

Foreword

The Indian Labour Conference (ILC) as it is known today, had its origin in the first Labour Ministers' Conference held in January, 1941. In that Conference the recommendation of the Royal Commission on Labour for setting up a Tripartite Industrial Council was considered.

As it widened its mandate and composition, it donned different names in subsequent years such as Tripartite Conference, Plenary Conference, Labour Conference and finally the Indian Labour Conference.

The Statements made from the podiums of these conferences before and after independence, the resolutions and conclusions adopted in these conferences – all have helped in shaping and influencing the labour policy in our country. The various provisions of our Constitution, the Conventions and Recommendations adopted by the International Labour Conferences, of which India is a permanent member, have also contributed immensely in our efforts to fine tune our Labour Policy to reflect the needs and philosophy of the times we live in.

During the course of its progress spread over the last few decades, the ILC has resolved and recommended to the Government action on many important issues which have resulted in setting up of Central Training Institutes for vocational skill training, enactment of protective legislation for the benefit of child labour, setting up of the Central Board for Workers' Education, enactment of law for abolition/regulation of contract labour, enactment of legislation for the payment of gratuity to workers etc.

The ILC has always succeeded in sensing the pulse of the working class and has suggested for tripartite discussion issues of topical interest reflecting the social, economic and industrial climate of the times. In the last few conferences, the ILC had discussed issues as diverse and relevant as 'statutory provision of minimum wages', 'provident fund and war injury schemes', 'inter-union rivalry', 'bonus and gratuity' etc. thus instilling in this unique tripartite forum the vibrant articulation of different views of the workers, management and the Government, before an acceptable resolution based on a judicious mix of the views expressed therein is adopted by consensus. These resolutions and conclusions adopted after much deliberation and in the true tripartite spirit of give and take, has always helped the Government in the enactment of suitable legislations on the subject and in maintaining excellent industrial relations among the concerned partners.

In the past, this Ministry had been bringing out the record of the deliberations and the conclusions arrived at the ILC in a routine format. This is for the first time that the entire proceedings of the Indian Labour Conference including the agenda, the minutes and the conclusions are being brought out in the form of a full report. It is hoped that this report of the 37th Session of the ILC will prove to be a useful and valuable document not only to the participants of the unique tripartite forum but also to all the Central Ministries and Departments, State Governments, Trade Union functionaries, grass root level social workers and activists and to all those who have some concern for our working class.

Chapter I

Introduction

The statements of important nationalist leaders during the freedom struggle in the 20s, 30s and 40s, the debates of the Constituent Assembly, the provisions of the Constitution, the Conventions and Recommendations adopted by the International Labour Conference along with the decisions taken in the Indian Labour Conference - the apex tripartite consultative body - over a period of more than 50 years have all contributed to enrich the debate over labour issues and strengthen our labour policy.

2. It was at the first session of the Labour Minister's Conference held in January, 1941 that the recommendation of the Royal Commission on Labour to set up an Industrial Council, consisting of representatives of Government, workers and employers, to coordinate matters pertaining to labour conditions all over India, was considered. On 7th August 1942, the first tripartite meeting was held. The emergence of such a Conference was the result of the realisation that the industrial problems could not be solved unless the three partners - Government, workers and employers - developed a sense of responsibility and responsiveness towards one another, exhibited more respect for the views of one another and agreed to work for their mutual and common interest. A forum to bring them together to let them talk across the table was necessary for the realisation of this objective.

3. The Indian Labour Conference has been considered as the "Labour Parliament of India", a confluence of creative forces and energies and the testing ground of tripartite consensus in decision making. Notable among the decisions and recommendations of Indian Labour Conference, which have shaped and influenced the labour policy in India, are mentioned below:

- The fifth session of the ILC held in 1943 urged Government to set up a machinery to investigate the question of wages and earnings, employment, housing and social condition of workers.
- The eleventh session of the ILC held in 1951 emphasised the need for training and suggested the setting up of a Central Training Institute for theoretical vocational skill training to be supplemented by practical training.
- The fourteenth session of the ILC held in 1955 suggested the need for enacting protective laws for child labour.

- The fifteenth session of the ILC held in 1957 recommended the setting up of the Central Board for Workers' Education. It also laid down the norms for fixation of minimum rates of wages.
- The nineteenth session of the ILC held in 1961 recommended abolition of contract labour wherever feasible and providing satisfactory working conditions for contract labour where abolition of the same was not feasible.
- The twenty-fifth session of the ILC held in 1968 recommended Central Legislation for payment of gratuity.
- The twenty-eighth session of the ILC held in 1985, inter-alia, strongly supported the proposal for a comprehensive legislation on child labour.

4. Subsequent events show that these recommendations had considerable bearing on enactment of legislation like Contract Labour (Regulation and Abolition) Act, 1970, Payment of Gratuity Act, 1972 and Child Labour (Prohibition and Regulation) Act, 1986. They paved the way for the emergence and growth of institutional mechanisms like the Central Board for Workers' Education and a series of Vocational Skill Training Institutes at the national and regional levels.

5. Over the years, the recommendations of the Indian Labour Conference have also shaped and influenced labour policy relating to industrial relations, formulation of model grievance procedures, principles of adjudication and voluntary arbitration, functioning of industrial tribunals and labour courts, norms for application of a Code of Discipline, workers' participation in management, labour welfare including industrial housing, social security, new economic policy and its impact on labour. While there are sharp differences - both perceptual and ideological, on a variety of issues intimately affecting labour amongst the social partners which are often irreconcilable, the debates have enriched the literature on a host of issues of interest and relevance to the working class.

6. Tripartite consultation is a time-tested method for building mutual confidence and generating an industrial climate conducive to production and productivity. With globalisation and the opening up of the economy, the need for such confidence building methods and creating an appropriate climate is obvious and needs no emphasis. Sustaining a climate for peaceful and friendly industrial relations is the sine-quo-non for higher industrial growth and faster economic development. In this age of information resolution in which each social partner

has access to the latest data/information, it becomes all the more necessary to develop ethos and culture of participative management.

7. The tripartite principle is an important integral component of labour policy in India. The premier policy advisory bodies in the fields of labour at the national level is the tripartite Indian Labour Conference and its tripartite Standing Labour Committee, which consist of representatives of the Central Government, State Governments, Union Territory Administration and employers' and workers' organizations. We have so far held 37 sessions each of the Indian Labour Conference and Standing Labour Committee. The Indian Labour Conference stands unrivalled as an epitome of Indian tripartism.

Chapter II

THIRTY SEVENTH SESSION OF THE INDIAN LABOUR CONFERENCE (NEW DELHI : MAY 18-19, 2001)

ITEM – I : ACTION TAKEN ON THE CONCLUSIONS OF THE THIRTY SIXTH SESSION OF THE INDIAN LABOUR CONFERENCE HELD ON APRIL 14-15, 2000.

1. INDUSTRIAL SICKNESS

CONCLUSION – 1.1

There should be greater and on going efforts on the part of the management to modernise and update technology in order to remain healthy and competitive.

ACTION TAKEN

There is a growing awareness among the management of the need to update technology in a fast changing world. Modernisation/upgradation of production processes is part of the ongoing efforts to reduce costs, increase productivity and remain competitive.

CONCLUSION – 1.2

There should be induction of managerial expertise and professionalism for making accurate assessment of market situation and taking pre-emptive action against industrial sickness.

ACTION TAKEN

The need for professionalising the Board of Directors of public enterprises has been recognised by the Government since long. In March, 1992, the Deptt. of Public Enterprises had issued detailed instructions on this subject which stipulated that the number of full time directors should be about 50% of the actual strength of the Board. Full time Directors who are professional experts thus constitute a major component of the Board of Directors. Outside professional input is to come from the Non-official Directors whose number should be at least 1/3rd of the actual strength of the Board. Non-official Directors consist of technocrats, management experts, consultants and professional managers in industry and trade with a high degree of proven ability. Selection of such Directors is made by the Search Committee in

respect of Navratna/Miniratna, Public Sector Undertakings (PSUs) and jointly by the administrative Ministry, Deptt. of Public Enterprises and Public Enterprises Selection Board in respect of other PSUs.

In so far as below board level posts are concerned, the managements of the respective public enterprises enjoy autonomy in regard to appointment of personnel. The public enterprises select personnel for various posts according to job requirement of the posts. As the PSUs are presently operating in a competitive environment, each PSU is aware of the need of managing the affairs in a professional manner and appointing professional managers to man various posts.

CONCLUSION – 1.3

There should be greater accountability specially in cases of willful default and mismanagement of funds.

ACTION TAKEN

So far as proper management of funds is concerned, DPE has already issued guidelines in consultation with the Ministry of Finance on investment of surplus funds by the PSUs vide Office Memoranda dated 14.12.94, 1.11.95, 11.3.96, 2.7.96, 14.2.97 and 25.11.99.

CONCLUSION – 1.4

There should be greater transparency in restructuring of enterprises and workers should be consulted / taken into confidence during the restructuring process.

ACTION TAKEN

It has been emphasized from time to time that workers should be consulted/taken into confidence about various policies of the Government, including economic reforms, restructuring of PSUs, disinvestment, privatization etc. A meeting was held between the Prime Minister and the various Central Trade Union Organisations (CTUOs) on 12.8.2000 to discuss these issues. Another meeting was held between the Hon'ble Labour Minister and the CTUOs on 15.12.2000 to discuss various issues including privatisation and restructuring of PSUs.

CONCLUSION – 1.5

In the case of PSUs which can be rehabilitated, workers should be given incentives such as revision of pay scales if this has not been revised for several years

ACTION TAKEN

Ministry of Labour has been emphasizing to the various administrative departments in-charge of PSUs that the rehabilitation package should be worked out in consultation with workers. If there is any scope for giving incentive to workers in terms of revision of pay scales etc., this should form a part of the rehabilitation scheme. After the revival plans are approved, the revision of pay scale etc., to employees/workers of PSUs are allowed as per the guidelines contained in Deptt. of Public Enterprises Office Memoranda dated 19.8.95, 14.1.99 and 25.6.99.

CONCLUSION – 1.6

A Restructuring Fund should be established for rehabilitation/ modernisation of PSUs. This should consist of a pool of plan funds, disinvestment proceeds, etc. These funds should be self-sustaining and “rolling” in nature.

ACTION TAKEN

This proposal is under consideration of the Government.

CONCLUSION – 1.7

There should be greater credit and marketing support for SSIs.

ACTION TAKEN

Special Task Force/Expert Groups have been set up by the Government to study various problems being faced by the SSI sector including those of credit and marketing support and give recommendations for improving the performance of this sector.

CONCLUSION – 1.8

There should be greater emphasis on skill training and education to meet the changing requirements of enterprises in a dynamic and competitive environment.

ACTION TAKEN

Advanced Vocational Training Scheme (AVTS) is already in operation for the skill up-gradation of industrial manpower.

- This scheme was launched in 1977 with UNDP/ILO assistance.
- The objective of the scheme is to upgrade and update the skills of serving industrial workers to specialize in the field of work.
- The scheme is implemented through 6 Advanced Training Institutes (ATIs) located at Mumbai, Chennai, Calcutta, Hyderabad, Ludhiana and Kanpur; and two Advanced Training Institutes – Electronics Process Instrumentation (ATI-EPis) at Hyderabad and Dehradun. In addition, the training is also offered in 46 Industrial Training Institutes (ITIs) covering the length and breadth of the country.

- Training to industrial workers and technicians is provided at these institutes in a variety of advanced and sophisticated skills.
- In the 8 ATIs under DGE&T, about 3500 workers are being trained every year. Upto March, 2000, a total of 1,10,118 workers have been trained in these institutes.
- State Governments are also being requested to promote Industry- Institute interaction for Industrial Training Institutes (ITI) to upgrade skill levels and bring them more in line with the requirement of the local industry.

CONCLUSION – 1.9

BIFR should not be wound up until a better and alternative institutional mechanism is in place.

CONCLUSION – 1.10

Definition of industrial sickness should be such that this problem is identified in the early stages when remedial action is possible.

CONCLUSION – 1.11

There should be independent Operating Agencies to take a holistic view of revival instead of only a financial view.

CONCLUSION – 1.12

In case BIFR is to continue, there should be a full complement of Benches and greater professionalism and expertise among members

CONCLUSION – 1.13

There should be greater decentralisation of the institutional mechanism for dealing with industrial sickness (Regional Benches of BIFR, State BIFRs, district and state level bodies for identifying sickness and taking remedial action, etc.)

CONCLUSION – 1.14

Closure of sick industrial units should be resorted to only when all possible options for revival have been exhausted.

CONCLUSION – 1.15

There should be a given time frame for revival and closure of sick units.

ACTION TAKEN (Conclusions - 1.9 to 1.15)

The repeal of Sick Industries Companies Act (SICA) and establishment of alternative mechanism for dealing with industrial sickness is presently under consideration of the Government. A Group of Ministers (GOM), headed by the Finance Minister, has been constituted to look into the existing short-comings of SICA and BIFR. It has been emphasized to this GOM that BIFR should not be wound up until a better alternative institutional mechanism is set up in place for tackling the problem of industrial sickness. The GOM, inter-alia, is to review the definition of industrial sickness so that the sickness is identified in the early stages when revival is possible. Greater professionalism is to be inducted for working out rehabilitation plans. Simultaneously the number of Benches for handling cases of industrial sickness are to be increased, de-centralized and strengthened. A strict time frame is to be fixed for both working out the rehabilitation plans as well as for taking decision of closure of unviable units. As a part of the suggestions to the GOM, it has also been emphasized that there should not be any restriction on recovery of workers' dues when the company is declared sick. Furthermore, closure should be effected only when all possible options of revival have been exhausted.

CONCLUSION – 1.16

There should be augmentation of funds for the Voluntary Retirement Scheme (VRS) and the Voluntary Separation Scheme (VSS).

ACTION TAKEN

Guidelines in this regard have already been issued vide Deptt. of Public Enterprises Office Memorandum dated 5.5.2000.

CONCLUSION – 1.17

All statutory dues of workers should be paid during rehabilitation/before closure.

ACTION TAKEN

This is under consideration of GOM set up under the Deptt. of Public Enterprises.

2. WORKERS' PARTICIPATION IN INDUSTRY**Workers' Side****CONCLUSION – 2.1**

Participation of workers in industry as a principle cannot be questioned. It should be implemented.

CONCLUSION – 2.2

Unions by and large are of the view that it should be brought about through legislation.

CONCLUSION – 2.3

They are in favour of workers' equity participation and profit sharing. The workers' participation should be a 3-tier participation, that is at the shop floor level, plant level and the Board level.

CONCLUSION – 2.4

The unions are of the view that the 1990 Bill should be activated in spirit, as a first step. Some of them are of the view that the Bill should go through a bilateral discussion as it is of 1990 vintage.

CONCLUSION – 2.5

All aspects of the industry and its business dynamics should come within the purview of the participative mechanism.

CONCLUSION – 2.6

One of the unions was of the view that the union having largest membership should nominate its members at different tiers.

CONCLUSION – 2.7

One of the unions was of the view that the decisions taken in different fora should be mandatory and not recommendatory.

CONCLUSION – 2.8

One of the unions expressed the view that the form, content and manner of workers' participation do not lead to any effective control by the workmen over the business processes. Therefore, a full play of workers' participation was sought.

CONCLUSION – 2.9

One of the trade unions was of the view that legislation in the field of workers' participation is not required and opposed legislation as a means of giving effect to the concept of workers' participation in industry. This union sought freedom to the workers to choose whether workers require workers' participation.

Employers' Side

CONCLUSION – 2.10

Employers also agreed on the principle of workers' participation in industry and stated that workers' cooperation and participation in industries are essential ingredients for any successful mechanism for improving efficiency and productivity with social justice. However, they feel that this process depends on components such as trust, faith, confidence, transparency and cooperation etc., which is a bilateral process and, therefore, workers' participation in industry should be through a voluntary mechanism and not through legislation.

CONCLUSION – 2.11

Any system that is transplanted without preparing the ground for consensus will not succeed.

CONCLUSION – 2.12

The employers are also of the view that steps for building confidence and trust among the stake holders must begin through open communication (two way), transparency of transactions and sharing of information.

CONCLUSION – 2.13

Employers are also of the view that such a scheme could begin on a voluntary and selective basis so that the successful model can be demonstrated and replicated elsewhere.

CONCLUSION – 2.14

The confidence building measures should carry a time-frame which should be mutually acceptable to the stake-holders.

CONCLUSION – 2.15

As an example of workers' participation at Board level, it was pointed out that despite workers' participation in DCM and Banking sector for the last 25 years, the company has not done well and as such a hard look should be taken on the success and failure case studies, in this context.

ACTION TAKEN (Conclusions – 2.1 to 2.15)

The Participation of Workers in Management Bill, 1990 is already under the consideration of the Standing Committee of Parliament on Labour and Welfare. The comments of the Central Trade Union Organisations and Central Employers' Organisations on the Bill have already been placed before the Standing Committee. Many of the concerns expressed by the CTUOs and Central Employers' Organisations on the scheme of Workers' Participation in Industry are already reflected in the comments of these organisations on the Bill. Certain procedural suggestions that have been made will be considered when the Rules are framed after the Bill is enacted into a legislation by the two Houses of Parliament.

3. WORKERS' EDUCATION

CONCLUSION – 3.1

In the context of the changing economic environment, the ILC recommends that the concept of workers' education need to be redefined and its scope, dimensions and coverage widened so as to encompass capacity building of workers in all respects.

CONCLUSION – 3.2

The ILC recommends that in view of the importance of labour education, the year 2000-2001 be declared as "Labour Education Year".

CONCLUSION – 3.3

The ILC recommends that a national task force be constituted within ILC to study the status of labour education in the country and to suggest ways and means of enriching it.

CONCLUSION – 3.4

To widen the horizon of the workers and to expose them to the best practices in industry, the ILC recommends that Government and employers send missions of workers to industries in different parts of the country.

CONCLUSION – 3.5

To create synergy among institutions engaged in workers' education including National Productivity Council, ILC recommends that these institutions be networked on a national basis.

CONCLUSION – 3.6

The ILC recommends constitution of a National Revolving Fund for labour education.

CONCLUSION – 3.7

In view of the growing participation of women workers in industry, the ILC recommends that special emphasis be laid on gender sensitivity in all labour education programmes.

CONCLUSION – 3.8

In view of the prominent role of the workers in the unorganised sector in the economic development of the country, the ILC recommends that special focus be given to education of workers in the unorganised sector.

CONCLUSION – 3.9

Sensitive to the transformation from the industrial age to the information age, ILC recommends that every effort be made to equip the workers to face the challenges of globalisation through training and education.

CONCLUSION – 3.10

To provide the children of labour quality education, the ILC recommends that State Governments set up Labour Academies as being experimented in Kerala.

ACTION TAKEN (Conclusions - 3.1 to 3.10)

The Central Board for Workers' Education has recently revised the syllabi of its various training programmes to suit the changing needs of the trade unions and industry. This has been done in the context of the changing economic environment with a view to cover the specific areas of interest and the need of the workers. In some of the training programmes of Central Board for Workers' Education there is already a provision of study tours to facilitate the workers to have first hand information about industrial relations, productivity techniques, safety, work environment etc. The Board has also been collaborating with National Productivity Council, Safety Council, V.V. Giri National Labour Institute, Social Security Association of India etc. as and when necessity arises. The Board has been focusing on the gender sensitivity in the training programmes. The Board is also producing posters to highlight this issue. In the context of a court case relating to regularization of Rural Educators, a Committee constituted by the Ministry has given certain recommendations which aim at intensive coverage of unorganised sector through training programmes/camps at block/district level. The report of the Committee has already been discussed in the last meeting of the Governing Body of Central Board for Workers' Education and further necessary action is being taken.

With regard to declaring 2000-2001 as Workers' Education Year, the CBWE has already taken action. The various activities undertaken by the Board are as under:

- (i) During the year, a stamp/seal with the wordings "Workers' Education Year 2000-2001" on all the letters/envelopes was affixed.
- (ii) An Essay Competition at national level on "Tasks ahead of CBWE in the next Millennium" was held. Also 13 Regional Directorates organised the same essay competition in regional languages.
- (iii) At Indian Institute of Workers' Education, Mumbai, a special One-day Tripartite Seminar on "Workers' Education – Prospects & Retrospects" was organised. All the Regional Directorates also organised similar one day seminar.
- (iv) 14 Regional Directorates conducted Elocution Competition on "Workers' Education in Retrospect/ Role of Workers' Education at Enterprises of State level".
- (v) Wide publicity was given through Print and Electronic Media.

So far as the setting up of Labour Academies by the State Governments on the Kerala Model is concerned, the State Governments have been requested to take necessary action.

A proposal on the upgradation of CBWE has been prepared in the Ministry and this was also discussed in the last Governing Body meeting of CBWE. Further action to hold a separate meeting to have detailed discussions on this proposal is being taken. All the recommendations of ILC regarding focus on unorganised labour, review of the programmes from the point of view of changing economic scenario etc. form part of the proposal relating to upgradation of CBWE. These issues will accordingly be studied in detail. In so far as NLI is concerned, discussions have taken place with officials from the International Training Centre at Turin (Italy) for collaboration with the Institute. Training programmes are also to be organised in collaboration with the International Training Centre, Turin. A Memorandum of Understanding between NLI and the Turin Centre is under consideration. A proposal to upgrade the Institute has also been formulated.

