY

(As on 1.10.1996)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of State</th>
<th>No. of Employment</th>
<th>No. of workers for which provision of VDA has been fixed</th>
<th>Range of wage for unskilled workers</th>
<th>Last date of revision for any employment</th>
<th>Last date of adjustment of VDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Andhra Pradesh</td>
<td>59</td>
<td>29</td>
<td>Rs.11.00 to Rs.42.40 p.d.</td>
<td>12.2.96</td>
<td>01.10.96</td>
</tr>
<tr>
<td>2</td>
<td>Arunachal Pradesh</td>
<td>8</td>
<td>NP</td>
<td>Rs.21.00 to Rs.23.00 p.d.</td>
<td>01.01.94</td>
<td>N.A.</td>
</tr>
<tr>
<td>3</td>
<td>Assam</td>
<td>52</td>
<td>52</td>
<td>Rs.32.80 to Rs.39.70 p.d.</td>
<td>01.04.95</td>
<td>01.12.95</td>
</tr>
<tr>
<td>4</td>
<td>Bihar</td>
<td>63</td>
<td>NP</td>
<td>Rs.27.30 to Rs.39.70 p.d.</td>
<td>21.12.95</td>
<td>N.A.</td>
</tr>
<tr>
<td>5</td>
<td>Goa</td>
<td>15</td>
<td>NP</td>
<td>Rs.21.00 to Rs.46.00 p.d.</td>
<td>01.04.95</td>
<td>N.A.</td>
</tr>
<tr>
<td>6</td>
<td>Gujarat</td>
<td>48</td>
<td>47</td>
<td>Rs.15.00 to Rs.47.88 p.d.</td>
<td>21.03.94</td>
<td>01.04.95</td>
</tr>
<tr>
<td>7</td>
<td>Haryana</td>
<td>46</td>
<td>46</td>
<td>Rs.51.52 to Rs.55.52 p.d.</td>
<td>01.07.95</td>
<td>01.07.95</td>
</tr>
<tr>
<td>8</td>
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<td>Min. Wage</td>
<td>Date</td>
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**NOTE:** The above figures are based on the available information as on 1.10.1996.

NP - No Provision
NA - Not Applicable
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<th>Sl. No.</th>
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<th>Prosecutions launched</th>
<th>Amount realised (in Rs.)</th>
<th>Penalty imposed (in Rs.)</th>
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<td>Pay (93-94)</td>
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Information not available

Note: The information in respect of Bihar, Daman & Diu and Meghalaya are taken from the returns filed by the State Government/UT under 20-point programme and relates to different periods as indicated against the entry.
6.1 The recognition of Trade Unions functioning in industrial establishments is regulated under the provisions of the voluntary "Code of Discipline" and the "Criteria for recognition of unions" appended to the Code adopted by the Standing Labour Committee at its 16th Session in 1957 and subsequently ratified by the representatives of Employers and Central Trade Union Organisations at the 16th Session of the Indian Labour Conference held in 1958. The Code came into force from 1.6.1958. A copy of the Code of Discipline is enclosed at Annexure-I. The provisions of the Code of Discipline were also extended to all Departmental Undertakings of the Central Ministries in February, 1961, except in the case of Departmental Undertakings of the Railways, Defence, Banks (other than State Bank of India and Reserve Bank of India), Posts & Telegraphs and Ports & Docks which have their own rules for conferring recognition of Trade Union.

6.2 In the context of multiplicity of Trade Unions in Indian Industry, the issue of modalities for identification of a trade union having a majority following has been engaging the attention of the Government, Employees and Employers Organisations for quite some time.

6.3 The Ministry of Labour formulated a procedure for verification of membership of unions for the purpose of recognition under the Code of Discipline. Under the existing practice either the management or the union can request for verification and generally verification is done on the basis of records of subscriptions paid by the workers as membership fee to the union/unions. In cases where management and all unions agree, the relative strength of the union in an establishment can be determined through secret ballot. For this purpose a procedure is being followed for determining the relative strength of unions operating in an establishment under the Central Sphere by secret ballot through CIRM (copy at Annexure-II). This voluntary method evolved through consensus has been successful, though to a limited extent. So far 19 Central Public Sector Undertakings falling under the central sphere have adopted the secret ballot for recognition of Trade Unions during the period 1987 to 1995 (Annexure-III).

6.4 Some States like Gujarat, Madhya Pradesh, Maharashtra and Rajasthan have enacted Laws for recognition of Trade Unions. Under the Maharashtra Recognition of Unfair Labour Practices Act, Labour Courts are authorised to confer recognition of Trade Unions. The method to be adopted for recognizing the strength of Trade Unions in an establishment is left to the Labour Courts. However, it is mostly done by verification of records and sometimes by secret ballot.