**THIRTY SEVENTH SESSION OF
THE INDIAN LABOUR CONFERENCE
(NEW DELHI : MAY 18-19, 2001)**

**ITEM – II : IMPACT OF GLOBALISATION ON INDIAN INDUSTRY, LABOUR AND
EMPLOYMENT**

1. In the meeting of the SLC held on 14th February, 2001, it was suggested that the paper on impact of globalisation on Indian industry, labour and employment should be updated for a more in depth discussion on the subject during the 37th session of the ILC. An updated and revised Note on the subject is placed at Annexure I. An attempt has been made in a supplementary Note placed at Annexure-II to collate additional information available from various studies and the latest surveys of the National Sample Survey Organisation (NSSO) which could help to map the changes that have taken place in the economy in recent years. The basic objective of this exercise is to assess the impact of globalisation on labour and employment with a view to deriving lessons for future action. However, not all the changes in the economy during the last decade or so should be attributed to globalisation.

2. Changes that have occurred in the economy represent a complex interplay of policy initiatives with the existing social and economic structures in the country. The impact of reforms may, therefore, not always be direct and may sometimes take several years to unfold.

However, going by the present performance of the Indian economy some feel that the pace of reforms should be stepped up or a second wave of reforms should be launched in order to realize more substantive gains. Others are of the view that a careful and critical assessment of the reform process should take place for a better understanding of the same before proposing further policy changes. The discussion of the present agenda item is aimed at mapping the current trends in the economy so as to understand these better both in terms of achievements as well as areas of concern. The nature of the reform process may have to change in consonance with the emerging needs of the people after assessing these needs through social dialogue and with the full involvement of the social partners.

3. Evidence collated from various sources shows that there is no uniform or unidirectional trend in the economy pointing towards universal gains from economic reforms and globalisation. There is, in fact, a cross-current of diverse trends from which it may be difficult to derive any definitive conclusions about the overall impact of these changes on labour and employment. An analysis of these trends reveals that some of the fears about the reform process may be unfounded just as some of the benefits of policy changes may be exaggerated. However, much greater analysis, research and documentation of evidence is required before arriving at any conclusive results.

4. The papers presented at Annexures I and II are a tentative attempt to put together some recent data and studies on the Indian economy that may facilitate discussion on the impact of reforms on labour and employment with a view to chalking out the agenda for future action. Some of the challenges and opportunities facing the economy have been described in paras 5.1 to 5.11 of Annexure I. Similarly, some tentative conclusions arrived at on the basis of available information may be seen at paras 10.1 to 10.4 of Annexure II.

Annexure I

IMPACT OF GLOBALISATION ON INDIAN INDUSTRY, LABOUR AND ECONOMY

(Note considered in the Thirty-Seventh Session of the Standing Labour Committee, duly updated and revised)

Globalisation implies integration of domestic market with the international market by allowing free flow of goods and services and factors of production, viz., capital, labour, entrepreneurship, etc. across the borders of countries without restrictions. The degree / extent of such exchange varies from country to country depending on ideologies and policies pursued by the respective Governments, the prevailing international situation, the existing institutional framework / laws / agreements etc. both within and outside the country. However, just as there is no country that is completely integrated with the world economy, there is also no country that is completely isolated from the rest of the world. There is a belief that is corroborated by economic theory as well as practical experience of countries that globalisation opens up windows of opportunity as well as poses challenges / threats, which, if tackled appropriately, result in enhanced general welfare of the people.

Impact of Globalisation on Developing Countries

1.1 There are two divergent views about the impact of globalisation on developing economies. One view is that wider access to markets of developed countries, inflow of advanced technology and foreign investments will create more job opportunities and fuel growth in developing countries. Taking advantage of cheap labour in developing countries, manufacturing activities will decline in developed countries and shift to developing nations. However, in the short run, there is likely to be a severe increase in the competitive environment within the third world economies resulting to some extent in loss of employment as firms try to restructure to meet this challenge. This is expected to last only for a short while, and in the long term there is expected to be increase in economic growth with expansion and intensification of manufacturing activities in the developing world. As the global economy gets larger, it is also expected that there would be decentralization of activities with economies of scale giving way to economies of scope, speed and flexibility of response. Developing countries can take advantage of the telecommunication revolution to eliminate the disadvantages of being in the periphery.

1.2 The opposite view, however, is that globalisation will tend to perpetuate the continued exploitation of poor developing economies by rich countries and large multinational corporations. The investment in developing economies by developed economies will be neutralized by an outflow of profit, degradation of natural resources, exploitation of biodiversity and traditional knowledge and life forms. When investment ceases to be financially / commercially viable, foreign investments / multinationals will move from one place to the next best place. Thus it is apprehended that globalisation will force developing nations to compete with one another and lead to erosion of living standards as poor economies strive to make their nations more attractive to global funds seeking low cost production havens.

1.3 Some of the perceived dangers of globalisation include inequalities in income distribution that persist despite following the policies of trade liberalization. There are also inequities in interchange of factors of production. Whereas capital can flow freely from developed to developing country, there are restrictions on flow of labour from developing to developed countries. There are also instances of developed countries restricting trade from developing countries by imposing Sanitary and Phyto-Sanitary (SPS) Measures and Technical Barriers to Trade (TBT).

1.4 However appropriate changes in national policies and good governance will help the developing countries to take advantage of the opportunities of globalisation and prevent its negative impacts. Globalisation may affect the economy of a country in basically two ways : (i) through an increase in foreign direct investment (FDI) and (ii) through changes in the national economic policy as result of pressure of world financial institutions or international markets. FDI alone is not as relevant as the internal factor in the economy which determines the utilisation of such investment. This is governed by education quality, technology policy, human resource development etc. Thus, it is the internal management of FDI that is of key importance for developing countries. We can exploit the global opportunities and avoid marginalization with the development of physical and social infrastructure, financial institutions and labour markets. Developing countries with liberal trade regimes which have taken care of their physical and social infrastructure have benefited from globalisation.

Impact of Globalisation on Indian Economy

2. The extent of integration of the Indian economy with the rest of the world is at best modest compared to most countries of the world. India's trade forms around 20 per cent of its

GDP and less than one per cent of the total world trade. The total FDI is barely 0.33 percent of GDP. Impact of policy changes that have been effected has to be viewed in the above context.

2.1 The details of the trends in the Indian economy during the nineties are highlighted at Annexure-II. However, some of the notable features of this change are as follows:

- The average annual growth rate in the post-reforms period was some what higher compared with the eighties. Average annual growth rate exceeding 6 per cent has been sustained during the nineties (Table-I). India is now one of the ten fastest growing economies of the world.
- Annual inflow of foreign investment in India increased from hardly US \$ 100 million on an average in the 1980s to US \$ 5181 million in 1999-2000.
- As per NSSO data, the incidence of poverty expressed as percentage of people below the poverty line declined from 55 per cent in 1973-74 to 39 per cent in 1987-88, 36 per cent in 1993-94 and 26 per cent in 1999-2000. (Table-7)
- The average annual growth rate of overall employment (both organized and unorganized sectors) after continuously declining from 2.8% in 1972-1978 to 1.8% in 1983-1988, increased to 2.4% in the period 1987-1994, but then declined to around 1 percent in 1999-2000. There was also a sharp decline in the growth of labour force in 1999-2000 as a result of which the rate of unemployment did increased marginally. (Table-3)
- There was generally a declining trend of the rate of inflation in terms of the Wholesale Price Index (WPI) and the Consumer Price Index (CPI) for industrial workers. Structural changes in the Indian economy among with trade liberalizations and tariff reductions over the last decade have narrowed down the differentials between domestic inflation and international inflation.

Challenges before the Indian Industry

3.1 The biggest challenge before industry is to re-orient itself. High tariff barriers and/or non-tariff walls like import licensing etc. are no longer sustainable. Neither can industry continue to depend on the subsidies and doles to earn a profit. The earlier regime of import substitution at any cost is over. Indian industry will now have to benchmark itself against the best in the world. There is no enduring alternative to Indian industry but to gear itself to raise

its efficiency and competitiveness to meet the international competition even in the domestic markets.

3.2 Two areas, which need special attention of our industry, are quality consciousness and the observance of environmental, health, safety and technical standards of the industrial countries. Indian industry as a whole may have to establish an image for quality, credibility and reliability in external markets. In a way, the pressure of competition in the domestic market may help the Indian industry to enhance its level of quality. However, total quality management in the entire set up of an organization will have to become a basic plank of corporate commitment. The building up of Indian brand names overseas in the near or distant future will hinge upon the determination of the industry to make a quantum jump in its quality and design standards.

3.3 As regards environmental, health, safety and technical standards, it must be noted that the environmental standards may become more stringent for a number of reasons. First is the increasing pressure on the Governments by green lobbies. Second, the technology required for complying with such standards, including capital equipment, know-how and materials, resides with the enterprises of the industrial countries. There is, therefore, considerable scope for them to sell such technologies in the emerging markets of the developing world which seek to export goods to the developed countries. Pragmatism demands that Indian industry should concentrate its efforts on keeping abreast of the emerging standards and acquiring or developing technologies (including capital equipment, know-how, materials, etc.) to comply with them.

3.4 Indian industry is being increasingly subjected to anti-dumping duties and countervailing measures by the some countries. The application of anti-dumping duties and countervailing duties is at times not in consonance with the spirit of the agreements signed at the WTO. India may also have to enhance its institutional set up of speedily levying anti-dumping and countervailing duties on certain products from abroad.

3.5 Research into productivity has shown that more than fifty percent of the increase in productivity can be attributed to technological progress and innovation. Innovation has become essential for retaining the competitive edge. Acquiring technological know-how and its absorption by industry will hold the key to future growth. Technology is increasingly becoming a dominant force behind international competitiveness.

3.6 The availability of high quality, fairly priced and adequate infrastructure such as power, transport, telecommunications, ports and airports etc. is absolutely essential to enable Indian industry to meet competition and achieve substantial export growth. It needs to be emphasized that policies should be framed and implemented vigorously to encourage private investment, both Indian and foreign, in the infrastructure sector and to raise the level of efficiency of the public sector entities in the infrastructure sector. For a long time to come, the public sector enterprises would have a substantial role in this sector and the raising of the level of their efficiency is, therefore, as important as the encouragement of private sector investment in this field. Till this is achieved, a part of the tariff protection given to the Indian industry could indeed be a protection given to them against the higher costs (including the unreliability costs) of the infrastructure facilities in the country.

Trends in Employment, Labour Market and Wages

4.1 Estimates derived on the basis of the data of the National Sample Survey Organisation's (NSSO) indicate that the annual average growth rate of total employment during 1987-88 to 1993-94 increased to 2.37 per cent as compared to 1.77 per cent recorded during 1983 to 1987-88. However, it grew by around 1 per cent during 1993-94 and 1999-2000 as a result of notable deceleration in growth of labour force.

4.2 An analysis of the structure of employment in terms of the formal and informal sectors reveal that there has been a decline in the percentage of formal sector employment in the 1990s. The share of informal segment of the work force has increased over a time from 90.1 per cent in 1987-1988 to 91.1 per cent by 1993-1994 and 92.2 per cent in 1999-2000.

4.3 In the last two decades there has been a consistent decline in the shares of both regular employment as well as of self-employment whereas there is a gradual increase in the proportion of casual workers, whose share has increased from 23 per cent in 1972-73 to almost 33 per cent by 1999-2000. This indicates that the incremental workforce is getting absorbed more as casual labour.

4.4 The reported rise in the share of casual workers is not necessarily disadvantageous if wage rates received by them ensure an adequate level of living. The NSS data on wage earnings of casual labourers have indicated that the average wage earnings of rural casual labourers have risen over time. Details of increase in real wages and labour productively are given in the Note at Annexure-II (para-7).

4.5 Subcontracting is another element in restructuring which influences employment. Reduction in tariff rates for the import of capital machinery has accentuated the flow of capital-intensive technology in the 1990s. These advanced technologies permit large scale quality control in one unit and contracting out of production to ancillary units. There is a fear that subcontracting may result in evasion of labour laws, minimization of labour costs and enhancement of managerial control over the labour process by dividing the labour market of 'big' firms into non-union markets of 'small' firms etc. The increased use of subcontracting by large firms – both in the private and public sectors – has an effect of reducing the manpower requirements in the organized sector; and correspondingly increasing the demand for labour in the small/ancillary units in the informal sector.

4.6 Another discernible trend is the decline in the growth of public sector employment which came down from 2.17 per cent during the period 1983-84 to 1988-89 to 0.03 per cent during 1991-2000. The decline in the rate of growth of public sector employment could be attributed to: (i) The restructuring programmes of the public sector and (ii) imposition of a ban on recruitment in many State Departments/Institutions as a part of the 'economy drive' to reduce government expenditure.

Challenges And Opportunities – Agenda For The Future And Issues For Discussion

5.1 Despite measures to liberalise and open up the economy India still remains a largely closed economy with a low share of world trade and foreign direct investment. The tariff levels continue to be high by world standards. In fact, as a result of slow pace of domestic reforms infrastructure constraints continue to exist inhibiting trade and investment flows. However, it is clear that the process of reforms will continue though the nature and pace of its implementation may change with time. The basic question which needs to be addressed in this meeting of the ILC is what steps should be taken by each of the three social partners to counter the threats of globalisation while at the same time capitalizing on the opportunities that present themselves as a result of opening up of the economy.

Employment Growth and Quality Of Jobs

5.2 First and foremost is the apprehension / perceived threat to employment from globalisation. It is believed that a strategy of export-oriented industrialization would provide a solution to the problem of unemployment and under-employment by accelerating the rate of economic growth and by stimulating growth of relatively employment intensive sectors. Using the data of the NSSO one finds that the rate of growth of employment during the eighties was

not significantly lower than that during the nineties. In fact, employment growth has managed to keep pace with the growth of labour force which has increased at a higher rate compared to the previous decades given the present demographic composition of the population. There, however, appears to be a decline in the employment elasticity at the macro level. Thus, with acceleration in economic growth as a result of reforms, employment opportunities may not have grown in all sectors uniformly. The decline in the rate of growth of labour force and employment as revealed by the 55th Round of NSS Survey could also emerge as an area of concern.

5.3 In addition to the slowing down of rate of growth of employment is the concern about the quality of employment / employment conditions and whether these have also remained the same during the process of globalisation. It is believed that the quality of employment will improve as labour force moves from low productivity employment to high productivity employment. In India this transition has at best been very slow. Labour productivity in agriculture has remained low along with the wages and the gap between productivity / wages in agricultural and non-agricultural sectors may, therefore, have widened. In fact the share of casual wage employment in total employment has shown a tendency to increase whereas share of self employment and regular wage employment has shown a declining trend. However, the level of unemployment remained fairly stable and there were positive trends in some areas. There is also some evidence to show that the incidence of child labour declined quite significantly. There was a growth in real wages of casual labour and decline in the incidence of poverty. The quality of jobs at the lowest level may, therefore, have improved. At the aggregate level, however, the quality of employment may not have improved in the face of increase in the share of low quality employment in total employment. However, a complete picture regarding the net impact of the above-mentioned changes on the quality of jobs can only emerge after a study of time disposition of work and earnings from work. Some evidence of changes in real wages and labour productivity based on the 55th Round of the NSS can be seen at Annexure-II (para 7).

5.4 The crux of the problem seems to be the slow growth in organized sector employment. It has often been mentioned that job security regulations and the existing wage system could have been the major hindrances in growth of employment in this sector and that the job security regulations make labour adjustments difficult and expensive. This could have also contributed to adoption of capital intensive technologies at the margin in the organized sector. Hence there is a demand for reforms in labour laws. There is a view point that job security

should be replaced by income security and wages could be made responsive to changes in productivity and profitability. It is for consideration whether the practices of outsourcing / sub-contracting, etc., should be made a part of this flexible system with concomitant social security measures for the organized sector to sharpen its competitive edge in the world market.

Labour Reforms

5.5 Many of the labour laws were framed even before the Independence of this country. The Government is already in the process of amending the Contract Labour Act, the Industrial Disputes Act and other labour laws. The second National Labour Commission has been set up to suggest rationalization of labour laws within a given time frame. The members of ILC may like to give their views on how labour reforms can be brought about speedily and effectively with a view to improving the competitiveness of the Indian economy so that it is not left behind other countries in the years to come.

Removal of Quantitative Restrictions (QRs)

5.6 There is a perceived challenge to the Indian economy resulting from removal of quantitative restrictions (QRs) by April 2001. However, being a member of the WTO the country has to abide by the agreements entered into in this international forum and the decision of the Dispute Settlement Mechanism. Custom duty protection in India remains one of the highest in the world. This may have to decline further if tariffs are re-negotiated in the WTO. In this scenario industries will need to concentrate on improving efficiency and relying less upon protection through policy changes. Policy changes, though possible, may have to be WTO compatible. Recent trends in the import-export scenario have been described in Annexure II (para 2).

Safety Net

5.7 It is inevitable that those industries that cannot compete may have to close down to allow flow of investment to those industries which have a comparative advantage. Hence, whereas some may lose jobs others may gain in terms of better work opportunities. However, for those who become jobless there is a need for building a credible safety net which is effective as well as sustainable. Presently, Government is funding the Voluntary Separation Scheme / Voluntary Retirement Scheme for employees of PSUs entirely from its own resources. There is a need to consider extending the safety net measures to the private organised sector and the unorganised sector through contributions of the management and the workers. Funds

created in this manner could be managed with the cooperation of workers and management alike. There may also be a need to move away from lump-sum payments to monthly payments that can be sustained over a longer period of time. Furthermore, the concept of safety net could be expanded to include besides income support also health cover, unemployment insurance, etc. The ILC could give its views on what should be the scope, content, form and coverage of such a safety net and how it could be funded and managed.

Labour Standards

5.8 An equally important issue is one of labour standards. India along with some other developing countries has been opposing imposition of uniform labour standards and linkage of social standards with trade. Though this stand is appropriate for the time being, over the long run labour standards need to improve in developing countries including India. This can be done only when the existing inequities in world trade system are removed. In addition social welfare legislations may have to be further strengthened and health, safety and work norms may have to be upgraded. Simultaneously, while the existing labour laws may be amended to make them more relevant to the times, there is an equally important need for enforcing the new and existing legislations rigorously so that there is no erosion in labour standards. Both the management as well as the workers' unions have an added responsibility in this regard. It is worth recalling here that out of the eight core conventions adopted by the ILO enshrining the fundamental principles and rights, we have so far ratified four. The process of review of our laws, regulations and practices and consultation with social partners with a view to ratify the remaining core conventions, while living upto the ethos and culture of tripartism, is continuing.

Training and Skill Upgradation

5.9 Finally, globalisation does not only require measures to counteract threats to the workers but positive and proactive steps to sharpen the competitive edge of the economy in the coming years. Training and upgradation of skills plays a very important role in this regard. Low quality of jobs and low productivity is directly attributable to low level of skills. Significant increase in the labour force having low education standards and poor skills poses a serious challenge to integration of the labour force in the world economy and to improvement in labour standards. There is overwhelming evidence that whereas educated and skilled workers are generally able to derive some benefits of new opportunities as a result of globalisation, it is the uneducated and the unskilled workers on whom the burden of restructuring falls. Designing

appropriate training system is, therefore, an important means to deal with labour market instabilities like underemployment, skill mismatch and redundancy.

5.10 Agri-business, small scale business activities, road transport, communication services, information technology services, construction and related services, financial services, tourism and hospitality industry, etc. are some of the areas identified with growth potential. In fact the services sector is going to emerge as the largest additional employment generating sector in the future. The workforce has to be equipped with necessary skills to meet the demand of these sectors. It is important to recognize that training of workers with a view to preparing them to meet changing skill requirements is an important way to minimize redundancies during the period of reforms. However, besides the Government the private sector and the management have an equally important role to play in this regard.

5.11 Identifying good practices from contemporary training systems prevailing in other parts of the world, especially from south and south east Asia, may provide a valuable input in designing future policies on training. The Korean experience shows that an effective means of financing training was to levy a training tax on enterprises. In Singapore the Government has played a leading role in determining the direction the economy should take and has collaborated with the private sector in setting up a Skill Development Fund (SDF) with the objective of upgrading the skills of workers to minimise the labour displacing effect of technological change. Malaysia also has a large vocational training fund to which enterprises contribute.

Annexure II

Recent Trends in the Economy

1. Growth of the Economy:

1.1 During the protectionist regime in the sixties and the seventies the average rate of growth of the Indian economy did not exceed 3.5 per cent. The growth of the Indian economy has accelerated since then. The average annual growth rate of GDP rose to 5.4% between 1980-81 and 1991-92 and further to 6.4% between 1992-93 and 2000-01 (Table 1). The real GDP growth rate in 2000-01 is estimated at 6%, showing a marginal deceleration from 6.4% growth rate achieved in 1999-2000. Despite this deceleration, India has the distinction of being one of the fastest growing economies in the world. The fact that the average annual rate of growth of the economy could be sustained at a level exceeding 6 per cent is partly attributable to policies pursued during the nineties.

1.2 The overall industrial growth during the reform period does not show any marked acceleration but is characterised by cyclical fluctuations with the peak level of industrial growth of 13% being achieved in 1995-96. Subsequently, the industrial growth has been around 6.5%. It has further decelerated to 5.1 percent during 2000-2001(April-February)(Table 2). According to the use-based classification, mixed trends were observed in industrial growth with consumer goods (both durables and non-durables) showing an uptrend whereas growth of basic, capital and intermediate goods remained low.

1.3 When the industrial growth rate during the nineties is compared with the eighties, the following trends can be observed:

- The average growth rate of Industrial sector measured by the index of Industrial Production during the period 1992-93 to 1999-2000 was lower than that observed during the period 1980-81 to 1991-92. The growth rate was lower in all the three sectors, i.e. manufacturing, mining and electricity.
- In terms of use-based classification also there was a lower rate in basic and capital goods.
- However, the GDP from manufacturing sector at constant prices showed higher growth rates during the period 1992-93 to 1999-2000 when compared to the period 1980-81 to 1991-92 at the aggregate (total) level and amongst both registered and unregistered segments.

1.4 The factors responsible for the slowdown of industrial growth during the last few years include lack of domestic demand for intermediate goods, low inventory demand for capital goods, high oil prices, existence of excess capacity in some sectors, business cycle, inherent adjustment lags in industrial restructuring and infrastructure constraints particularly in power, road and transport and a high interest rate environment due to continued high fiscal deficit. There is, however, no documented evidence to show that deceleration in industrial output is on account of rising imports/globalisation.

2. Imports, Exports and Quantitative Restrictions:

2.1 The average annual growth rate of imports between 1992-93 and 1999-2000 was 13.4 per cent which was higher than the average annual growth rate of 8.5 per cent between 1980-81 and 1991-92. Provisional import data from Directorate General of Commercial Intelligence and Statistics (DGCI&S) now available for the entire financial year 2000-2001 indicates that the imports grew by merely 0.27 per cent despite a 62.29 per cent surge in oil imports. This, however, does not imply that the impact of decelerating imports is felt uniformly by all the industries. Certain industries/units engaged in the manufacture of dry cells, toys, shoes, and certain consumers durables are finding it difficult to face the onslaught of foreign competition.

2.2 While imports from specific countries, like China, have increased, India's exports to these countries have risen faster. Exports in 2000-2001 exhibited a sharp turn around with the growth rate of US dollar value of 20%. These figures exclude software exports. This growth has been achieved despite slow – down in the U.S. and the Japanese economies which are important trading partners of India. The long term trend in exports shows that the annual average growth between 1992-93 to 1999-2000 was 10 per cent compared with 7.6 per cent between 1980-81 and 1991-92.

2.3 Apprehensions have been expressed that the removal of Quantitative Restrictions (QRs) have resulted in a surge and dumping of imports into the country, specially from China, Nepal and certain East Asian countries, adversely affecting the domestic industry. QRs on 488 tariff lines were lifted during 1996-97. Subsequently QRs were removed on 132, 391 and 894 tariff lines during the next three years. Another 714 and 715 items have been removed from QRs in April 2000 and April 2001 respectively. However, data does not reflect any surge in imports as a result of lifting of QRs. In fact there has been a marked deceleration in imports during 1999-2000 as mentioned above.

3. Small Scale Sector:

3.1 During 1999-2000, the SSI sector recorded production growth of 8.23 per cent over the previous year which was higher than the growth rate of industrial sector as a whole. In fact, growth of employment in this sector at more than 3 per cent per annum during the nineties has been much higher than the average rate of employment growth in the economy. However, in recent years, there is a trend of deceleration of both output growth as well as employment growth.

3.2 According to data compiled by the RBI, there were 3.06 lakh sick SSI units as on 31st March, 1999. Of these only 18,692 units were considered potentially viable by the banks with their outstanding back credit amounting to Rs.377 crore. The banks have identified 271,193 units with outstanding bank credit amounting to Rs.3,746 crore as non-viable.

3.3 There is no data on closure of small scale units. Going by data on production at constant prices and employment, there appears to be a deceleration of growth in this sector in recent years reflecting that some units are not in a position to compete. The policy of de-reservation of reserved items in the small scale sector aims to address this problem and make Indian industry more competitive in the world market. However, the existing competitive units in the SSI sector remain a source of strength for the economy contributing nearly 40 percent of India's exports and providing employment to millions.

4. Reforms in the Public Sector:

4.1 Out of roughly 235 Public sector units, nearly 100 are loss making units and 74 are with the BIFR. There is a viewpoint that Government with its elaborate bureaucratic structure, multiple layers of accountability and complex cross checks is not suited to conducting commercial operations and taking risks in a rapidly changing market. Delays currently inherent in the BIFR process have further constrained quick re-organization of sick companies, thus aggravating the problem. In these circumstances, the main elements of reforms in public sector enterprises relate to the following:-

- Bringing down Government equity in all non-strategic PSUs to 26 per cent or lower, if necessary.
- Restructuring and reviving potentially viable PSUs.
- Closing down PSUs which cannot be revived.
- Fully protecting the interest of workers.

4.2 It is recognized that CPSUs should be strengthened to compete in the new economic environment where global competition is a reality. Financial and business restructuring plans for a number of PSUs including SAIL and HMT have been approved. Since 1998 financial restructuring support was given to viable and potentially viable PSUs amounting to more than Rs.13,000 crore. However, not all PSUs can be revived. Government has decided to close down unviable PSUs. Before closing down or restructuring the PSUs, it is the policy of the Government to offer a Voluntary Separation Scheme (VSS)/Voluntary Retirement Scheme (VRS) to the workers. The compensation given to workers under these schemes is much higher than what is admissible as retrenchment compensation under the Industrial Disputes Act, 1947. A total of around 2.6 lakh workers have voluntarily opted for these schemes since their inception.

4.3 In order to concentrate on its key functions, the Government has decided to transfer non-strategic PSUs to the private sector. The resources thus generated would then be used in the social and infrastructure sectors. In order to streamline the process for privatization, the approach to disinvestment has shifted from sale of small lots of shares to strategic sales of blocks of shares to strategic investors. However, only two PSUs have been privatized so far. Care has been taken to protect the interest of workers at the time of disinvestment. No worker has so far been retrenched as a result of sale of share of PSUs.

5. Lay-off, Retrenchment and Closure:

5.1 Data on lay-off, retrenchment and closure as reported by the Labour Bureau do not show any increasing trend during the nineties as compared to the previous years. Workers affected as a result of lay-off, retrenchment and closure are higher in the State sphere than in the Central sphere. The Central sphere consists almost entirely of Public Sector establishments where the number of lay-off, retrenchments and closures have been lower.

6. Trends in Employment and Unemployment:

6.1 The National Sample Survey Organisation (NSSO), which provides estimates of the rate of unemployment, indicates decline in the unemployment rate from 1978 onwards in terms of the Usual Principal Status, Current Weekly Status and Current Daily Status (Table 3). Employment on the basis of Usual Principal Status on the other hand has grown from 240 million in 1978 to 269 million in 1983, 291 million in 1988, 335 in 1994 and 362 million (provisional) in 2000 at a rate which has generally been higher than the growth of labour force. However, based on the latest information available in the 55th Round of NSS, there appears to be a lower growth in employment and a notable decline in the Worker Participation Rates in all age groups and population segments resulting in a slower growth of workforce relative to the growth of population. It appears from this data that not only has the rate of employment slowed down but fewer people are opting for work, specially in the age group of 15-25 years. It is also notable that the elasticity of employment has shown a declining trend. In other words, for the same rate of growth of output, lesser jobs are being created. This reflects both increasing capital intensity of production and rising labour productivity.

6.2 Distribution of employment by category of employment has undergone significant changes during the last 20 years. The trend reveals an increase in the share of casual workers and decline in the share of self-employment with very marginal change in the share of regular salaried employment (Table 4).

6.3 Data also shows that share of employment in primary sector has declined whereas it has grown in the secondary and the tertiary sectors. Hence in the post liberalization phase there has been a movement of labour out of agriculture not only within rural areas but also migration to urban areas. Sector-wise share of employment is given in Table 5.

6.4 The organized sector accounts for around 8 per cent of the total employment in the country. In recent years, the share of organized sector employment in total employment has declined. The share of public sector employment in total organized sector employment has also been declining. During the 1990s whatever little growth there was in the organized sector

employment, was due to the growth of jobs in the private sector. This is in contrast to the employment situation during the eighties when employment grew much faster in the public sector compared to the private sector.

6.5 The education profile of workforce has improved over the years with the share of illiterate and those who are literate up to primary level declining from 85.6% in 1977-78 to 72.6% in 1993-94. During the same period, the share of educated has gone up among the unemployed as well as employed implying there by that growth of the educated employed as well as educated in the labour force is growing faster than the overall growth in labour force and employment (Table 6). The latest Round of the NSS shows a significant rise in student-population ratios.

6.6 No conclusive evidence about the quality of employment can be derived from the above trends. Whereas deceleration in public sector employment and increasing casualisation of workforce are indicative of lessening of job security in the labour market, this could be compensated by improvement in the educational standard of the workforce giving them entitlement to remunerative jobs. Movement of labour from the primary to the secondary and the tertiary sectors is also expected to be beneficial to workers provided the higher wages and productivity levels in these sectors compensate for the loss of job security and social safety net provided by rural communities and extended families in these areas to workers engaged in primary sector activities.

7. Trends in Wages and Productivity:

7.1 There is evidence to indicate that both real wages and productivity of labour has registered an increase during the nineties. This growth is not confined only to certain isolated segments of the workforce but is across the board and even for casual workers. The NSSO data of wage earning of casual labourers has indicated rise in real wages in rural areas between 1977-78 and 1987-88. The tendency towards rise in real wages of casual labourers has continued between 1987-88 and 1993-94 and between 1993-94 and 1999-2000.

7.2 According to estimates made by K. Sundaram* based on data of the 55th and 50th Rounds (1999-2000) of the NSSO, the average daily earnings of adult casual labourers in rural areas increased by 3.59 percent per annum for males and 3.19 percent for females between 1993-94 and 1999-2000. The average real wage earnings per day received by adult casual wage labourers in urban areas increased by 2.94 percent for males and 3.91 per cent for females during the same period.

7.3 There is evidence from other sources of data, like the Annual Survey of Industries (ASI) data for manufacturing sector, of a similar increase in real wages of workers. At a still more specific level, growth of emoluments of public sector employees also shows an uptrend. It has been estimated that the average emoluments of PSU workers went up by nearly 20 percent during 1999-2000 and the average annual per capita emolument was Rs.1.77 lakh.

7.4 Along with growth of real wages, there appears to have been an overall growth of productivity of workers. There has been a decline in proportion of illiterate workers in the workforce and an increase in the general education level of workers (Table 6) which could have contributed to growth in labour productivity.

7.5 Once again going by the estimates of Sundaram, the Gross Value Addition (GVA) per worker, for the economy as a whole, grew at a compound rate of over 6 percent per annum in real terms between 1993-94 and 1999-2000. In the agriculture (and allied activities) sector, which employs 60 percent of the

wor *Employment-Unemployment Situation in the Nineties – Some Results from NSS 55th Round Survey – n
published in Economic and Political Weekly of March 17, 2001.
real terms.

7.6 Apart from agriculture, the three largest employing sectors are Manufacturing (44 million), Trade, Hotels and Restaurants (41 million) and Community, Social and Personal Services (33 million). In these three sectors, average labour productivity measured by GVA per worker increased at an annual compound rate of 6.1, 2.8, and 10.1 percent, respectively. Among the only two other sectors employing close to or above 15 million workers, namely Construction (17.4 million workers) and Transport, Storage and Communication (14.6 million workers), the GVA per worker virtually stagnated. In the two other infrastructure sectors (Electricity, Gas and Water) and Finance, Insurance and Business services, labour productivity grew at 12.2 and 6.3 percent per annum, respectively.

8. Poverty Estimates:

8.1 The overall increase in real wages and productivity is consistent with the reduction in poverty noticed during the 1990s. The consumer expenditure data of the 55th Round on a 30 day recall basis yields a poverty ratio of 27.09% in rural areas, 23.62% in urban areas and 26.10 for the country as a whole in 1999-2000. The corresponding figures from the 7 days recall period are 24.02 in rural areas, 21.59% in urban areas and 23.33% for the country as a whole.

8.2 Poverty estimates for the year 1973-74, 1977-78, 1983, 1987-88, 1993-94 and 1999-2000 shown in Table-7 indicate a definite declining trend in poverty ratios. Though the estimates of poverty in 1999-2000 may not be strictly comparable with the earlier estimates of poverty on account of difference in methodology for collecting data, the decline of more than 10 percentage points in poverty ratio gives some reason to believe that the general living standards of the workers may have improved along with the rest of the population despite a deceleration in the rate of growth of employment.

8.3 The above trends are further corroborated by the Market Information Survey of Households (MISH) of the National Council for Applied Economic Research (NCAER). An independent estimate of poverty, made by Deepak Lal, Rakesh Mohan and I. Nataranjan¹ on the basis of MISH, indicates a more rapid reduction in poverty ratio compared to the official estimates made by the Planning Commission.

8.4 According to these estimates, the poverty ratio at the all India level declined from 38.86 percent in 1987-88 to 16.52 percent in 1997-98. It is claimed that the estimates of decline in poverty ratio made on the basis of MISH are more compatible with available data on growth of consumption of consumer durables, such as TV, tape recorder, electric fans, bi-cycle, two-wheeler as well as non-durable items, such as textiles, edible oils, footwear, etc.

9. Growth in Inequality:

9.1 Though aggregate data on poverty reduction may be construed by some to be an achievement of the reform process, at a more disaggregate level deprivation and income inequalities may have grown reflecting the uneven impact of growth on different sections of the population.

9.2 In the case of India, there has been an overall decline in employment elasticity of output which reflects the more capital intensive nature of the growth process. This decline is more pronounced in the secondary and tertiary sectors. According to the study made by R. Nagarajan², the rural (nominal) per capita income as a proportion of urban per capita income has declined. A similar comparison of (nominal) per capita income in the organized and unorganized sector shows that per capita Net Domestic Product (NDP) in the unorganized sector as a proportion of per capita NDP in the organized sector has also gone down. Income distribution across States shows that inequality measured by the co-efficient variation in per capita State Domestic Product (SDP) has nearly doubled since 1970-71. The divergence in per capita income between the top three and bottom three States has also widened sharply since

mid 1980s. The distribution of value added between wages and profits in the private corporate sector also shows growing disparities in distribution between workers and

entrepreneurs. Hence, there is some crude evidence from the above study to show that growth

1. Economic Reforms and Poverty Alleviation - A Tale of Two Surveys published in : rural Economic and Political Weekly - March 24, 2001
2. **Indian Economy since 1980 – Virtuous Growth or Polarization – Economic & Political Weekly of August 5, 2000**

reflected in the overall performance of the economy nor in the overall employment/unemployment statistics and general productivity data.

10. Summing up:

10.1 Information collected and compiled for this paper from various sources indicate that there have been some positive changes in the economy since the initiation of the process of reforms and globalisation. The growth of the economy has been sustained at around 6 per cent, growth of exports has accelerated, the Balance of Payments situation is comfortable and the rate of employment has more or less kept pace with the growth of labour force. The unorganized sector, which employs more than 90 per cent of the workforce, has experienced a much faster rate of growth of employment as compared with the organized sector. There has been a perceptible growth of average real wage earnings of workers and labour productivity at the aggregate level. The growth of real wage earnings is not confined to only a few segments of the workforce but is also experienced by both male and female casual labourers in urban and rural areas. These trends harmonize well with estimates of poverty derived from NSSO data as well as the NCEAR data both of which show a distinct declining trend in poverty at the aggregate all-India level during the nineties as compared to the previous decades/ pre-liberalization era.

10.2. However, these positive changes should not lead to a sense of complacency. There is evidence of a declining elasticity of employment reflecting that the growth process is becoming more capital intensive. Recent data shows that the rate of unemployment has increased slightly even as the rate of growth of labour force has slowed down considerably. Further more, there is reason to believe that the impact of reforms and globalization has not been uniform across all sectors of the economy and all segments of the workforce. A large segment of the workforce still subsists on agriculture where the overall wage and productivity levels remain low despite some growth in recent years. A large proportion of the workforce also has low levels of literacy and skill formation despite the improvement in the education status during the nineties. Investment on skill development, for both pre-service and in-service training, remains modest,

specially in the unorganized sector. The rate of growth of output and employment in the labour intensive small scale sector is slowing down. There is an increase in casualisation of the workforce which also implies loss of job security for many. Social security cover does not exist for the majority of the unorganized and casual workers who have irregular jobs.

10.3 As regards the organized sector, there is clear evidence of a deceleration of growth of employment. The problem of industrial sickness in CPSUs and the SSI sector is also quite real and has resulted in loss of jobs for some. There is a perception that life of organizations is getting shorter and people who have not reached the middle age, are losing their jobs at a time when their need for social security is high. In public sector undertakings, like banks, there is an apprehension that perhaps the most efficient and productive employees are opting for VRS. This may result in critical imbalances in the job market which in turn may impinge on the smooth functioning of these establishments unless a long term exercise in manpower planning is undertaken simultaneously.

10.4 Hence, it could be said that not everyone has gained equally as a result of reforms and liberalization and inequalities may have grown in some sections of the population as a result of this. There is a viewpoint that these inequalities could, to a large extent, be on account of the inability of a part of the workforce affected by restructuring to participate in the growth process. Education and skill development are perceived to be instruments through which the gains from the growth process could be made more equitable. It is seen that those who are equipped with proper education and skill training, have been able to avail opportunities resulting from globalisation and overcome challenges of a competitive job market much better than other who lack basic skills and education. Those who are not that fortunate in terms of acquiring new skills or finding new jobs in a dynamic market economy require the protection of a social safety net. Social dialogue and discussion on these important areas should throw light on agenda for future action.

Table:1

Trend of Growth Rate of the Economy

Year	Growth Rate of Real GDP (Per cent)
1980-81	7.2
1981-82	6.1
1982-83	3.1
1983-84	8.2
1984-85	3.8
1985-86	4.1
1986-87	4.3
1987-88	4.3
1988-89	10.6
1989-90	6.9
1990-91	5.4
Average(1981-91)	5.8
1991-92	0.8
1992-93	5.3
1993-94	6.2
1994-95	7.0
1995-96	7.3
1996-97	7.5
1997-98	5.0
1998-99	6.8
1999-2k	6.4
Average(1992-2k)	6.4

Source: Economic Survey 2000-2001 Appendix (Statistical Tables),S.10

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Table:2

Trend in Industrial Growth Rate

(Based on Index of industrial Production*)
(Base : 1993-94=100)

Period (Weight)	Percent General 100
1994-95	9.1
1995-96	13.0
1996-97	6.1
1997-98	6.7
1998-99	4.1
1999-2k	6.6
2000-01(April-Feb)#	5.8

* : Revised Index of Industrial Production

: Figure for 2000-01 has been taken from Ministry of Industry

Source: Economic Survey 2000-2001(p.128)

Table:3

Unemployment Rates by Current Daily Status(Per Cent)

Year	Rural		Urban	
	Males	Females	Males	Females
1977-78	7.1	9.2	9.4	14.5
1983	7.5	9.0	9.2	11.0
1987-98	4.6	6.7	8.8	12.0
1993-94	5.6	5.6	6.7	10.4
1999-2k	7.2	7.0	7.3	9.4

Source :Reforms and Labour Market in India- Paper presented by Sudha Deshpande and Lalit Deshpane at the National Seminar on Economic Reforms and Employment in the Indian Economy, March 22-23, 2001, Instittue of Applied Manpower Research.

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Table: 4

Distribution of Workers by Employment Status

(Per Cent)

<u>RURAL</u> Year	<u>Males</u>			<u>Females</u>		
	Self Employed	Regular Salaried	Casual	Self Employed	Regular Salalried	Casual
1977-78	62.2	10.8	27.0	56.3	3.7	40.0
1983	59.5	10.6	29.9	54.1	3.7	42.2
1987-88	57.5	10.4	32.1	54.9	4.9	40.2
1993-94	56.9	8.5	34.6	51.3	3.4	45.3
1999-2k	54.4	9.0	36.6	50.0	3.9	46.1
<u>URBAN</u>						
1977-78	39.9	47.2	12.9	42.2	30.8	27.0
1983	40.2	44.5	15.3	37.3	31.8	30.9
1987-88	41.0	44.4	14.6	39.3	34.2	26.5
1993-94	41.1	42.7	16.2	36.4	35.5	28.1
1999-2k	41.2	41.9	16.9	38.4	38.5	23.1

Source :Reforms and Labour Market in India- Paper presented by Sudha Deshpande and Lalit Deshpande at the National Seminar on Economic Reforms and Employment in the Indian Economy, March 22-23, 2001, Institute of Applied Manpower Research.

Table: 5

**Distribution of workers by Sectors
(per Cent)**

Year	Primary	Secondary	Teritary
1977-78	71.1	12.6	16.3
1983	68.6	13.8	17.6
1987-88	65.0	15.9	19.1
1993-94	64.7	14.8	20.5
1999-2k	53.8	18.4	27.8

Source :Reforms and Labour Market in India- Paper presented by Sudha Deshpande and Lalit Deshpane at the National Seminar on Economic Reforms and Employment in the Indian Economy, March 22-23, 2001, Instittue of Applied Manpower Research.