6.5 In Andhra Pradesh workers and employers organisations passed a resolution in the State Evaluation and Implementation Committee constituted under the Code of Discipline for adoption of the secret ballot method. The Ramanujam Committee did examine the issue of modalities for identification of relative
strength of the unions. However, the Committee's recommendation pertaining to this issue is not very clear. A majority of the CTUOs were in favour of adopting the secret ballot process for recognition of Trade Unions. The employers' representatives were, however, not inclined to get involved in the conduct of the process through secret ballot.

6.6 In the recently announced Government's Common approach to major policy matters and minimum programme, one of the priority areas for action by the Ministry of Labour is the determination of the representative character of the Trade Unions by secret ballot. Certain Trade Unions also submitted a Memorandum to the Prime Minister urging the Government to frame suitable legislation for recognition of trade unions by secret ballot.

6.7 The question arises as to whether the modalities to be adopted for secret ballot should be given executive shape or whether it should be given a statutory shape. The advantage of giving it an executive shape is that it can be introduced immediately. Another advantage is the "flexibility" available. Any modification if found necessary subsequently can be brought into effect by an executive order. On the other hand, adopting the statutory alternative will be more time-consuming. There would also be limited flexibility in making modifications as these will require to go through the legislative process and will be equally time-consuming.

6.8 The possible course of action may be to give an executive shape to the modalities to be adopted in the initial stage, and, if felt necessary, resorting to legislation later on.

6.9 The matter was placed before the Standing Labour Committee. As there was no consensus, the matter is placed before the Indian Labour Conference for consideration.
CODE OF DISCIPLINE AND CRITERIA FOR RECOGNITION OF UNIONS

I. To maintain Discipline in Industry (both in public and private sectors) - there has to be (i) a just recognition by employers and workers of the rights and responsibilities of either party, as defined by the laws and agreements (including bipartite and tripartite agreements arrived at all levels from time to time) and (ii) a proper and willing discharge by either party of its obligations consequent on such recognition.

The Central and State Governments, on their part, will arrange to examine and set right any shortcomings in the machinery they constitute for the administration of labour laws.

To ensure better Discipline in Industry.

II. Management and Union(s) agree -

(i) that no unilateral action should be taken in connection with any industrial matter and that disputes should be settle at appropriate levels;

(ii) that the existing machinery for settlement of disputes should be utilised with utmost expedition;

(iii) that there should be no strike or lock-out without notice;

(iv) that affirming their faith in democratic principles, they bind themselves to settle all future difference, disputes, and grievances by mutual negotiation, conciliation and voluntary arbitration;

(v) that neither party will have recourse to (a) coercion, (b) intimidation, (c) victimisation or (d) go-slow;

(vi) that they will avoid, (a) litigation, (b) sit-down and stay in strikes and (c) lock-outs;

(vii) that they will promote constructive co-operation between their representatives at all levels and as between workers themselves and abide by the spirit of agreements mutually entered into;
(viii) that they will establish upon a mutually agreed basis, a grievance procedure which will ensure a speedy and full investigation leading to settlement;

(ix) that they will abide by various stages in the grievance procedure and take no arbitrary action which would by-pass this procedure; and

(x) that they will enucate the management personnel and workers regarding their obligations to each other.

III. Management agree -

(i) not to increase work-loads unless agreed upon or settled otherwise;

(ii) not to support or encourage any unfair labour practice such as (a) interference with the right of employees to enroll or continue as union members, (b) discrimination, restraint or coercion against any employee because of recognised activity of trade unions and (c) victimisation of any employee and abuse of authority in any form;

(iii) to take prompt action for (a) settlement of grievances and (b) implementation of settlements, awards, decisions and orders;

(iv) to display in conspicuous pleases in the undertaking the provisions of this Code in the local language(s);

(v) to distinguish between actions justifying immediate discharge and those where discharge must be preceded by warning, reprimand, suspension or some other form of disciplinary action and to arrange that all such disciplinary action should be subject to an appeal through normal grievance procedure;

(vi) to take appropriate disciplinary action against its officers and members in cases where enquiries reveal that they were responsible for precipitated action by workers leading to indicipline; and

(vii) to recongnise the union in accordance with the criteria (Appendix-I) evolved at the 16th session of the Indian Labour Conference held in May, 1958.