Table:6

**Distribution of workforce by Education status
(Education Level)**

RURAL

Year	Illiterate	Males		Females	
		Graduate+	Illiterate	Graduate+	Illiterate
1983	52.9	1.3	87.1	0.2	
1987-88	49.9	1.8	84.9	0.3	
1993-94	44.4	2.5	79.8	0.5	
1999-2k	40.3	3.1	74.9	0.8	

URBAN

1983	22.6	9.9	60.4	6.8	
1987-88	20.6	11.5	54.6	10.0	
1993-94	18.5	14.3	48.4	12.6	
1999-2k	16.4	16.6	44.1	14.7	

Note: Data for 1999-2000 relates to workers 5 years and older.
 Source :Reforms and Labour Market in India- Paper presented
 by Sudha Deshpande and Lalit Deshpane at the National
 Seminar on Economic Reforms and Employment in the Indian
 Economy, March 22-23, 2001, Instittue of Applied Manpower Research.

Table:7

Poverty Estimates based on Expenditure Survey

Year	All India		Rural		Urban	
	Number	Poverty Ratio	Number	Poverty Ratio	Number	Poverty Ratio
1973-74	321	54.9	261	56.4	60	49.0
1977-78	329	51.3	264	53.1	65	45.2
1983	323	44.5	252	45.7	71	40.8
1987-98	307	38.9	232	39.1	75	38.2
1993-94	320	36.0	244	37.3	76	32.4
1999-2000						
30day recall	260	26.1	193	27.09	67	23.62
07day recall	233	23.33	171	24.02	61	21.59

Source: Economic Survey 2000-2001(p.194)

Note: There was a change in the methodology using 30 day and 7 day recall period while compiling data on consumer expenditure survey. Because of changes in methodology of data collection the estimates for 1999-2000 may not be strictly comparable with earlier estimates.

**THIRTY SEVENTH SESSION OF
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(NEW DELHI : MAY 18-19, 2001)**

**ITEM – III : CONSULTATION BY CENTRAL GOVERNMENT WITH SOCIAL PARTNERS ON
LABOUR POLICIES**

1. Introduction

1.1 Formulation of Labour policy has been basically an evolutionary process. It evolved in response to certain basic needs of the individual, of the society and the nation. Since these needs are not common but often conflicting, evolution of labour policy also becomes a process of reconciliation of the conflicting needs and interests.

1.2 The main parameters of the national labour policy during the last 50 years have been (i) recognition of the State as the catalyst of changes and welfare programmes; (ii) encouragement to the process of mutual settlement, collective bargaining and voluntary arbitration; (iii) intervention by the State in favour of the weaker sections of the society to ensure fair treatment to all; (iv) maintenance of industrial peace; (v) ensuring fair wage standards and provision of social security; (vi) cooperation for augmenting production and increasing productivity; (vii) adequate enforcement of legislation; (viii) enhancing the status of the worker in industry; (ix) recognition of the right of workers to peaceful direct action if justice is denied to them; and (x) tripartite consultation.

2. The Context

2.1 Over the years, some of these parameters have been well tested and their efficacy has been proved beyond doubt. However, the globalisation of the economy and liberalization of international trade and the consequent need for economic reforms and structural adjustments have necessitated a fresh look at some of these parameters.

2.2 Since independence, we have been adopting a policy of mixed economy with the State Sector playing a very crucial and prominent role in infrastructure and service sectors. Many of the industrial units set up by the public sector received support from the Government in the form of an assured and protected market, administered prices and long-term finances from

budgetary sources and public financial institutions. The new economic policy introduced since 1991 had drastically altered the situation. Though the public sector continued its activities in areas assigned to it, it is now required to establish its viability in a competitive world competing with private sector enterprises and multi-national enterprises. The support and protection extended by the State to the public sector needs to be reconsidered as the government is now required to offer level playing opportunities to the private sector also. This change has consequently eroded the concept of unlimited financial support to economically unviable units in the public sector. There is, therefore, an imperative need for asking these units to be viable by laying emphasis on competitiveness and productivity. This change in approach may also involve rationalisation of labour force.

2.3 According to National Sample Survey Organisation (NSSO) 55th Round (1999-2000) estimates, the unemployment rate is 2.68 per cent of the workforce which is estimated to be about 380 million. The estimate of open unemployment is about 10 million. The Workers' Organisations have been apprehensive that the economic reform process would further increase the number of people who are openly unemployed and there is, therefore, a need to proceed further with caution. For instance, one of the key elements of the reform process, viz. disinvestment of Public Sector Undertakings has become very important. It is apprehended by workers' organisations that such disinvestment policies could result in loss of jobs in the public sector. However, the disinvestment process is to be seen in the context of the imperative need for the public sector to become viable by laying emphasis on competitiveness and productivity. These issues need to be clearly addressed by all social partners through consultation and social dialogue which could be made more constructive so that critical decisions including rationalization of labour force could be taken in a much more congenial atmosphere where all social partners repose trust and mutual confidence in each other.

3. Role of Tripartism and Bipartism in strengthening social dialogue

3.1 Tripartite consultation is a time-tested method for building mutual confidence and generating industrial climate conducive to encouraging production and productivity. History of tripartism in India dates back to pre-independence period. It was at the first session of the Labour Ministers' Conference held in 1941, where the recommendation of the Royal Commission of Labour to set up an Industrial Council consisting of representatives of Government, workers and employers to coordinate the matters pertaining to labour conditions all over India was considered. The emergence of such a conference was the result of the realisation that industrial problems cannot be solved unless the three partners- Government,

workers and employers- act with a sense of responsibility with one another, exhibit more respect to the views of one another and agree to work in mutual interest.

3.2 In the Indian Labour Conferences which have been held in the past, several important recommendations were made including setting up of Central Training Institute for vocational skill training, norms for protective laws for child labour, norms for fixation of minimum wages, legislation for payment of gratuity, etc. Subsequent events show that these decisions have had considerable bearing on the Contract Labour (Regulation and Abolition) Act, 1970, Payment of Gratuity Act, 1972, and Child Labour (Prohibition and Regulation) Act, 1986, etc. They also paved the way for setting up of the Central Board for Workers' Education and a series of Vocational Skill Training Institutes at national and regional levels.

3.3 The tripartite principle is an important and integral component of labour policy in India. The premier policy advisory bodies in the labour field at the national level are the tripartite Indian Labour Conference (ILC) and its tripartite Standing Labour Committee (SLC) which consist of representatives of the Central Government, State Governments, Union Territory Administrations and Employers' and Workers' Organisations.

4. Tripartism in Labour Legislations :

4.1 Many Labour Legislations have incorporated this feature in the provisions relating to the composition of various advisory committees. This tripartite principle is adhered to in respect of the Employees' State Insurance Corporation, its Standing Committee and Regional Committees, Board of Trustees of the Employees' Provident Fund Organisation and the Regional Boards, Central Minimum Wages Advisory Committee and Committees under the Minimum Wages Act for fixation or revision of minimum wage rates, Central Labour Advisory Committees, Central Apprenticeship Council, Central Employment Council, National Council for Vocational Training, various advisory committees under the Statutory Labour Welfare Funds and similar bodies at the State level. Even important autonomous bodies under the Ministry of Labour like the Central Board for Workers' Education and V.V.Giri National Labour Institute follow this principle.

5. ILO Convention on Tripartism

5.1 As already mentioned in the preceding paragraphs, tripartite consultations among social partners viz. government, workers and employers on major labour and labour related issues has been a tradition in the history of labour in India. The Indian Labour Conference and the Standing Labour Committee provide a unique fora for the 3 groups of different interests to think, plan and act together for realisation of common goals which are in tune with the constitutional mandates of the dignity of the individual and unity and integrity of the nation.

5.2 This tradition has been further reinforced by the provisions of the ILO Convention (No. 144) concerning Tripartite Consultation (international labour standards), 1976. As per the requirement of Article 5 of Convention 144, the process of effective consultation involves inviting comments on specific issues pertaining to ILO Conventions from the social partners before the Government finalises its views on such issues. This process is being followed by the Government thus:

(a) Government's replies to questionnaires concerning items on the agenda of the International Labour Conference and Government views on the proposed texts to be discussed by the Conference are finalised only after inviting the views and comments of the social partners invariably.

(b) Similarly, the proposals to be made to the competent authority or authorities in connection with the Conventions and Recommendation pursuant to Article-19 of the Constitution of the ILO are finalised only after consultation with the social partners.

(c) Questions arising out of reports to be made to the International Labour Office (ILO) under Article-22 of the Constitution of the International Labour Organisation are taken up with the social partners before governments' views are finalised.

(d) Any proposal for denunciation of ratified Conventions is processed after obtaining the views and comments of the social partners.

(e) Proposals for ratification of Conventions adopted by the ILO are invariably placed before the social partners inviting their considered views before government takes a final decision.

5.3 The procedure of the tripartite consultations is working satisfactorily and no practical difficulties in the application have been experienced so far.

5.4 A Tripartite Committee constituted on ILO Conventions has not met for a long time. A meeting of the Committee is proposed to be convened in July 2001.

6. Emergence of Bipartism as a key issue in Labour Policies for enterprises to increase competitiveness and productivity

6.1 The role of bipartism has increasingly gained significance at the enterprise level in the context of globalisation and increased international competitiveness. The two social partners, viz. employers and workers have to face the challenges posed by globalisation by coming together and addressing common issues relating to the economic viability of enterprises. These issues, among others, relate to wages, productivity, environmental protection, safety and health. Strengthening of bipartite dialogue between the two partners would only help to evolve a cogent strategy to face the growing challenges of international competition.

6.2 It has also become imperative to redefine the employer-employee relationship in enterprises. The traditional adversarial relationship between the employer and employee will have to give way to a much more wholesome, congenial, work-friendly relationship in which the two social partners are able to contribute toward the general improvement in levels of productivity and competitiveness of the enterprise. The future existence of any enterprise lies in building a strong employer-employee relationship which increases the stake-holders' participation in the enterprise. A strong bipartite mechanism can only enable such a work-friendly relationship between the employer and employee as the two social partners are the ultimate stake-holders in the entire organisation. Interference by a third party would only be counter-productive in this relationship and, therefore, needs to be minimised to a large extent.

7. Conclusion

7.1 At the national and State levels the realities of facing international competition in the context of globalisation calls for a much deeper and involved dialogue between the social partners. The new economic realities, particularly with the introduction of economic reform process, has thrown up issues such as reduced protection of state to public sector which needs to be viewed in the context of the overall budgetary constraints of the Government. All the social partners will need to appreciate the compulsions of each other in adjusting to the

economic reform process in the general interest of improving productivity, competitiveness and maintaining an amicable relationship with each other. There is, therefore, a need more than ever before to further strengthen the process of social dialogue by building mutual confidence in each other.

7.2 At the enterprise level the traditional adversarial relationship between the employer and employee has to give way to strong bilateral relationship between the two partners conducive to higher levels of productivity, competitiveness, efficiency and welfare of employees.

**THIRTY SEVENTH SESSION OF
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(NEW DELHI : MAY 18-19, 2001)**

ITEM – IV : SOCIAL SECURITY OF WORKERS

1.1 It is estimated that globally, there are over 2 billion people who are not covered under any type of formal social security protection, i.e. neither by a contribution based social security scheme nor by tax-financed social assistance. This is a major challenge to the existing social security systems that have evolved in the last century as security and institutional support are required by all persons in order to face difficulties and to mitigate hardships in the event of losses due to sickness, injury, loss of income and inability to work.

1.2 The ILO's perception of the concept of social security is based on the recognition of the fundamental social right granted by law to all human beings who live from their own labour and who at some stage find themselves unable to work temporarily or permanently for reasons beyond their control. Thus social security is seen as an instrument for social transformation and progress and as a safety net against misfortune, ill health, old age and natural calamities.

2. The Workforce in India

2.1 The dimensions and complexities of the problem in India can be better appreciated by taking into consideration the extent of the labour force in the organized and unorganised sectors. The latest NSSO survey of 1999-2000 has brought out the vast dichotomy between these two sectors into sharp focus. While as per the 1991 Census, the total workforce was about 314 million and the organized sector accounted for only 27 million out of this workforce, the NSSO's survey of 1999-2000 has estimated that the workforce may have increased to about 370 million out of which only 28 million were in the organized sector. Thus, in about a decade, while there has been a growth of only about 1 million in the organized sector, the unorganised sector has grown by about 55 million.

2.2 The organized sector is primarily extant in establishments covered by the Factories Act, 1948, the Shops and Commercial Establishments Acts of State Governments, the Industrial Employments Standing Orders Act, 1946, etc. and there is already a structure through which social security benefits are extended to workers covered under these legislations.

2.3 The unorganised sector, on the other hand, is characterized by the lack of labour law coverage, dispersed nature of operations and processes, its manifestation in some cases in remote rural areas as well as sometimes among the most inhospitable urban concentrations, its lack of organizational support, low bargaining power and institutional back-up, make it extremely vulnerable to economic and social exploitation. In the rural areas, it comprises of landless agricultural labourers, small and marginal farmers, share croppers, persons engaged in animal husbandry, fishing, horticulture, bee-keeping, toddy tapping, forest workers, rural artisans etc. where as in the urban areas, it comprises mainly of manual labourers in construction, carpentry, trade, transport, communication etc. and also includes street vendors, hawkers, head load workers, cobblers, tin smiths, garment makers, etc.

3. Social Security Coverage in India

(A) Organised Sector

3.1 Only about 10% of the workers in the organized sector in India are presently covered by social security schemes. About half of these are in the public sector, which provides their employees with budget-financed medical and old age benefits. At the beginning of the 21st Century, about 24 million workers were covered under various employees provident funds schemes and about 8 million workers were covered under the Employees State Insurance Scheme (ESIS), in addition to about 4.5 million under the Workmen's Compensation Act, 1923 and about 0.5 million under the Maternity Benefit Act, 1961.

Social Security Laws

3.2 The social security legislations in India derive their strength and spirit from the Directive Principles of the State Policy as contained in the Constitution of India. These provide for mandatory social security benefits either solely at the cost of the employers or on the basis of joint contribution of the employers and the employees. While protective entitlements accrue to the employees, the responsibility for compliance largely rests with the employers. The major enactments are:

- The Workmen's Compensation Act, 1923, which requires payment of compensation to the workman or his family in cases of employment related injuries resulting in death or disability;
- The Employees' State Insurance Act, 1948, which covers factories and establishments with ten or more employees and provides for comprehensive medical care to the employees and their families as well as cash benefits during sickness and maternity, and monthly payments in the event of death or disablement;
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is applicable to all scheduled factories and establishments employing 20 or more employees and ensures terminal benefits of provident fund, superannuation pension, and family pension in case of death during service. Separate laws exist for similar benefits for the workers in the coal mines and tea plantations;
- The Maternity Benefit Act, 1961, which provides for 12 weeks wages during maternity as well as paid leave in certain other related contingencies;
- The Payment of Gratuity Act, 1972, which provides 15 days wages for each year of service to employees who have worked for five years or more in establishments having a minimum of 10 workers.

3.3 The details of the above legislations and their coverage under various social security schemes are given in Appendix – I.

(B) Unorganised Sector

3.4 In the unorganised sector, it is estimated that there are about 50 million workers in regular wage employment while a large majority are in the category of self-employment and casual employment. Some groups of these workers are organized into co-operatives and registered societies and in some cases, they too are reached by some form of Government-provided or self-devised social protection. Thus, more than 35 million landless agricultural workers are notionally covered by the life term LIC group insurance, and more than 10 million under the various labour welfare schemes sponsored by the Central and State Governments. A very small group, probably not more than 0.5 million workers, are covered by social insurance health or pension schemes sponsored by LIC or GIC, in collaboration with an NGO. Finally, more than 5 million people over 60 years of age benefit from the means-tested social assistance pension schemes sponsored by the State Governments.

3.5 The existing social security arrangements in the unorganised sector can be broadly classified into four groups as follows:

- i) Centrally funded social assistance programmes;
- ii) Social insurance schemes;
- iii) Social assistance through welfare funds of Central and State Governments; and
- iv) Public initiatives.

Centrally Funded Social Assistance Programmes

3.6 The Centrally funded social assistance programmes include schemes for both rural and urban areas under the National Social Assistance Programme (NSAP), which has the components i.e. National Old Age Pension Scheme, National Family Benefit Scheme & National Maternity Benefit Scheme, Employment Assurance Scheme, Swarna Jayanti Gram Swarajgar Yojana, Jawahar Gram Samridhi Yojana and the Swarna Jayanti Shahri Rozgar Yojana. These programmes are implemented through the Ministry of Rural Development and the Ministry of Urban Employment & Poverty Alleviation. In addition, the Ministry of Textiles implements certain social security schemes for workers in the Handloom & Powerloom sector.

Social Insurance Schemes

3.7 The Social Insurance Schemes available to the unorganised sector are operated through the LIC under a number of Group Insurance Schemes covering IRDP beneficiaries, employees of shops and commercial establishments, etc. The most important and comprehensive scheme that has been launched recently, is the Janashree Bima Yojana under which the following benefits are available:

- Rs.20,000 in case of death
- Rs.50,000 in case of death by accident
- Rs.50,000 in case of accident with total disability
- Rs.25,000 in case of partial disability
- The premium for the above benefits is Rs.200/- per beneficiary and 50% of this premium i.e., Rs.100/-, is contributed by a fund created by the Ministry of Finance captioned "Social Security Fund of India".

Janashree Bima Yojana is available to persons between age of 18 to 60 years and are living below or marginally above poverty line. The scheme is extended to groups of 25 members or above.

3.8 At present, the Ministry of Labour is in the process of finalizing a proposal for introducing a social security scheme for agricultural workers. The announcement regarding this scheme has already been made in Parliament in the Finance Minister's Budget Address on 28th Feb, 2001. The proposal consists of a social security package for agricultural workers on a pilot basis in selected districts of the country. The scheme is proposed to be launched through the LIC.

Welfare Funds

3.9 The Central Government through the Ministry of Labour, also operates at present Five Welfare Funds for Beedi workers, Limestone & Dolomite Mine workers, Iron ore, Chrome ore & Manganese ore Mine workers, Mica Mine workers & Cine workers. These Funds are used to provide various kinds of welfare amenities to the workers in the field of Health care, Housing, Educational assistance for children, Drinking water supply etc.

3.10 In addition to the Central Government, a number of State Governments have also set up welfare funds for various categories of workers. The Government of Kerala have set up about 35 Welfare funds for different categories of occupations and sectors. These welfare funds cater to the needs of agricultural workers, auto rickshaw workers, cashew workers, coir workers, construction workers, fishermen and women, khadi workers, handloom workers etc. The Government of Assam have set up a statutory fund under Assam Plantation Employees Welfare Fund Act, 1959 for the benefit of the plantation workers. Similar funds have also been set up in Gujarat and Maharashtra under Bombay Labour Welfare Fund Act, 1953 and in Karnataka under Mysore (Karnataka) Labour Welfare Act, 1965 and in Punjab under the Labour Welfare Act, 1965. The State Governments of Andhra Pradesh and Uttar Pradesh have also set up Welfare Funds for various categories of workers. All these welfare funds, however, cater to a very small segment of the total workforce.

3.11 An important thrust area identified by the Ministry of Labour, Government of India, is the social security of workers in the fish processing industry. These workers constitute an extremely vulnerable and exploited category and are located in about 400 fish processing units in 9 coastal states of the country. The vast majority of these workers are migrant women in the age group of 16 to 35 years. A Task Force has been constituted by the Ministry of Labour to look into their living and working conditions and recommend suitable measures for their social security.

Public Initiatives

3.12 In addition to Governmental efforts, several public institutions and agencies are also imparting various kinds of social security benefits to selected groups of workers. Two of the outstanding examples are those of Self-Employed Women's Association (SEWA) and the Mathadi Workers Boards in Maharashtra. A Note on their initiatives as well as those of some other outstanding NGOs is appended to this note as these pioneering contributions are significant and should not be overlooked.

3.13 The details of these programmes & schemes for the unorganised sector may be referred to in Appendix - II

3.14 In the initial years of development planning, it was believed that with the process of development, more and more workers would join the organized sector and eventually get covered by formal social security arrangements. However, experience has belied this hope. The opening up of the economy, under the regime of economic reforms, has only exacerbated the problem. There is now a stagnation of employment in the organized sector with the resultant increase in the inflow of workers into the informal economy. This highlights the need to focus greater attention on the social security needs of the unorganised sector.

3.15 The Second Labour Commission has been constituted by the Government in December, 1998 to suggest rationalisation of existing laws relating to labour in the unorganised sector and to suggest an umbrella legislation for ensuring a minimum level of protection to the workers in the unorganised sector. The Commission is expected to submit its report to the Government by Oct., 2001. On receipt of the recommendations of the Commission the matter will be examined by the Government.

4. A Perspective Plan for providing Social Security for all workers

4.1 Social security has now been widely accepted as an instrument which can help in alleviating hardships arising out of poverty. Although at present only about 10% of the workforce is covered under formal social security arrangements, there is an increasing perception that this coverage should be extended not only within the organized sector but also to cover more and more sections of the unorganized sector. It is, therefore, important to look at the options available and to formulate a strategy for the future.

4.2. A considerable number of workers and their families, primarily in the unorganized sector, live in poverty and a significant proportion among them are women. The experience of SEWA and research by ILO indicates that an increasing number of such workers are willing and able to contribute to schemes that meet their priority social security needs. However, this constitutes a very small proportion of the total unorganised workforce of the country. Some of these who are unable to make any contribution, such as widows, orphans and old people, who are neither protected by employment income or by any other family protection, would need to be protected by tax-based social assistance schemes.

4.3 Social security for the hitherto uncovered sections of the workers can be thought of through the following two mechanisms:-

(i) Extending the coverage of existing social security schemes

- At present the Workmen's Compensation Act, 1923 is applicable to persons employed in hazardous employments specified in Schedule – II of the Act. So far 50 hazardous employments have been included in the Schedule. As the Act has wide applicability particularly in the unorganized sector, its coverage may be extended to more such employments. Further, the claims for death compensation are settled by the Commissioner of Workmen's Compensation, an authority notified by the State Governments. The process is so time-consuming that it causes a great deal of hardship to the affected families. There is, therefore, a need to notify more than one authority within the district as well as fix a time limit for deciding such claims.
- At present, the Employees Provident Fund Scheme is applicable to 180 establishments with employee wage limit of Rs.5,000/- pm for coverage. This will now get raised to Rs.6,500/- p.m. The scheme is applicable to establishments employing 20 or more persons. Thus, the law excludes establishments other than those listed, from the purview of the Act. It will also exclude workers drawing more than Rs.6,500/- pm and self employed persons. A suggestion has been given that the wage limit and schedule of industry restrictions should be done away with altogether and the number of persons for coverage be reduced from 20 to 10. The implementation of such a measure will increase the penetration of the existing schemes and expand the membership significantly. This would require building up of suitable capacity in the Employees Provident Fund Organisation to service the accounts and handle the additional work load.
- The ESI Scheme is at present applicable to establishments employing 10 or more persons and drawing wages upto Rs.6,500/- pm. The Task Force on Social Security, in their report, has recommended that the coverage of ESI Scheme should be extended to establishments employing 5 or more persons. This is a recommendation that needs to be considered.

- The ESI Scheme does not at present apply to seasonal factories i.e. those which work for less than 7 months in a year. Although this provision is now more or less irrelevant, because of advancements in technology, there may yet remain a few categories of factories which are still seasonal in nature. Hence there is a need to extend the ESI Scheme to such factories.
- According to a survey of the ESI Corporation, there are 9.8 lakh workers who are coverable, but not yet covered under the ESI Scheme. Expansion of the ESI scheme is not taking place as per the programme due to inability of the State Governments to complete medical arrangements in time. Although, the Corporation constructs hospitals and dispensaries at its own cost and also meets 7/8 of the expenditure incurred in running these hospitals/dispensaries yet the services in the States are stated to be not up to the mark. Co-operation of the State Governments and other social partners is required to expand the coverage and improve the health delivery system.

(ii) Devising new and innovative programmes to address the needs of the most vulnerable categories of workers who have yet no social protection.

- There is a need to evolve a National Social Security Policy for the unorganized sector and formulate a detailed action plan to cover as many segments of the unorganized workforce as possible under some form of social security with the ultimate goal of covering all unorganized workers in the long run. In the task of implementation of the action plan, it may be necessary to get the active participation of Panchayati Raj Institutions and NGOs. There are a number of agencies and institutions e.g. SEWA in the country which impart various forms of social security for workers in unorganised sector. These could be strengthened and a national network created which would reinforce their efforts at all levels.
- Several NGOs, public and co-operative institutions, like SEWA and Mathadi Workers Welfare Boards, have undertaken innovative measures to provide social security to small segments of the underprivileged workforce. There is a need to carefully study their success stories with a view to replicating or adopting them in other regions according to their requirements.

- The welfare fund mechanism needs to be extended wherever feasible to hitherto uncovered sections of the unorganized sector. New welfare funds, such as a welfare fund for fish processing workers, carpet weavers, salt workers, leather workers, etc. may be considered to be set up and funds generated may be utilized for extending the health facilities through ESIC scheme, wherever possible, or through alternate arrangements.

5. Conclusion

5.1 We need to improve the administration, delivery and coverage of the existing social security schemes. We have to learn lessons of successful experiments carried out so far to improve the coverage of social security for the workers in the unorganised sector where only negligible persons have been so far covered.

5.2 At present, a vast majority of the workers in the unorganised sector particularly in rural areas are below the poverty line. Unless there is greater flow of resources and faster economic growth with creation of more jobs/self-employment opportunities with better income distribution it will not be possible to bring economic well being to this segment of the work force, which is the real answer for their social security. More thrust needs to be given to poverty alleviation programmes, spread of education and skill training for ensuring better quality jobs. Given the vast network of existing schemes, legislations, policy initiatives and organizations already functioning in this sector, a greater degree of convergence would need to be established for achieving a faster pace of growth. A minimum degree of social security has also to be made a distinct reality. In order to achieve this goal, all concerned social partners need to work in a coordinated and purposeful way.

APPENDIX-I

1. WORKMEN'S COMPENSATION

1.1 The Workmen's Compensation Act was passed in March, 1923 and it came into force on 1st July, 1924. Since then, it has been amended from time to time.

1.2. The Act is applicable to workers employed in certain special hazardous employments, such as factories, mines, plantations, transport and construction work, railways etc. The Central/State Governments are empowered to extend the provisions of the Act to any other employment which is considered hazardous. There is no wage limit for coverage under the Act.

1.3 Under the Act compensation is payable by the employers in case of injury caused by an accident arising out of and in the course of employment. Compensation is also payable to the workers who contract occupational diseases specified in schedule III to the Act.

1.4 No compensation is, however, payable if the injury, not resulting in death or permanent total disablement is caused by the fault of the worker arising from factors such as of drinks, drugs, willful disobedience of the order or rule, the willful removal or disregard of safety guard or other device etc. The amount of compensation payable is dependant on the nature of the injury, the average monthly wage of the worker and the age of the worker at the time of his disablement or death.

1.5 The minimum amount of compensation for permanent total disablement is Rs.90,000/- and that for death is Rs. 80,000/-. The maximum amount of compensation for permanent total disablement can go upto Rs.5,48,000/- and that for death to Rs. 4,56,000/-. In cases of temporary disablement, monthly payments at the rate of 50% of the wage are payable for a period of 5 years.

2. MATERNITY BENEFIT

2.1 The Maternity Benefit Act was enacted in 1961 and brought into force w.e.f. 1st November,1963. The Act is applicable to mines, factories, circus industry, plantations, shops and establishments. It can be extended to any other establishment or class of establishments by the State Government. There is no wage limit for coverage under the Act.

The coverage under this Act is, however, restricted to women employees who are not covered by the ESI Act.

2.2 Under the Act maternity benefit is payable by the employer for a period of 12 weeks at the rate of average daily wages. There is also a provision for pre-natal confinement and post-natal care free of charge, failing which the employer is liable to pay medical bonus of Rs. 250/-. Maternity Leave benefit for six weeks is also available in case of miscarriage.

2.3 By Amendment of the Act w.e.f. 1.2.1996, the women employees have been made eligible for six weeks leave in the case of MTP and two weeks leave for tubectomy operation. Leave upto one month has also been provided in the case of sickness arising out of MTP/tubectomy etc.

3. THE EMPLOYEES' STATE INSURANCE ACT, 1948

3.1 The Employees' State Insurance Act, 1948 was passed in April, 1948 and enforced from 24.2.1952.

3.2 The ESI scheme is applicable to non-seasonal power using factories employing 10 or more persons and non power using factories and other establishments employing 20 or more persons.

3.3 The Scheme is being gradually extended area-wise in a phased manner. The wage ceiling for coverage under the Act which was initially Rs.400/-P.M. is now fixed w.e.f. 1.1.97 at Rs.6500/-P.M. As on 31.3.2000, the ESI Scheme covered 2.25 lakh establishments, 78.62 lakh employees at 656 centres in the country. The Corporation has constructed and commissioned 138 ESI hospitals,43 Annexes and 1443 dispensaries in different parts of the country.

3.4 The Employees' State Insurance Scheme provides for medical care and treatment, cash benefit during sickness, maternity, employment injury and pension for dependants on death of an insured worker due to employment injury and payment of expenditure on funeral of an insured person. Medical care has also been extended to the families of insured persons, depending on the medical facilities available.

3.5 Under the Act the employers are required to pay contribution at the rate of 4.75 percent of wages of the insurable workers. The rate of contribution for the employees is 1.75% of their wages. The State Government contributes 1/8th of the expenditure on medical care.

4. PROVIDENT FUND

4.1 The Employees Provident Fund Act was passed in 1952 to provide for the institution of provident funds for the employees in the factories and other establishments. The Employees' Provident Fund Scheme was accordingly framed and it came into force from 1st November 1952.

4.2 The Employees' Provident Fund Scheme is at present applicable to 177 industries/class of establishments employing 20 or more persons. The coverage under the scheme is, however, restricted to employees drawing pay plus dearness allowance exceeding Rs.5,000/- per month. Initially in 1952 the wage ceiling for coverage was Rs.300/- P.M which is being raised to Rs.6,500/- p.m.

4.3 As on 31.3.2000 there were 3.26 lakh establishments with 2.45 crore employees covered under the scheme. Under the Act, the employees are required to pay contribution at the rate of 10% of wages, with matching contribution from the employer. There is also an enabling provision empowering the Central Government to raise the rate of contribution in respect of any establishment or class of establishments to 12 per cent. Accordingly the Central Government has enhanced the rate of contribution from 10% to 12% in respect of 175 industries/classes of establishments.

4.4 The members are entitled to withdraw the full amount standing at their credit in their Provident Fund Account, on retirement from service or on retirement on account of permanent and total incapacity for work or on termination of service in the case of mass or individual retrenchment. During service, advance from the provident fund account is admissible to members for financing their life insurance policies, for construction or purchase of houses and for certain other contingencies like illness, daughter's marriage or post-matriculation education of children. All the advances under the scheme are non-refundable.

5. FAMILY PENSION

5.1 On a review of the working of the Employees' Provident Fund it was found that Provident Fund was no doubt affecting old-age and survivorship benefit but in the event of premature death of the employee, the accumulations in the Provident Fund were not sufficient to render adequate and long-term protection to his family. This led to introduction with effect from 1st March 1971 of the Employees' Family Pension Scheme for the employees covered under the Act.

5.2 The scheme applied compulsorily to all employees who have been members of the Provident Fund on or after 1 March 1971, but it was left to the option of those employees who had become members of the provident fund earlier to that. The scheme was financed by diverting out of contributions to the provident fund, the employees' share of contribution at the rate of 1-1/6% of their wage with an equal amount of employer's share. The Central Government also contributed at the rate of 1-1/6% of the wages of the employees to Family Pension Fund.

5.3 The Family Pension Scheme provided for payment of family pension and an assurance benefit to the widow or other dependants of the deceased member and retirement-cum-withdrawal benefit to the surviving members. The grant of family pension was subject to completion of three months' membership of Family Pension Fund.

5.4 This scheme was found wanting because it did not provide pension on retirement, superannuation or on death after service. The Government accordingly considered the matter in consultation with the CBT, EPF and framed a new Pension Scheme called the Employees' Pension Scheme, 1995.

6. THE EMPLOYEES' PENSION SCHEME, 1995 (EPS)

6.1 The Scheme came into force w.e.f. 16.11.1995. The Pension Scheme is compulsory for all the members of the ceased Family Pension Scheme. It is also compulsory for the persons who become members of the Provident Fund from 16.11.95. Minimum 10 years' membership of the Fund is required for entitlement to the pension.

6.2 Normal superannuation Pension is payable on attaining the age of 58 years. Pension on a discounted rate is also payable on attaining the age of 50 years. The Scheme provides for payment of monthly pension in the contingencies of superannuation, death, total permanent disablement etc. The amount of monthly pension will vary from member to member depending upon his pensionable salary and pensionable service. On completion of 33 years' contributory service 50% of the pay is payable as pension.

6.3 Under the scheme the rate of minimum widow pension is Rs.450/- p.m. The maximum may go upto Rs.2500/- p.m. payable as normal member's pension on completion of nearly 33 years service. Family pension upto Rs.1,750/- p.m. is also payable to the widow of the member who has contributed to the pension fund just for one month.

6.4 In addition to the widow pension, the family is also entitled to children pension. The rate of children pension is 25% of the widow pension for each child payable upto two children till they attain the age of 25 years. Under the Scheme, the employees have an option to accept the admissible pension or 10% reduced pension with return of capital equivalent to 100 times of the original pension.

6.5 The scheme is financed by diverting the employer's share of PF contribution representing 8.33% of the wage to the Pension Fund. The accumulations of the ceased family Pension Scheme constitute the corpus of the new Pension Fund. The Central Government also contributes to the Pension Fund at the rate of 1.16% of the wage. As on 28.2.2001, there were Nine lakh persons receiving pension under the E.P.S.

7. EMPLOYEES' DEPOSIT LINKED INSURANCE

7.1 The Employees' Deposit Linked Insurance Scheme, 1976 (EDLI Scheme) was introduced from 1st August, 1976. It applies to all employees who are members of the Provident Fund in the exempted as well as the un-exempted establishments.

7.2 Under this scheme, in the event of death of a member while in service the person entitled to receive the Provident Fund accumulations is paid an additional amount equal to the average balance in the Provident Fund account of the deceased during the preceding one year.

7.3 The maximum amount of benefit payable under the scheme is Rs.60,000/-. The employees are not required to pay any contribution under the EDLI Scheme. The employers, however, contribute to the Insurance fund at the rate 0.5% of pay of the members.

8. GRATUITY

8.1 The Payment of Gratuity Act, 1972 was enacted and brought into force from 16th September, 1972. The Act provides for the payment of gratuity to employees employed in any factory, mine, oilfield, plantation, port, railway, company and every shop and establishment employing 10 or more workers. It has also been extended to motor transport undertakings employing ten or more persons.

8.2 Under the Act, gratuity is payable at the rate of 15 days wages for every completed year of service subject to a monetary ceiling of Rs.3.50 lakh. In the case of employees employed in seasonal establishments, gratuity is payable at the rate of seven days' wages. A worker is entitled to gratuity in the contingency of superannuation, retirement, resignation, death or disablement due to accident or disease, subject to completion of 5 years continuous service. The condition of 5 years is, however, not applicable in the case of death or disablement.

APPENDIX-II

I. CENTRALLY FUNDED SOCIAL ASSISTANCE PROGRAMMES

1. National Social Assistance Programme (NSAP)

1.1 The Central Government, through the Ministry of Rural Development, have introduced the **National Social Assistance Programme (NSAP)** since 15th August, 1995. It is a major step towards the fulfillment of the mandate contained in the Directive Principles of State Policy under Article 41 and 42 of the Constitution of India. The programme reflects, for the first time, a National Policy for social assistance for poor households in the case of old age, death of primary bread winner and maternity. The programme has three components:

- NATIONAL OLD AGE PENSION SCHEME (NOAPS);
- NATIONAL FAMILY BENEFIT SCHEME (NFBS); and
- NATIONAL MATERNITY BENEFIT SCHEME (NMBS).

1.2 These schemes were partly modified in 1998 based on the suggestions received from the State Governments and concerned agencies.

2. Employment Assurance Scheme (EAS)

2.1 The Employment Assurance Scheme (EAS) was launched on October 2, 1993 for implementation in 1778 identified backward panchayat samitis of 257 districts situated in the draught prone areas, desert areas, tribal areas and hill areas in which the revamped public distribution system was in operation. Gradually it has been extended by 1997-98 to all the 5448 rural panchayat samitis of the country. Based on the experience of last five years of implementation of the programme, the EAS has now been restructured with effect from April 1, 1999.

3. Swarna Jayanti Gram Swarojgar Yojana (SGSY)

3.1 The Swarna Jayanti Gram Swarojgar Yojana (SGSY) has been launched with effect from April 1, 1999 by amalgamating certain erstwhile programmes viz. Integrated Rural Development programme (IRDP), Development of Women & Children in Rural Areas (DWCRA), Training of Rural Youth for Self-Employment (TRYSEM), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY) and Millions Wells Scheme (MWS). SGSY has been conceived as a holistic programme of micro-enterprises covering all aspects of self-employment, viz. organization of the rural poor into self-help groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing.

4. Jawahar Gram Samridhi Yojana (JGSY)

4.1 The Central Government have launched the Jawahar Gram Samridhi Yojana (JGSY) on April 1, 1999 by restructuring the erstwhile Jawahar Rojgar Yojana (JRY) to ensure development of rural infrastructure through the Ministry of Rural Development. The primary objective of JGSY is creation of demand driven infrastructure for the community at the village level. The secondary objective, however, is generation of wage employment for the rural unemployed poor.

II. SOCIAL INSURANCE SCHEMES

5.1 Group insurance schemes for Beedi and Cine workers have been introduced with effect from 1st April, 1992 and 1st April, 1997 respectively to provide social security measures to those beedi and cine workers who are not covered under the Employees Provident Fund and other social security benefits. The premium is paid from the Welfare Funds. The benefits are comparable to similar group insurance benefits provided by LIC under various schemes.

5.2 Mine workers involved in accident are also paid compensation from the Welfare Funds. Their children are paid monthly scholarship for education.

III. WELFARE FUNDS

6.1 The Central Government have set up five Welfare Funds for mica mine workers, iron ore, manganese ore and chrome ore workers, limestone and dolomite mine workers, beedi workers and cine workers. These funds have been set up under the following Acts:-

- **Mica Mines Labour Welfare Fund Act, 1946**, provides for the levy and collection of cess on all mica exports at a rate not exceeding 6 ¼% ad valorem or as may be fixed by the Central Government. (Current rate is 4 ½%).
- **Limestone and Dolomite Mines Labour Welfare Fund Act, 1972**, provides for levy and collection of a cess on limestone and dolomite produced in any mine, for consumption or sale, at such rate not exceeding one rupee per metric tonne as the Central Government may fix. (Current rate is Re.1.00 per metric tonne).
- **The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act, 1976** provides the enabling mechanism and the **Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976**, provides for the levy and collection of a cess for purposes of the Welfare Fund on all iron ore, manganese ore and chrome ore produced in any mine, a duty where such ore is consumed or other wise disposed of at rates not exceeding Rs.1 per metric tonne in the case of iron ore, Rs.4 in the case of manganese ore and Rs.6 in the case of chrome ore. (current rates are Re.1 for iron ore, Rs.2 for manganese ore and Rs.4 for chrome ore).
- **Beedi Workers Welfare Fund Act, 1976**, provides the enabling mechanism and the **Beedi Workers Welfare Cess Act, 1976**, provides for the levy and collection by way of a cess on manufactured beedis at such rate which shall be not less than fifty paise or more than Rs.5 per thousand manufactured beedis as the Central Government may fix. (Current rate is Rs.2 per thousand beedis).
- **The Cine Workers Welfare Fund Act, 1981**, provides the enabling mechanism and the **Cine Workers Cess Act, 1981** originally provided for the levy and collection as a cess at the rate of Rs.1000 per feature film produced. This provision has since been modified to provide levy and collection of the cess at differential rates depending on the language of the film. (Current rates are:

Hindi films - Rs.20,000/- per film and Other language films - Rs.10,000/- per film).

6.2 The proceeds collected under the Welfare Funds are used for providing various kinds of welfare benefits to the workers who are covered under those Funds. These include about 4.5 million beedi workers, about 1.50 lakh workers in mica mines, iron ore, manganese ore, chrome ore mines and limestone & dolomite mines as well as to about 63,000 cine workers. Out of 4.5 million beedi workers in the country already 3.8 million workers have been issued the identity cards. Every year, such workers receive benefits to the tune of fifty crores of rupees from the Welfare Funds. The benefits include health care facilities through hospitals and dispensaries specially set up for such workers, educational assistance to children of such workers, housing assistance and in certain cases, for provision of drinking water, worksheds and godowns etc.

6.3 The Central Government have also enacted a legislation for building and construction workers which is captioned the **Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996** which provides for the setting up of Welfare Funds by the State Governments concerned. Under the **Building and Other Construction Workers' Welfare Cess Act, 1996**, provision has been made for levy and collection of cess at a rate not exceeding 2% but not less than 1% on the cost of construction incurred by employers (the current notified rate is 1%). It may, however, be pointed out that except for the State Government of Kerala and Tamil Nadu who had made similar provisions under their own legislations, other State Governments are yet to notify the authorities and implement the Act. The proceeds from the cess on construction are to be used by the State level Welfare Boards set up under the Act, to dispense such welfare measures as may be decided by the Boards.

6.4 The Government of Kerala have set up about 35 welfare funds for different categories of occupations and sectors. These welfare funds cater to the needs of agricultural workers, auto rickshaw workers, Cashew workers, coir workers, construction workers, fishermen and women, khadi workers, handloom workers etc. The Government of Assam have set up a statutory fund under Assam Plantation Employees Welfare Fund Act, 1959 for the benefit of the plantation workers. Similar funds have also been set up in Gujarat and Maharashtra under Bombay Labour Welfare Fund Act, 1953 and in Karnataka under Mysore (Karnataka Labour

Welfare Act, 1965 and in Punjab under the Labour Welfare Act, 1965. Orissa, Andhra Pradesh and Uttar Pradesh also have Welfare Funds for various categories of workers.