IV. Union(s) agree -

(i) not to engage in any form of physical duress;
(ii) not to permit demonstrations which are not peaceful and not to permit rowdyism in demonstration;

(iii) that their members will not engage or cause other employees to engage in any union activity during working hours, unless as provided for by law, agreement of practice;

(iv) to discourage unfair labour practices such as (a) negligence of duty, (b) careless operation, (c) damage to property, (d) interference with or disturbance to normal work and (e) insubordination;

(v) to take prompt action to implement awards, agreements, settlements and decisions;

(vi) to display in conspicuous places in the union offices, the provisions of this Code in the local language(s); and

(vii) to express disapproval and to take appropriate action against office-bearers and members for indulging in action against the spirit of this Code.
CRITERIA FOR RECOGNITION OF UNIONS

1. Where there is more than one union, a union claiming recognition should have been functioning for at least one year after registration. Where there is only one union, this condition would not apply.

2. The membership of the union should cover at least 15% of the workers in the establishment concerned. Membership would be counted only of those who had paid their subscription for at least three months during the period of six months immediately preceding the reckoning.

3. A union may claim to be recognised as a representative union for any industry in a local area if it has a membership of at least 25% of the workers of that industry in that area.

4. When a union has been recognised, there should be no change in its position for a period of two years.

5. Where there are several unions in an industry or establishment, the one with the largest membership should be recognised.

6. A representative union for an industry in an area should have the right to represent the workers in all the establishments in the industry, but if a union of workers in a particular establishment has a membership of 50% or more of the workers of that establishment it should have the right to deal with matter of purely local interest such as, for instance, the handling of grievances pertaining to its own members. All other workers who are not members of that union might either operate through the representative union for the industry or seek redress directly.

7. In the case of trade union federations which are not affiliated to any of the four central organisations of labour, the question of recognition would have to be dealt with separately.

8. Only unions which observed the Code of Discipline would be entitled to recognition.
Procedure for determination of relative strength of unions operating in an establishment under the Central Sphere Secret Ballot

Collection

I. On receipt of a request either from the management or a union for holding a Secret Ballot for the purpose of recognition of a union in an establishment or in respect of any industry in a local area, the following preliminary information will have to be collected by the Ministry of Labour through the field officers of the CIRM:

i) Names of all the unions, whether registered or unregistered, together with names of Central Organisation of Workers, if any, to which they are affiliated.

ii) No. and date of recognition of unions under the Trade Unions Act, 1926.

iii) Name of the recognised union, if any, in the establishment/industry and the date from which the recognition was granted.

iv) Total number of workers employed in the establishment.

v) Copy of the Constitution of each of the unions operating in the establishment/industry.

Consent of the Parties

II. There being no Legislative backing or national level agreement so far, for determining the representative character or unions of an establishment/industry by the method of Secret Ballot, in each case where Secret Ballot is proposed to be held for the purpose, the Ministry of Labour will obtain (i) the consent of the management and the unions concerned for holding secret ballot for the purpose (ii) consent of both the management and the unions for Secret Ballot being conducted under the supervision of the CIRM in the Central sphere (iii) undertaking from management and also the union(s) that they will accept the result of such secret ballot as binding for the purpose and (iv) undertaking from the management that they will accord recognition on the basis of verdict of the Secret Ballot.

Appnmt. of Returning Officers

III. After the consent/undertaking as mentioned in preceding para is received from all concerned, Ministry of Labour will after scrutiny of data advise the CIRM to conduct Secret Ballot, restricting the right to vote to the workers who are on the Roll of the management of the establishment/industry thereupon, the CIRM will notify the name of the
Returning Officer under who supervision the election through Secret Ballot will be conducted by the management concerned.

IV. All employees/workers borne on the muster roll of the Estt., on the first day of the month the elections is proposed to be held, will constitute the Voters List. Those workmen engaged by contractors of any other agency, who are not direct employed by the management will not be eligible to participate in the election of the representative union.

V. For conducting the ballot, the management will be required to furnish the requisite number of copies of voters list containing inter-alia, the following information:

i) Name of the Workman.

ii) Ticket/Token No.

iii) Father’s Name.

iv) Designation.

v) Section/Department in which working.

VI. On the finalisation of the voters’ list, the Returning Officer will request the management of hold elections on a specified date and time which will be fixed after giving 15 days’ time to the management from the date of the request, made by the Returning Officer and would ensure that either he (The Returning Officer) or his representative, remains present on the spot during the election period.

VII. The management will give wide publicity to the date of election by informing the unions and affixing a notice on the notice boards for the information of the concerned workers.

Providing VIII. All the eligible participating unions registered under the Trade Unions Act, 1926, will be allotted separate distinct symbols for identifying each contesting union. No union will be allowed a symbol which resembles, in any manner, the symbol of the other contesting union. Symbol would be decided by the management in consultation with the Returning Officer.

Ballot IX. Ballot papers will be prepared by the Management mentioning the names of all the participating unions in an alphabetic order with a distinct serial number. All the ballot papers will be entrusted either to the R.Q. or his representative for distribution to the workers at the time of polling of votes.