IV. PUBLIC INITIATIVES

a. Self-Employed Women's Association (SEWA)

7.1 SEWA, a women's organization, is promoting social security through the formation of co-operatives. It aims to provide need based services to the women on demand and on payment of affordable charges. The co-operatives promoted by SEWA are the Mahila Lokswasthya Mandli for health services, the Sangini Child Care Mandli and the SEWA Co-operative Bank.

7.2 The social security experiments of SEWA started in 1975 with a demand from members for a maternity protection scheme followed by health care and child care. This was followed by starting of an insurance programme in collaboration with insurance companies. The insurance scheme started by the SEWA Bank was based on a realistic estimate of the capacity of the members to pay the premium.

7.3 An Integrated Insurance Scheme introduced by SEWA for its members, offers several benefits for a consolidated premium of Rs.45/- per annum. While SEWA itself provides some of the benefits, it works as a nodal agency to get cover under various policies separately for specific benefits from different insurance companies. The risk covered includes health costs upto Rs.1000/-, maternity benefit of Rs.300/- and payment of varying amounts upto Rs.10,000/- in case of natural or accidental death including disablement of the member or her husband. The insurance scheme has turned out to be both popular and financially viable. The total coverage of SEWA social security scheme is about 50,000 women.

7.4 The experience of SEWA reveals that in order to become effective, the social security scheme for the unorganized sector should be locally managed and controlled. Further, only such schemes will become viable which are need based and integrated with the economic activities of the local people. If poor people are supported through capacity building and necessary linkages are provided with their own economic activities the chances of success of social security efforts increases significantly. Further, it has demonstrated that, it is not only

necessary to search new social security programmes but new social security organizations to run them.

b. Mathadi Workers Welfare Boards

8.1 A mathadi is a worker who carries a load on his head, back, neck or shoulders. Normally his work consists of loading, unloading, carrying, shifting, weighing, tapping, banding and stacking goods. The work is generally performed in batches known as gangs or tolies. In the State of Maharashtra, the Mathadi Labour Market is regulated by Mathadi Tripartite Boards set up since 1969. **There are about 50,000 registered employers and 1,50,000 workers registered under 30 different Boards in the State.** Each Board is headed by a Chairman appointed by the Government of Maharashtra and there are equal number of representatives from the unions and the employers associations. The Boards have their own staff including Secretary, Personnel Officer, Chief Accountant, Inspectors and Clerks.

8.2 The Mathadi Workers Boards, besides settling disputes between unions and employers, are actively involved in imparting social security benefits to their members. One of the major achievements of the Mathadi Workers Boards has been the setting up of hospitals. At present there are two hospitals with an annual budget of Rs.2 crores which are run by six Mathadi Boards. In addition to this, there are 12 dispensaries. The hospitals have 75 beds for indoor patients. Each of the six Boards contributes 2% of their levy and each worker contributes Rs.20 per month. These hospitals provide diagnostic services such as radiology, pathology and sonography for around 40,000 workers and their families. There is a dental unit in each of the hospitals and specialists in ophthalmology, orthopedics, general surgery, skin, chest and cardiology are also available. There are 35 medical officers, 35 specialists, 60 paramedical and 30 non-medical staff with the hospitals. Everyday, around 2500 workers get treatment. Daily 5 surgeries are done. The hospitals have also been organizing educational programmes and exhibitions at workplace sites to bring AIDS related awareness among workers. Almost 80 to 90 per cent of the workers come to the hospitals with fractures, spondylitis, hernia and other similar problems.

8.3 During the last few years, some of the Mathadi Boards have been able to get the workers registered with them insured against accident, injuries and death. For example, Mathadi Boards in Pune are paying Rs.152/- per annum as premium out of the Board's administrative account to cover workers for a benefit of Rs.25,000/- in case of injury and

Rs.2,00,000 in case of death to each worker. This scheme has been worked out by the Mathadi Board with the General Insurance Corporation.

8.4 There are other important initiatives too and their contribution too should not be ignored in this broad-brush portrayal of the status.

c. Other initiatives

9.1 Organizations like Co-operative Development Foundation (CDF), SAMAKHYA, Trivandrum District Fishermen Federation (TDFF), the Association of Sarwa Sewa Farms (ASSF), the Society for Promotion of Area Resources Centre (SPARC), Voluntary Health Services (VHS) in Tamil Nadu and the Working Women's Forum have experimented for providing social security to small groups of people. The VHS in Chennai, the SAMAKHYA in Andhra Pradesh and the Association for Health Welfare in Nilgiris (ASHWINI) in the tribal areas of Gudalur in Tamil Nadu have made efforts to provide medical care to very specific target groups. The approach of these agencies is based on collecting of contribution from the beneficiaries themselves for their future contingencies in line with the insurance principles. The amount collected is utilized for running health centres and hospitals. ASSEFA, an NGO which specializes in credit, operates a number of health care centres at several villages in Kiriapathi block to provide preventive and curative health services for minor ailments.

9.2 Lokswasthya, a co-operative, runs two municipal hospitals as part of the SEWA movement. The co-operative provides primary health care services, health education and also provides medicines below the open market prices. Similarly, Apollo Hospital Association (AHA), a non-profit organization registered as a society, provides health care as an intermediary for Mediclaim policy with insurance companies. This organization also offers credit facility to the insured members in case of hospitalization and helps in settling claims with the insurance agencies. The CDF has started an innovative scheme of death relief fund covering about 26,000 members in 40 Thrift and Co-operative Regional Associations (TCA) in the States of Andhra Pradesh, Karnataka, Kerala and Tamil Nadu. In the event of death between the age of 18 and 60 years, the members' nominee receives a maximum of Rs.20,000/- depending on the age and the amount contributed.

Chapter III

Overview of Inaugural Session

The inaugural session started with the welcome address of the Hon'ble Labour Minister, Dr. Satyanarayan Jatiya. The Minister expressed his deep gratitude to the Prime Minister for accepting the invitation of the Labour Ministry to inaugurate the 37th Session of Indian Labour Conference (ILC). Referring to one of the agenda items, 'Impact of Globalisation', the Minister stated that if globalisation had created unprecedented opportunities by taking the growth rate to new heights, it had also given rise to apprehensions due to the increasing trends towards casualisation and contractualization of the labour force. The problem is relatively more serious in the rural sector where there is a large number of unorganised workforce and uncertainty of regular employment. He expressed the hope that deliberations in the ILC would help in identifying areas in which a concerted action could be taken with the cooperation of all the social partners to ward-off the adverse effects of globalisation and to take advantage of its benefits. Highlighting the importance of social dialogue, the Minister stated that tripartite consultation has been the greatest source of strength in our march towards social, economic and political development. The principle of tripartism has become more important for maintaining harmonious industrial relations in view of the prevailing economic environment in the country. With the growth of the population and the changing social patterns, the need for social security has also changed. The existing social security system covers only those workers drawing specified wages and employed in specific factories and establishments. He informed the august assembly about the efforts made by the Government to extend the coverage of social security. In this direction Government had recently extended the Employees Provident Fund Scheme to the employees drawing salary up to Rs.6500/-PM. He also informed the ILC that the compensation payable in case of death or permanent disability of a worker has also been doubled through an amendment in the Workmen's Compensation Act. He further informed the Conference about the initiatives taken by the Employees Provident Fund Organisation (EPFO) to improve its services. The EPFO and the Deptt. of Posts have jointly launched a partnering outreach programme for pensioners with the aim of providing options to EPF subscribers to receive pension through 26,000 post offices across the country. He assured that the Ministry of Labour was committed to build a nation where social security to all workers was ensured for which it was vital that the social partners worked in tandem in the social and economic areas.

2. Speaking on behalf of trade unions, Shri Hasu Bhai Dave, General Secretary, BMS voiced the concern of workers on the policies of disinvestment and privatisation which, according to him, had gone against the interests of the workers, small and big industries and the nation. He demanded that there should be no disinvestment in the Defence sector and also in the companies earning profits. Any decision regarding disinvestment in loss making companies should be taken after due consultations with the trade unions and Ministry of Labour. He requested the Government to consider the amendments to labour laws only after the Second National Commission on Labour submits its report. He did not support the Finance Ministry's decision to down the rate of interest on EPF and demanded that a decision in this regard be left to the Board of Trustees. He also suggested the removal of the ceiling on bonus, constitution of Worker's Welfare Board, immediate action on Workers' Participation Bill 1990, policies for the workers' welfare in unorganised sector on the pattern of Kerala, Maharashtra and Tamilnadu.

3. Welcoming the Prime Minister on behalf of the employers, Shri Arvind Doshi, President, CIE said that the Government deserved all praise for its economic policy. A comfortable balance of payment, rise in foreign exchange earnings and the declining poverty line augured well for the success of the economic policy of the Government. He, however, admitted that elasticity of employment in organised sector is declining because of the rigid and closed framework of labour laws which have forced the entrepreneurs to opt for capital-intensive technologies. He was hopeful that with labour reforms and growth of investment, elasticity of employment would also increase. Referring to the social security schemes for workers, he said that the current financial burden of social security schemes was already very high and should not be increased further. He underlined the need to streamline the existing social security system to make it simple and more users friendly. For the unorganised sector he suggested a locally administered, simple and single point social security programme. He also drew Government's attention to the very large number of public holidays which are a drain on the limited time, energy and resources and suggested they be cut down as recommended by the Vth Pay Commission.

4. Inaugurating the 37th Session of the ILC, Prime Minister, Shri Atal Bihari Vajpayee ruled out a reconsideration of the reform process. He, however, assured the worker that there would be no unregulated entry of Foreign Direct Investment even though India needed foreign

exchange to import oil. Projects involving FDI will require licences and the Government will ensure that they do not adversely affect national interests. Referring to the Trade Unions' stand on WTO, the Prime Minister said that India could not remain an island in a rapidly changing world. He regretted that while many countries were waiting for permission to join WTO, India was still debating the wisdom of joining WTO. The Prime Minister urged Trade unions to see the country's problems in a larger context. He elaborated that after the advent of the WTO, business houses were being forced to reorient themselves to face tough competition both within the country and globally and such a reorientation was impossible without the ability to restructure labour within individual business. He further urged trade unions to view the proposed amendments to the labour laws in the broader perspective of how we can make our economy grow faster – at a sustainable rate of 9 per cent. He reassured the workers that his Government was wholly committed to ensure justice to the workers. He also assured PSU workers that their interests would be protected in Govt's ongoing programme to restructure Government owned enterprises. The Hon'ble Prime Minister stated that the economic reforms should be adequately complemented with suitable reforms in management and trade unions so that a common energizing vision to boost productivity, production and competitiveness of the Indian economy could be evolved. Prime Minister also announced an insurance scheme 'Khetihar Majdoor Beema Yojna' for approximately 12 crore workers engaged in the unorganised agricultural sector with an initial provision of Rs.150 crore. The scheme would be launched from 1st July,2001.

5. Shri Muni Lall, Minister of State for Labour and Employment thanked the Prime Minister for reiterating his commitment to the cause of labour by inaugurating the 37th Session of the ILC.

Chapter IV

Overview of Plenary Session

The first working session of ILC started with election of Vice- Chairpersons. ILC elected the following three persons as Vice- Chairmen of the 37th Session of the ILC:

1. Shri Hasubhai Dave - from the Workers' Group
2. Shri I.P.Anand - from the Employers' Group
3. Shri Bhupendra G. Lakhawala - from the State Governments

2. The first working session was devoted to general discussions. Initiating the discussion, Shri K. Lakshma Reddy from Bhartiya Mazdoor Sangh expressed his concern on the very slow pace of growth in the post reform period. He alleged that the Government of India acted in haste for getting entry into WTO and opened its door for foreign investment and MNCs without much preparation. He cited the example of China which had gained entry into WTO after necessary groundwork and thus has been able to take advantage of the opportunities of globalisation, whereas Indian industries had succumbed to the pressures of international competition. While agreeing that India could not withdraw from WTO at this stage, some negotiations with member countries were still possible within the framework of WTO. Referring to the dialogue with social partners, he regretted that major employing Ministries were not consulting social partners on important policy issues. Even the Ministry of Labour was not being consulted by other Ministries on labour issues. He expressed his dissatisfaction on the functioning of the Labour Advisory Boards in the State. He observed that the Joint Consultative Machinery for the Government servants had now become outdated and required a review.

3. Shri Vikram Kapur, Vice President of All India Organisation of Employers (AIOE), endorsed Government's reform policy. Over 6% rate of growth during the post reform period as against 5.4% during the 1980s broadly justified Government's approach to economic reforms. He was hopeful that the country would achieve the 8% target of growth during the Tenth Five Year Plan once the second-generation reforms were set in motion and infrastructure development received a boost. He, however, requested that the economic reforms, be freed from diverse political overtones. Referring to serious employment problems in the country, he suggested that investment and investible climate in terms of policy parameters allowing

optimum utilisation of resources should be created. Labour policy reforms are also necessary for generating employment at a faster rate. Commenting on the social security programmes, Shri Kapur suggested that investment of EPF money could deviate from the traditional pattern for improved return without compromising the safety of the funds. For the unorganised sector he suggested adoption of social security programmes with small and decentralised administrative structures so that the need of this sector could be met in a speedier way. Shri Kapur expressed his dismay on lack of effectiveness of tripartite consultations and said that the decisions taken in the tripartite meeting should be implemented and followed up in its true spirit.

4. The Labour Minister of Uttar Pradesh informed the ILC about the steps taken so far in his state to safeguard the interest of the labour in the face of global competition. He informed that the UP Government has implemented the Minimum Wages Act in agriculture and allied industries, bidi industries, tea plantations etc. In consonance with the Prime Minister's announcement relating to the minimum daily wages, the UP Government has fixed Rs.40 as the minimum daily wage for every scheduled work. However, this had created a problem for the state as the other neighbouring states were paying relatively lower wages. Therefore, he requested the ILC to look into this aspect so that the workers in all the states could get real benefit of the revised minimum wages without any discrimination. He further informed that the State Government has relaxed some of the provisions in laws such as enhancement in the period of licensing/renewal from one year to five years, allowing women workers to work during night in IT sectors, enhancing the working hours etc. to increase the competitiveness of this sector. To encourage export, Government has declared Export Processing Zone (EPZ) units functioning in Greater Noida as Public Utility Services. In addition to this, the industries which were exporting more than 50% of their products have been declared as Public Utility Services. He also advocated the increase in the wage ceiling from Rs.3500 to Rs.6500/- for payment of bonus.

5. Shri G. Sanjeeva Reddy, President INTUC, regretted that strikes of the trade unions against the privatisation of the BALCO failed due to lack of unity among the trade unions. He opposed disinvestment in profit making public sector undertakings. He stated that trade unions are ready to take over the sick industries and run them by the workers through cooperatives. He gave the example of Modern Food Industries which was referred to BIFR within one year of its privatisation. Shri Reddy explained that our industries are ruined not because of the labour

laws but because of the inefficiency of the management. He assured the full cooperation of INTUC to the employers who could run industries efficiently and build India on the lines of China. He advocated dialogue with the employers on the issue of amendment to labour laws and observed that trade unions were ready to strike a balance in bringing about necessary changes and improvements in labour laws contributing to the rigidity and inflexibility of the labour market and hindering the growth of industry. He observed that the workers were suspicious of the Government's moves because of lack of a meaningful dialogue. Trade unions are not being taken into confidence on important matters. He warned the Government that if the amendments were brought about before the report of the Second National Commission on Labour, the workers would agitate and fight the Government. Referring to social security he suggested that Government and employers should jointly develop a fund from which workers could receive unemployment relief wages till they got employment. Regarding the bonus issue he said that due to outdated provisions of the Bonus Act, 95 per cent of the workers are out of the purview of the benefit of bonus. Even when industry runs in profit, workers are deprived of the bonus due to unrealistic wage limits set for grant of bonus for the workers. He, therefore, demanded that the Bonus Act be amended and the ceiling fixed so long ago should be removed. He assured the ILC that the INTUC was ready to play the responsible role of a social partner provided they were given opportunities for the same.

6. Shri A.S.Kasliwal, delegate and past President of FICCI congratulated the Labour Ministry for excellent background paper which gave a good insight into the economic and industrial situation in the country during the post reform period. A growth rate of more than 6 per cent, increased FDI from US\$ 100 million during eighties to more than US\$ 5 thousand million in 1999-2000 and declining poverty levels from 36 to 26 percent were welcome features of the post reform period. The situation was well poised for carrying out the second-generation reforms. At the same time, he also conceded the alarming situation of industrial sickness which, according to him, was mainly due to a labour policy which had failed to appreciate the aspect of redundancy and a certain life cycle of an industry. He further stated that the labour policy had been made a tool to get better facilities for the privileged few undermining its real objective. BIFR which was supposed to remedy industrial sickness had proved ineffective. He suggested that the problem of industrial sickness be checked by allowing restructuring measures as and when required without any outside interference. Shri Kasliwal drew the attention of ILC to the problems of the small-scale sector which also required attention. The competitive pressure of the globalised economy had affected this sector more severely in the

absence of cost effectiveness, quality improvement and technological needs. On social dialogue he felt that the tripartite machinery had not been effective in dealing with the issues faced by the industries and requested that the decisions taken by the tripartite committees should be implemented seriously and in a time bound manner. Regarding social security he stated that the provisions of the Employees State Insurance (ESI) and Employees Provident Fund (EPF) schemes catering to the organised sector employees, should be changed in accordance with the changed economic scenario and growing aspiration of the members. It would not be affordable in the prevailing circumstances to run those schemes on the traditional pattern. He also emphasised the need to streamline the services of ESIC & EPFO to make their administration more responsive in service delivery.

7. Shri Balamji Dass Tandon, Labour & Employment Minister, Punjab, gave a detailed account of the initiatives taken by the State Government to increase the competitiveness of the industries. He informed the ILC that the Punjab Government had added IT establishments in the first schedule of the Industrial Disputes Act, 1947 for the purpose of declaring them as a public utility services. He also informed the ILC that Punjab Government had simplified the system of inspections in establishments to avoid unnecessary harassment of entrepreneurs. Henceforth only one inspection of an establishment would be conducted in a year and only one inspection book would be maintained for all 27 labour laws. Even EPF and ESI authorities would have to record their inspections in the same inspection book. He further informed the ILC that to expedite the settlement of cases pending in labour courts and industrial tribunals, the State Government had devised the mechanism of Lok Adalats with the help of the State Legal Services authority. The result of this experiment was very encouraging and appreciated by all concerned. The Minister also apprised the ILC of the steps taken by his State Government to generate employment. He informed that the main thrust of Government policy continued to be on modernisation and reorientation of technical education and industrial training by introducing emerging technologies. However, Government was also envisaging various self-employment schemes to enable the youths to secure gainful employment by setting up their own ventures with financial assistance from the Government. The Minister also referred to the special health campaign undertaken by the State Government for the industrial workers. He suggested that the Government of India could consider promoting social organizations to look after the social security set up of the workers in the unorganised sector.

8. Dr. M.K. Pandhe representative of CITU refuted the Govt's claim that reforms were pro labour. He said that the WTO terms were not favourable for developing countries and that the result of the economic policies launched a decade back were not encouraging at all for any one. They had gone against the interest of workers and industry alike. Therefore, Government should review these policies before introducing further reforms. He informed the ILC that the trade unions were united on the issue of reform policy. Dr. Pandhe was critical of the way the Government was selling PSUs to private parties without verifying their credentials. He gave the examples of BALCO which was being bought by a company blacklisted by SEBI for the stock market scam. He doubted the source of income of private sector(s) buying public sector units which he alleged were purchased from loans from Public Sector Banks. He demanded a thorough investigation in this regard. Referring to the agenda item on "Social Dialogue", Dr. Pandhe observed that Central Ministries were not paying much attention to tripartite meetings despite requests from the highest level. Even apex level tripartite meetings such as ILC were being attended by very low-level functionaries of the Central Ministries. He regretted that Government had not convened a single tripartite meeting on minimum wages. No steps had been taken for proper implementation of the provision of this important legislation. Dr. Pandhe took strong objection to the statement made by the Commerce Minister and the Finance Minister about the amendments to labour laws and said that labour reforms were the mandate of the Ministry of Labour alone. There should not be any intrusion by other Ministries in the sphere of the Ministry of Labour. Criticising the Finance Minister's decision on the interest rate of Provident Fund he argued that the Ministry of Finance had no moral right to decide the rate of interest on the worker's money. He, therefore, demanded that the existing law should be amended to ensure that the Board of Trustees was fully empowered to decide the issues relating to provident fund. On the question of privatisation of defence industries, Dr. Pandhe said that all trade unions were totally against privatisation in the defence sector and they would start a nationwide stir if Government did not change its decision. He requested the Government to call a tripartite meeting immediately to discuss the issue.

9. Shri M.K. Garg, representative of ASSOCHAM, complimented the Ministry of Labour for the exhaustive agenda notes prepared. He observed that the challenges before the industries had necessitated reorientation of Indian industries and trade to enable them to compete internationally. He welcomed the announcement of Finance Minister regarding labour reforms. He drew the attention of the ILC to the huge amounts of money blocked in sick industries. However, they were not being allowed to close and so he demanded that there

should not be any restriction on the engagement or removal of workers as per the need of the industry. All barriers in this regard should be dismantled in the wider national interest. Referring to a social safety net he stated that in the absence of credible systems of compensation and social security nets, financial and economic crises could lead to social and political crises. He , therefore, suggested that a social security net be provided through tripartite funding to reduce the economic impact on workers in the event of job losses.

10. Shri Umraomal Purohit, General Secretary, HMS observed that the history of the WTO dated back to the GATT agreement whereby each country had one vote of equal value and the total number of votes of developing countries exceeded those of the developed countries. In spite of this, if the developed countries were able to move clauses of WTO in their favour, the responsibility for this lay squarely on developing countries. Shri Purohit, however, admitted that it would be very difficult to come out of the WTO at this stage but the Government should go slow in opening its door for imports and removal of the restrictions in a phased manner to minimise its adverse impact on the economy. He further observed that reforms had no relation with WTO but were dictated by the World Bank which was set to promote privatisation. Shri Purohit clarified that trade unions were not demanding that things should be under national control, but that privatisation should also not be considered as the panacea for every disease. He gave the example of Modern Food Industries which was once a PSU with large assets of land in Mumbai, Delhi and other cities worth Rs.1000 crore but was sold for only Rs.102 crore. The company had now become sick and its land was likely to be sold in the near future. Modern Food was a classic example of the manner in which disinvestments was being carried out in a secretive manner. Shri Purohit contradicted the PM's statement that the employment situation in the country had improved and stated that unemployment had afflicted almost every household in the country. Production and growth rate of economy had also fallen, he observed. He doubted the accuracy of the National Sample Survey data regarding the decline in the levels of poverty in the wake of reforms. Emphasising the importance of social dialogue, Shri Purohit observed that lack of transparency had given rise to suspicion. The Government was repeating that the interest of workers would be protected but neither Government nor management was divulging as to how their interests would be protected. He regretted that other Ministries were taking decisions on labour issues and Ministry of Labour had accepted this subjugation.

11. Shri Satish Chaturvedi, Labour Minister, Maharashtra, drew the attention of the ILC to the problems being faced by workers in Maharashtra. He informed that the Textile Mills were not functioning. Though none of them had taken permission for closure, workers were not getting salaries for years. Employers were not taking any interest to settle the matter. Government was helpless in such cases as action could be taken only in those cases where salaries were less than Rs.1600/-p.m. Government also found itself in a bind so far as child labour is concerned because the maximum penalty for hiring children in hazardous occupation was only a fine. He, therefore, requested Ministry of Labour not to bring about labour reforms in a hurry and under pressure as it could result in further exploitation of workers. He informed the ILC that the Maharashtra Government was considering to bring household workers under the purview of the labour laws.

12. Shri I.P.Anand representative of Council of Indian Employers (CIE) attributed the sickness in Textile Industry to the rigid attitude of labour and the inflexible labour laws along with other related problems. He observed that 50 years ago, more than 10,000 workers were working in each unit of the factories, but now in the face of uneven competition, employer could not afford such a big workforce. He was, therefore, of the view that the present Exit Policy benefited neither employers nor workers. Referring to the demand of workers to postpone the amendments of labour laws till the report of the Second National Commission on Labour was received, he stated that once the Finance Minister had given a statement in his budget speech which had the prior approval of the Cabinet, labour reforms should be speeded up as early as possible because delaying the amendments would put the credibility and reputation of the Nation at stake.

13. Shri K.L. Mahendra, AITUC termed the Govt's claim that globalisation had accelerated growth as bogus. He observed that the post reform period had experienced only 0.06% rate of economic growth at the cost of more than 3 lakh industries which went sick and lakhs of workers who were rendered unemployed. He also termed Government's claim on FDI as illusory. Even Malaysia and Thailand were getting more FDI than India. He alleged that the Government had undertaken privatisation under pressure from the World Bank. BALCO which had property worth Rs.5000 crore was sold only for Rs.500 crore. He accused the Government of selling national property to private parties at a throw away price. Shri Mahendra expressed unhappiness over the alleged statement of the Disinvestment Minister that trade unions were trading in unions. Such statements were not conducive to create a suitable environment for

social dialogue, he stated. Shri Mahendra was sceptical about the promise made by the Government to protect the interest of workers especially when Government itself was permitting contract and casual workers. He observed that the Indian workers were not responsible for sickness of the industries. Industries had become sick due to poor management which was not willing to invest in R&D.

14. Shri Ashutosh Banerjee from UTUC(LS) predicted that WTO would tumble under its own contradictions as the rift between developed and developing countries was widening continuously and the World had been divided into many small markets. Criticising the Govt's policy of downsizing, Shri Banerjee stated that downsizing was not the remedy for increasing competitiveness and profitability. Instead it would result in loss of purchasing power of the people and consequently recession and greater unemployment.

15. After the plenary session, the ILC split into three separate groups to discuss the three agenda items – one each by a group.

Chapter V

Impact of Globalisation on Indian Industry, Labour and Employment

The technical session on Agenda item “Impact of Globalisation on Indian Industry, Labour and Employment” met under the chairmanship of Dr.S.N.Jatiya, Union Labour Minister. Shri Hasubhai Dave, President BMS was the Co-Chairman of the session.

2. Initiating the discussion on the impact of globalisation, the BMS representative severely criticized the policy of privatisation, which according to him was undertaken at the behest of the International financial agencies. He accused the Government of signing WTO and GATT agreements without taking the Nation into confidence. He was also critical of the indiscriminate import of capital and technology and cautioned the Nation that it would affect not only our economic sovereignty but would also destroy our cultural fabric as well. The BMS representative was very much concerned about the systematic retrenchment of the workforce with the explicit or implicit support of Central and State Governments which was against the spirit of the recommendations of the Ramanujam Committee. He expressed the apprehension that the proposed amendments to exit policy would compound the problem of unemployment further. Therefore, Government should promote labour intensive industries and encourage smaller projects instead of mega projects which could give higher return on investment and provide larger employment.

3. The representative of INTUC drew the attention of ILC to the adverse effects of globalisation on employment. It had made a large number of industries sick and lakhs of workers had been rendered jobless. He further observed that social security could not replace employment. Job security is more important than income security and social security. Speaking against restructuring, he stated that retrenchment of the workforce could not be the answer to increase the efficiency of industries. This could be achieved only by producing quality products by the employers for which they would have to make substantial investment in research and training.

4. Shri Ratnakar Gaikwad, representative of Khadi and Village Industry Commission (KVIC) demanded that the Khadi industry should be exempted from the purview of the I.D.Act, (1947) because of the peculiar nature of this industry. He quoted the report of different committees

which had recommended the exemption of khadi industries from the purview of I.D.Act. However a notification to this effect had not yet been issued. He also requested for social protection for the artisans in the khadi sector and suggested the introduction of an insurance scheme for artisans in the khadi sector as had been provided by LIC to the workers in the handloom sector.

5. The representative of CITU stated that they would not have objected to restructuring had it promoted employment and development. However, this was not the case. It had instead increased unemployment and poverty. He felt that the country could not prosper with the help of foreign funds as such funding is always preceded by conditionalities. Therefore, Govts should encourage more domestic investments. The CITU representative strongly opposed liquidation of PSUs and demanded that PSUs which are in Core Sectors should not be privatised under any circumstances.

6. Shri K.L.Mahendra from AITUC vehemently opposed labour reforms which according to him would lead to further exploitation of workers. According to him the policy of privatisation had no link with globalisation and WTO. Privatisation was the agenda of the World Bank/IMF which they were pursuing vigorously at the behest of certain MNCs and developed countries. He urged the Government not to privatise the “Jewels of Indian Economy” under pressure of the World Bank and IMF. He cautioned the Government that national assets once sold to private parties could never be taken back again.

7. Shri Sudhershnan Sareen from Laghu Udyog Bharati (LUB) was of the opinion that globalisation had caused unprecedented harm to the small-scale sectors. The competitive pressure of a globalise economy had affected this sector most severely in the absence of cost effectiveness, quality improvement and technological needs. Pointing out to the difficulties being faced by the small scale sector on account of the large numbers of inspections of small scale units by the labour inspectors, he demanded that the small scale sector should have separate labour laws.

8. Mr. M.A. Hakeem, Secretary General SCOPE, was critical of the Government’s disinvestment policy. He stated that disinvestment was not the answer for under-performance of PSUs. Industries can be turned around with the right kind of measures. He, however, regretted that little initiative had been taken by the Government for restructuring of the PSUs.

He disagreed with the statement that PSUs were making losses. Instead, he informed the ILC that more than 50% PSUs were earning handsome profits. He challenged the argument that the PSUs were being sold as the Government was unable to continue budgetary support to them. He drew the attention of the ILC to the fact that most of the sold PSUs were profit earning and they were not dependent on Government for budgetary support. So far Government had not sold any PSUs which were dependent on the Government resources. He suggested that if these companies were allowed to go to market to raise money they would not be dependent on Government resources. Mr. Hakeem was also critical of the manner in which the huge assets of PSUs were being sold to private parties at throw away prices and requested the Government not to sell them till they got the right price.

9. The representative of HMS observed that Government was pushing globalisation without establishing adequate support to the consumers. He also observed that in the name of globalisation, big multi-nationals were taking over renowned Indian companies. He gave the example of the take over of TOMCO by Hindustan Lever and informed that 6,300 workers out of a total 7,000 workers of TOMCO were retrenched by Hindustan Lever Ltd. He protested against this type of take over or merger in which the interests of the workforce were being completely ignored.

10. The representative from SCOPE opposed the policy of privatisation and disinvestment in PSUs just to raise temporary revenue and bridge the budgetary deficits. He reiterated that SCOPE was totally against the privatisation of profits and nationalisation of losses. He elaborated that the PSUs were going into losses because of wrongly placed preferences. He gave the example of IDPL where despite a huge profit margin in formulations, Government had concentrated its production on basic drugs where the profit margin was very thin. To improve the performance of the PSUs, he suggested that they should embrace new technologies. He urged the trade unions to adopt a positive attitude for training, retraining and skill up gradation of the workforce. He however admitted that there was a limit to skill upgradation of middle-aged persons. Therefore, opportunities of alternate occupations may be explored for such persons. Drawing attention of the ILC on misuse of our heritages and products by other countries, he emphasised the need of an effective law to protect our patents. Referring to the failure of VRS he said that it had succeeded in depriving the PSUs of their best talents. He was also in favour of proper dissemination of information to prevent misapprehensions among the working class about restructuring.

11. Shri Ashutosh Banerjee, UTUC, observed that globalisation was nothing but an illusion. With so much division between the developing and developed countries and within the countries, integration of wages, cost, prices etc. were not possible. He drew the attention of the ILC on the emerging Regional Common markets all over the world. Those markets were protective in nature with high tariff walls. He disagreed that labour laws hindered the growth of industries and questioned the economic recession in USA which have gripped the US industries despite very flexible labour laws there. He, therefore, concluded that the real intention behind so-called labour reforms was only to provide cheap labour to employers and to allow the industries to downsize the work force. Discussing the impact of globalisation on investment he observed that corporate funds and banking fund were being utilized in the secondary markets for rigging the share prices. He quoted last year's RBI Report on investment which states that Rs.21, 000 crore of Bank credit taken by corporate houses was not invested in fruitful production. He, therefore, concluded that globalisation instead of facilitating investments, promoted speculative trade in a speculative market. He observed that because of this, investment in production was not increasing despite so many tax concessions.

12. The representatives of SEWA invited the attention of the ILC to the worker's plight in the unorganised sector. They also drew the attention of the ILC to the problems being faced by bidi industry due to different minimum wages prevailing in different States and requested the ILC to consider introducing National Minimum Wages for this industry. The SEWA representative also suggested introducing alternate skill development training for retrenched workers keeping in mind the requirement of the local market.

13. Shri Deshbeer Singh of confederation of Indian Industry (CII) stated that efficiency cannot be increased without restructuring of the industries and downsizing of the staff. He emphasized that the Govt's core competence is limited to govern and not to run business. Therefore, Government should come out from business activities.

14. For drafting the conclusions arrived at in the committee the following members were nominated:

- | | | | |
|----|--------------------------|---|---------------------------|
| 1) | Shri C.M.Krishna | - | Employers' representative |
| 2) | Shri K.L.Mahendra | - | Workers' representative |
| 3) | Shri R.C.Mishra | - | Government representative |
| | Labour Secretary, Orissa | | |

Conclusions/Recommendations of the Group on Agenda Item No.1 of Indian Labour Conference on Impact of Globalisation on Indian Industry, Labour and Employment

1. Perceptions about the effect of globalisation have been mixed, and we have received strong reactions, both for and against. There was, however, a consensus that the adverse effects of globalisation have to be handled with seriousness, by social partners and Government.
2. There was consensus of opinion that India cannot afford to be isolated in the world economy and, therefore, should continue to be a member of WTO. However, steps have to be taken to negotiate from within WTO by building understanding where appropriate, with other developing and under developed countries, which could help in correcting decisions which are inequitable.
3. There is distinct deceleration in the growth rates of employment in the organised sector. Casual employment is growing. Therefore, adverse impact of liberalisation on quality employment will have to be tackled effectively.
4. A recent trend observed globally is the widening of income disparities, particularly between highly skilled and those with low level of skills. There is, therefore, need to give more attention to continuing upgradation of skills of the workforce, by educational/training institutions, social partners and Government.
5. It is not merely workers but also employers/managements who have to gear up for global competitiveness by improving productivity, work culture and innovativeness. Management should be more scientific, and yet appreciate that labour is not a commodity. Employer-employee partnership should be built up on mutual trust, confidence and co-operation.
6. Specific areas have to be identified where discussions between representatives of employers and workers could take place to improve competitiveness of Indian Industry. The Government could be asked to join in the discussions where necessary.
7. There should be a strong movement to reduce redundancy by (i) on the job skill up gradation, and (ii) multi-skill training followed by redeployment.
8. The need for transparency, clarity and rationality in disinvestment of PSUs was emphasized. Similarly, the need for counselling and retraining in case of unavoidable eventuality of separation was underlined. Trade union representatives, however, were opposed to disinvestment of PSUs.

9. For the small-scale sector, there should be rationalisation, and reduction in the number of inspections. There should be effective implementation of relevant laws.
10. Strengthening social security cover, credit and innovative methods of skill upgradation are the major recommendations for the informal sector.

N.B.

1. Dissent Note of BMS is attached.
2. Shri M.K.Pandhe, Representing C.I.T.U. disagreed with the conclusions as indicated above.

BHARATIYA MAZDOOR SANGH

DISSENT NOTE

1. Second WTO should be formed.
2. All the developing countries should be brought together in one law and they should convey to developed countries that within WTO, they should be treated at par with developed countries, since the latter i.e. developed countries are not in a mood to accept the demand for equal treatment, this block of developing countries should come out of the present WTO and form their own Second WTO.

sd/
(HASUBHAI DAVE)
General Secretary
B.M.S.
19.5.01

Chapter VI

Social Security for Workers

1.1 The Group on Social Security for Workers under the Co-Chairmanship of Shri I.P. Anand and Shri Ramchandra Khuntia, MP met in the afternoon of 18th and in the forenoon of 19th May, 2001 in Hall No.4 of Vigyan Bhavan. Representatives on behalf of workers, employers, Central and state governments also participated in the deliberations.

1.2 Opening the discussion, Co-Chairman Shri I.P.Anand stressed the need for de-centralisation in administration of Social Security Schemes within the broad framework of tripartism to further extend their reach and generate confidence of workers. Shri Khuntia emphasised the need for further expansion of schemes under ESIC and EPFO without compromising the quality of delivery of service.

2. SEWA

2.1 The representative of SEWA mentioned that administration of Central Welfare Funds should be de-centralised. Rates of industry specific cess may be increased for providing better services to the workers for their health and welfare. District level tripartite committees could be constituted to over-see their administration.

3. Employers' Group

3.1 On behalf of employers, the flaws in the administration of ESI Schemes were highlighted. It was mentioned that the health delivery system in ESIC needed improvement. Insured persons could be sent to private hospitals for treatment in cases where facilities are not available in ESIC hospitals. In EPFO as well as in ESIC, the rules and procedures should be simplified. In ESIC, the coverage had almost stagnated. The Satyam Committee report needed to be implemented whole-heartedly and the schemes expanded to new areas in consultation with the State Governments. The investment guidelines of provident fund should be liberalised without compromising the safety and viability of the fund.

3.2 The number of withdrawals from the provident fund could be reduced and the implementation should be business like. The exempted funds should be encouraged. A nationally unique identity number in respect of members covered by the social security schemes could be allotted for improving the service. There should be a moratorium on the expansion of the scheme in the organised sector. On the other hand alternative approaches could be explored as to how to render better service by adopting a single window approach by de-centralising the administration of the scheme.

4. Workers' Group

4.1 On behalf of the workers, the issue of provident fund lying unclaimed was raised. It was also articulated that the provident fund amount should not be invested in the stock market, the annual account slips should be given regularly to the subscribers, proper record should be maintained through induction of computers and better compliance should be the goal in respect of provident fund liabilities. Passbooks should be introduced for the subscribers.

4.2 Social safety net to be further broadened by introduction of unemployment insurance so that workers could effectively participate in the changing economic situation. If necessary, an umbrella type of legislation could be suggested to cover the unorganised sector on the basis of the recommendations of the Second National Commission on Labour.

4.3 While welcoming the announcement of the Hon'ble Prime Minister for a Social Security Scheme for agricultural workers, it was urged that the Scheme should be started at the earliest within a certain time frame. It was also emphasised that health care should be given more attention and a Deptt. of Social Security under the Labour Ministry may be created to focus attention on social security of organised as well as unorganised workers. The need for a comprehensive social security net was also felt.

4.4 For ESIC, subsidiary corporations may be created and the issues with the State Governments may be resolved. ESIC should be exclusively managed by the Corporation. The rate of interest on EPF should be decided by the Central Board of Trustees and not by the Finance Ministry. In this regard full autonomy should be given to the CBT to decide the rate of interest and the pattern of investment.

4.5 Social Security should be extended to everybody. Restrictions and the wage ceiling and schedule of industries in the EPF and MP Act of 1952 may be done away with. Similarly, restrictions on the number of employees for coverage should be gradually dispensed within both ESIC and EPFO. More attention needed to be given to capacity building of EPFO and ESIC.

5. Government

5.1 The Principal Secretary (Labour), State Government of Karnataka mentioned about the "Social Security Authority" which is proposed to be established through a legislative arrangement to be headed by the Chief Minister of Karnataka. Around 60 industries would be covered. The view emerged that it is a good model which could be emulated by other States. Similarly, the schemes for the unorganised sector proposed by Government of Gujarat, Goa and West Bengal also came up for discussion. It was felt that these schemes should be examined and other State Governments may be requested to explore the possibility of introducing similar schemes in their respective states.

5.2 Shri R.C. Khuntia, Member of Parliament & Vice-President, INTUC, mentioned that the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Building and Other Construction Workers' (Regulation of Employment & Conditions of Service) Act, 1996 which have been enacted should be followed up by framing of rules by the State Governments.

6. DGESIC

6.1 The DG, ESIC clarified that with a view to improving the health delivery system, a revolving fund had been created through which State Governments were being assisted to improve the health delivery system by way of upgrading the infrastructure facilities in the designated hospitals. It was also mentioned that some of the recommendations of the Satyam Committee had already been implemented. The ceiling for each insured person had been raised and the Corporation, in consultation with the State Governments, were exploring different options with a view to improving and utilising the surplus capacity of the hospitals.

7. Central Provident Fund Commissioner (CPFC)

7.1 The CPFC clarified that the amount of unclaimed provident fund lying with the EPFO was very meagre as compared to the corpus. The EPFO has initiated steps towards induction of comprehensive information technology reforms. There was also a proposal to allot a nationally

unique identity number which would help subscribers to get quick service and the approach had been to ensure better compliance with the rules and regulations. As the organization was catering to over 25 million subscribers, induction of information technology reforms would help capacity building of the organization so that in future the interest of the workers could be taken care of by prompt service which would lead to greater satisfaction and confidence.

Conclusions/Recommendations of Indian Labour Conference on `Social Security of Workers`

- (1) The group was of the unanimous view that a key issue facing the country today was the lack of an adequate safety net for workers who lose employment. It was felt that an insurance scheme to provide minimum financial assistance to such class of workers till they find alternative employment could be introduced in consultation with all the stakeholders.
- (2) Concern was expressed at the inadequate social security cover for the unorganised sector and a view emerged that there is a need for a comprehensive legislation to extend the safety net to the unorganised sector. In this connection, recommendations of the Second Labour Commission on Labour may be awaited. However, in the meantime effort should be made to explore extension of coverage to identifiable groups amongst unorganised workers under the existing schemes.
- (3) The group took note of schemes for the unorganised sector being proposed or being run by the State Governments of Karnataka, Gujarat, Goa and West Bengal. It was felt that these schemes should be examined and other State Governments may be requested to explore the possibility of introducing similar schemes in their respective States. It was felt that the Centre should also financially assist State Governments in such schemes. The Building and Construction Workers' Welfare Cess Act and the Building and other Construction Workers' (Regulatory of Employment & Condition of Service) Act, 1996 which had been enacted should be followed up by framing of rules by the State Governments.
- (4) The Committee welcomed the announcement of the Hon'ble Prime Minister regarding the allocation of Rs.150 crore for a social security scheme for agricultural workers. Timely follow up action should be taken to put in place the scheme at the earliest. It was felt that the scheme should cover the whole country and should be implemented within a reasonable time frame.

- (5) Administration of the welfare funds by the Centre needs to be further streamlined in order to improve the quality as well as timely delivery of benefits by decentralizing to the extent possible.
- (6) There was unanimity that the service delivery mechanism in the existing schemes managed by the Employees' State Insurance Corporation and the Employees' Provident Fund Organisation should be significantly improved by induction of comprehensive information technology reforms. Rules, procedures and processes should be rationalized and simplified for better compliance, transparency in administration, better service and a workers focused approach.
- (7) Concern was expressed over evasion and inadequate compliance as well as default in remittance of contributions under both EPF and ESI Schemes. The present system of inspections suffered from many weaknesses. There was a need for a paradigm shift in the approach to compliance by moving away from the ineffective inspection system to information driven system that creates a compelling compliance environment.
- (8) There was unanimity in the view that members covered by the Social Security Schemes must be allotted a nationally unique identity number.
- (9) The health care provided by ESIC suffered from several weaknesses which emanate from duality of administration between Central Government and State Governments. The group recommended improving the health care system after exploring different options including utilization of services of other hospitals, better coordination of health services and reduction of administrative costs.
- (10) For expanding coverage in the organized sector, the schedule of industries restriction and wage ceiling limit under the Provident Fund Schemes should be removed. The minimum prescribed number of workers for coverage should be progressively reduced. Similarly in the case of ESI Schemes, the prescribed number of workers for coverage be reduced and ESI Scheme extended to new areas in consultation with State Governments and other stakeholders. Such expansion should go hand in hand with adequate capacity building.
- (11) The group was of the view that the rate of interest credited to Provident Fund Accounts should be decided by the Central Board of Trustees.
- (12) The group felt that services delivered under the social security schemes should be consolidated to make it convenient for beneficiaries to access such services. Models operating in developed countries should be explored to provide for one-stop services. Similar arrangement was functioning in Australia through the Centreline which has

branches across the country. It delivers all services including information about employment opportunities to beneficiaries and recovers its cost from the respective agencies/departments who own the schemes.

Chapter VII

Consultation by the Central Government with Social Partners on labour policies

The Technical Session on the Agenda Item “Consultation by the Central Government with Social Partners on labour policies” was held under the Chairmanship of Shri Balramji Das Tandon, Hon’ble Minister of Labour and Local Self Government, Punjab and Shri B. G. Lakhawala, Hon’ble Labour Minister of Gujarat who was the co-chairman.

2. Initiating the discussions, the Hon’ble Labour Minister of Punjab indicated that the topic of discussion was very relevant in the present socio-economic context, particularly when changes were taking place in the wake of liberalisation, privatisation and globalisation. He further stated that the implications of these changes should be carefully examined by all social partners. This, he stated, would only be possible if there were close consultations amongst them.

3. From the workers’ side, the representative of the Hind Mazdoor Sabha Shri R.A.Mittal, called for a well-defined agenda where the areas of consultation could be clearly specified. He indicated that issues such as disinvestment and privatisation, amendment of Labour laws, ILO Conventions, etc. had to be brought within the ambit of consultation.

4. The representative of the Council of Indian Employers, Shri Vineet Virmani indicated that there was a need for the Government to create the necessary atmosphere for tripartite dialogue and areas of consultations need to be clearly defined.

5. Labour Secretary, Government of Punjab, Shri B.C.Gupta also emphasised the need to clearly demarcate the areas of consultation and such areas should include disinvestment, privatisation, dispute settlement, health and safety and social security of workers and felt that bipartism between social partners should also be encouraged and the Government should play the role of a facilitator.

6. The representative of the CITU, Dr. M.K.Pandhe expressed his concern about the decline of tripartism and felt that in the past, tripartism was much more effective and there was a greater degree of transparency in the discussions. He stated that there was need to restore

tripartism in its true spirit. He particularly emphasised that the ILO Conventions Committee was not meeting regularly and desired that it should meet at least three times in a year. He emphasised that in respect of the ILO Conventions, the Ministry should finalise its country report in a tripartite framework and felt that draft replies should be prepared by the Government and sent to the Trade Union Organisations as they do not have the necessary infrastructure for responding to each question contained in the questionnaire. The Trade Unions, on receipt of the draft replies, would be in a better position to furnish their replies to the questionnaire and thereafter they could be sent to the ILO.

7. The representative of the A.I.M.O., Shri G. Ramanand indicated that there was a need to prepare a check-list of all tripartite committees and felt that the contribution of such committees should be properly documented.

8. The representative of the NFITU, Shri Naren Sen felt that trade unions should be given an option to become members of any industrial committee that they desire and the membership should not be pre-determined or fixed in these Industrial Committees.

9. The representative of the Government of West Bengal, Shri N.K.Jhala, Labour Secretary felt that tripartism was being weakened not due to the lack of interest shown by the State Government. In the State of West Bengal, there were industry-wise wage agreements being concluded for engineering, jute, tea and textiles. He indicated that a Special Tripartite Committee on Tea Industry had been constituted which specifically went into health-care and electrification of houses of plantation workers and this Tripartite Committee met regularly under the Chairmanship of either the Labour Secretary or the Divisional Commissioner.

10. The representative of the ASSOCHAM, Shri M.K.Garg felt that the frequency of the meetings of Tripartite Committees should be increased and these committees should be made broader based. He called for a more transparent approach in the process of consultations and felt that such consultations may not always result in a consensus among the social partners. Nonetheless, he felt that the need of the hour was to bring about a change in the mind-set of the social partners and effective legislative changes in labour laws should be brought about keeping in view the present day socio-economic realities. He emphasised that the announcement made by the Finance Minister in his Budget Speech to increase the retrenchment compensation from 15 days to 45 days wages for every completed year of service

would severely affect the small-scale sector as the employers in this sector would not be able to bear the financial burden of paying the increased retrenchment compensation.

11. The representative of the B.M.S., Shri K. Lakshma Reddy stressed that there was a strong need to strengthen the role of tripartism in decision making. He indicated that at present many State Governments have gone ahead with privatisation without any proper consultations. Similarly, decisions have been taken to disinvest in many Central Public Sector Undertakings without proper consultation with the social partners. He also felt that there was a need to strengthen the other tripartite forums such as the Joint Consultative Machinery (JCM), National Joint Consultative Machinery for Steel(NJCS) and the Joint Bipartite Consultation Machinery for Coal Industry(JBCCI). He emphasised the need for setting up of Sub-Regional Committees for the Employees Provident Fund Organisation at the local level and indicated that at present there were only Regional Committees which do not take into consideration the problems at the Sub-Regional level and there was every need to set up the Sub-Regional Committees. He also felt that the State Labour Advisory Boards were not meeting regularly in all the States.

12. The representative of the State Government of Andhra Pradesh, Shri B.Danam, Principal Secretary, Labour emphasised the need to bring about a congenial atmosphere through tripartism where discussions could be held between the social partners in a cordial manner. He particularly emphasised that the present economic changes created by liberalisation, privatisation and globalisation had heightened the need for close consultations among the social partners and very often the State Labour Departments were not taken into confidence by the other State Government Departments while taking decisions on major economic policies. He emphasised that there was need to have a tripartite body such as the Indian Labour Conference at the State level as this would strengthen the role of tripartism in the States. He also felt that the Labour Advisory Boards and the Disinvestment Committees at the State level need to be revived and strengthened so that crucial decisions on disinvestment, etc. could be taken in close consultation with the social partners.

13. Summing up the discussions, the Chairman of the Group, the Hon'ble Labour Minister of Punjab, stated that the Government would take note of the recommendations which the Group would make to strengthen tripartism and increase the level of consultations among the social partners both at the Central and State levels.

Conclusions/Recommendations on Consultation by Central Government with Social Partners on Labour Policies

The ethos and culture of Tripartism demands that the Central/State Governments should have effective and meaningful discussion with the Social Partners on all Labour issues in the developing economy. Keeping this principle in view, the following recommendations were made: -

1. The caption of the item should include the words 'State Governments' in addition to the Central Government.
2. The areas of consultation among the Social Partners should be clearly defined. All major issues affecting any of the Social Partners should be discussed in consultation with them.
3. The Group felt that a large number of Tripartite Committee were in existence and in many cases regular meetings were not being held. There was a need to carry out review of the utility, structure and terms of reference of these Committees. A conscious attempt should be made to ensure an effective and meaningful discussion in these Committees. While drawing up membership of these Committees, appropriate and relevant persons should be included.
4. The Tripartite Committees could be chaired by eminent personalities from amongst the Social Partners; however, these could be convened by Government functionaries.
5. For successful functioning of Tripartism, Bipartism should be encouraged at all levels.
6. The Group was of the opinion that State level Labour Conferences on the pattern of Indian Labour Conference should be organised.
7. Decisions taken in the Tripartite Meetings should be implemented promptly; some suitable mechanism may be developed to ensure compliance.
8. In matters of submission of Reports to the International Labour Organisation on ratified and unratified Conventions, the Government of India should circulate their draft reply among Social Partners for their views, before finalisation and submission to the ILO.
9. In order to create a climate of confidence among the Social Partners, the mechanism of social dialogue should be encouraged at all levels. The issues like settlement of disputes at field level, taking care of health and safety network can be handled more effectively through social dialogue.

10. All Ministries of the Central/State Governments, while taking any important decision having an impact on labour matters, should fully involve the Labour Ministry at the Central/State levels and also the Social Partners.

Chapter VIII

Inaugural Address by Shri Atal Bihari Vajpayee, Prime Minister of India at the 37th Session of the Indian Labour Conference, Vigyan Bhavan, New Delhi – May 18, 2001.

Friends, I am happy to be with you today to inaugurate the 37th Session of the Indian Labour Conference.

The Agenda prepared for discussion in this session of the ILC clearly spells out the Government's commitment to labour welfare. It also presents our overall perspective on labour reforms and our specific approach to the immediate tasks on hand. I am happy to note that action has been taken on many conclusions arrived at in the last session held a year ago. I urge speedy action on the remaining decisions.

This session of the ILC is taking place at a critical point in the development of our national economy. India has embarked on an ambitious path of nation building to meet the legitimate aspirations of our one billion citizens. The non-fulfillment of even the basic needs of a large section of our population, more than five decades after Independence, is a reality that our people find totally unacceptable. With the passage of time, this unacceptability is breeding impatience, which too is legitimate.

Given that our country is blessed with bountiful natural resources and a large population of talented and hard-working people, there can be no reason:

- ⇒ why a single Indian should go to bed with a hungry stomach;
- ⇒ why a single Indian should be without a good roof over their head;
- ⇒ why any Indian family should be deprived of other basic amenities of life; and
- ⇒ why any Indian youth should be tormented by the worry of unemployment.

However, if such is still the sad reality for tens of millions of our brethren, it only means that we have failed to build an economy that harnesses the full potential of our natural and human resources. It shows that our economy is forced to function under the heavy weight of many growth-hindering rules, regulations, laws, and systems. These are self-imposed constraints. They are preventing our economy from growing to its full potential and, thus, eradicate poverty and unemployment.

It is out of this realization that our country embraced the principle of economic reforms a decade ago. This momentous shift in our economic thinking and policies did not mean then – nor does it mean now – that most of what India did in the first four decades of Independence was wrong. Such an interpretation of economic reforms – and I know that some sections of our intelligentsia think so – would be highly erroneous. Indeed, it would be counter-productive.

There can be no denying that India has made significant socio-economic progress since Independence. This is primarily because of the strong and self-reliant base of industry and agriculture that was laid in the initial decades of Free India. Specifically, our impressive achievements in industrialization were due to the dominant role played by our Public Sector Undertakings. Our organized workforce made a valuable contribution to this.

In course of time, however, our economic policies and laws developed rigidities. They failed to respond to the changing needs and opportunities, both nationally and internationally. Our private sector was shackled by many unnecessary restrictions. The worst hit were our small and medium enterprises, which have the highest potential to create employment and wealth.

Many of our government-run undertakings, in which the country had made enormous sums of public investment, started to produce very poor or even negative returns. Similarly, our policies and laws prevented both the public sector and the private sector from effectively responding to the challenges as well as the opportunities of a rapidly integrating and highly competitive global economy. We were also slow in recognizing the revolutionary ways in which new technologies were re-designing the landscape of manufacturing, investment, business management, and trade.

India's decision in the early '90s to effect economic reforms was an inescapable answer to this internal compulsion and external necessity.

Since the early nineties, successive governments at the Centre have carried these reforms forward. Our own Government has been steadily broadening and deepening the scope of reforms. Realizing both the need and benefits of reforms, several State Governments are also moving ahead on the same path. Thus, nearly the entire political spectrum has participated in the promotion of economic reforms, indicating that a broad national consensus on the subject already exists.

In order to strengthen this consensus, we must constantly review the content of economic reforms in the light of our own positive and negative experiences, as well as the experience of other countries. My Government welcomes such debate both inside and outside Parliament. It helps all of us to gain a clearer understanding of what should be done and how it should be done.

Such healthy debate,

- ⇒ which is rooted in sound economic logic,
- ⇒ which is not influenced by any political and sectional considerations, and
- ⇒ which is guided by the long-term interests of all constituents of the nation,

will strengthen both our economy and our democratic system.

At the same time, it will also underscore the necessity and urgency of speeding up reforms. During my recent visits abroad, I have seen how even countries in the developing world, which are much smaller than India, have progressed far ahead of us. Many of you too have seen or known this. The world is not going to wait for us, if we choose to be slow and half-hearted in our reform march.

Delay and dithering in doing what is decidedly in the interest of the nation, is going to harm our people's welfare. This will also seriously imperil India's capacity to effectively engage the world in security and other matters.

Friends, I am being as candid as is possible on this platform because I am convinced – and I know that many of you are also convinced – that there is a lot at stake in the success of our economic reforms.

Some of you might wonder why I am sketching this larger picture about the need to accelerate the reform process at a session of the Indian Labour Conference. I am doing so deliberately, to drive home my conviction that labour, understood in the broadest sense of the term, can make the greatest contribution to the success of our reforms. I am convinced that workers and the poor will also be the principal beneficiaries of the success of our reforms.

A sea-change is taking place in the economic environment of our country as well as the world, after the advent of the WTO. Businesses are being forced to reorient themselves to face tough competition, both within the country and globally. There is simply no alternative to raising the efficiency of our production units, reducing costs, and improving the quality of our goods and services. Needless to add, such re-orientation is impossible without the ability to restructure labour within individual businesses.

This situation has given rise to divergent responses from employee and employer organizations. Trade unions perceive a threat to employment in economic reforms. Both private entrepreneurs and PSU managements, on the other hand, think that reforms introduced so far are not yielding optimal results because they are not fully complemented by administrative, judicial, and labour reforms.

Similarly, workers have apprehensions that any change in the existing labour laws will place them at the mercy of employers, reducing the many rights and safeguards that they have won through years of struggle. On the other side, it is strongly argued that the present labour laws and institutions provide job security and other safeguards without any linkage to productivity and efficiency.

I feel that there is merit in both perceptions. Recognizing the problem and its ramifications is half the battle won. Thereafter, the challenge before us is how to balance and harmonize these divergent views in the larger interests of achieving faster, multi-sectoral growth. My Government is engaged in precisely this endeavor. I seek the cooperation of trade unions and all other concerned organizations in this national effort.

I urge all of you to view the proposed amendments to the labour laws in the broader perspective of how we can make our economy grow faster – at a sustainable rate of 8 to 9 per cent. To term these labour reforms as anti-labour, as some people are doing, is misleading.

They are pro-labour because they are pro-employment. They seek to protect Indian industries and businesses by enabling them to become more competitive, more profitable, grow faster, and, hence, employ more people both directly and indirectly.

Often some people put the entire blame for industrial sickness and uncompetitiveness of Indian businesses on our inflexible labour laws. This is wrong. Worse, such argument seeks to cover up willful misuse of funds and mismanagement of enterprises by the employers. The Government will take firm action against those who indulge in such criminal practices that defraud both our workers and our financial institutions.

I would like to reassure our workers that their interests would be fully protected, even as we rationalize some of the outdated labour laws. This assurance is a natural corollary of my Government's commitment to pursue reforms with a human face. Enterprise without empathy, commerce without compassion, and development without dignity of labour have no place in our national ethos.

Which is why, one of the main issues for discussion in this session is, how to further expand the scope of social security for our workers. No economic development can sustain itself without an in-built assurance of social justice. At present, only 10 percent of the work force, most of it in the organized sector, is covered under formal security arrangements. The Government is fully committed to expand the social security coverage to include the vast majority of workers in the unorganized sector.

In this year's Budget, we have announced the launch of the Khetihar Mazdoor Bima Yojana. I would request this assembly of experts to recommend how we can cast the social security net wider, especially to benefit those in the most vulnerable categories, such as rickshaw pullers, roadside vendors, and others in the informal sector, which sustains the livelihood of the largest section of our workforce.

Social dialogue, which is the basis of our labour policy, has acquired a special relevance in the context of our resolve to implement economic reforms speedily. There is a need for continuous consultation among the Government, labour unions, employer organizations, and other social partners. Indeed, none of these dialogue partners is an adversary of the other.

Just as economic reforms demand that the Government and managements reform themselves, they also require the trade unions to reform themselves to better serve the interests of the Indian working class. It is the collective national duty of all of us to think, plan, and work together so that we can evolve a common energizing vision to boost productivity, production, and competitiveness of the Indian economy.

On this occasion, I would like to assure our PSU workers that their interests would be fully protected in our ongoing programme to restructure government-owned enterprises. Training and retraining for redeployment of workers is an important component of this commitment. I agree that the period of transition could be slightly difficult. Ultimately, however, the results will be rewarding for workers, their enterprises, and for the entire country.

I am happy to note that you will also be discussing the impact of globalization on Indian Industry and labour. There is a need to study this issue more closely and from various angles. Experience so far shows that globalization has an uneven and iniquitous impact on different countries. Within a country, too, it affects different sectors of the economy differently. Therefore, we need to have a deeper understanding of the cross-currents and complexities of globalization.

Nevertheless, two things are certain. One, no country can ignore multilateral and bilateral obligations in today's world. The need to expand regional cooperation also imposes its own imperatives. Therefore, we have to carefully calibrate the pace and extent of external liberalization to fully protect and promote our national interests. Our Government is doing precisely this.

The other thing that I am certain about is that economic-reforms will greatly benefit our country and our people. A well-conceived strategy to gain wider access to export markets, especially in developed countries, could give a big boost to Indian businesses. This will fuel faster growth and create still more employment opportunities. New technologies also have the potential to create new businesses, which can employ hundreds of thousands of our educated young men and women. The global dominance that our IT sector is gaining, with its promise to bring huge export earnings, is perhaps the best example that India can indeed reap the benefits of globalization.

We are keenly awaiting the report of the Second Labour Commission, which is expected by the end of this year. I am confident that the report would throw useful light on many issues and guide the Government in its progressive evolution of policies and programmes for the welfare of labour.

With these remarks, I declare the 37th Session of the Indian Labour Conference open and wish it all success.

Thank you.

Chapter IX

Speech of Dr. Satya Narayan Jatiya, Union Labour Minister on the occasion of the 37th Session of the Indian Labour Conference

The Hon'ble Prime Minister Shri Atal Bihari Vajpayee ji, the Hon'ble State Labour Minister Shri Muni Lallji, Hon'ble Labour Ministers of States, the distinguished representatives of Central Trade Union Organisations, employers' representatives and advisers from State Governments & Union electronic media, Labour Secretary Shri Vinod Vaish, Officers of different Ministries/Departments of the Central Government and Ladies & Gentlemen.

It gives me great pleasure to welcome all of you in the 37th Session of the Indian Labour Conference. Our Government is committed to tripartism and this Indian Labour Conference is the representative body of this national tripartism. We express our deep sense of gratitude to our Hon'ble Prime Minister for accepting our invitation to inaugurate this session of Indian Labour Conference.

Sir, your continuous presence in this Conference reflects your deep concern and commitment to issues pertaining to labour. The main issues to be discussed in this 37th Session of the Indian Labour Conference are: impact of globalisation on Indian Industry, labour & employment, social security of the workers and consultation by Central Government with social partners on labour policies.

Sir, during sessions of Indian Labour Conference organized in the last six decades, suggestions and recommendations received from the members have resulted in enactment of legislations like Child Labour Act, Contract Labour Act, Minimum Wages Act, etc. and setting up of institutions like the Central Board for Workers Education and Vocational Skill & Training Institutes.

You may recall that we had initiated a discussion on the impact of globalisation on industry, labour and employment in the meeting of the Standing Labour Committee held in February this year. The general feeling is that in view of the process of globalisation the facilities are very limited. But, we now have to see that how it has affected humanity, especially the people of the developing world and our industry, economy and labour. In the last meeting of the Standing Labour Committee we had gone into both the adverse as well as favourable effects of globalisation and felt that the subject needed further discussion in this session of ILC. While there are opportunities for taking the growth rate to new heights, increasing share in the world trade, reducing unemployment and poverty, there may also be potential threats in the wake of globalisation. A rising trend towards casualisation and contractualisation of labour force is another perceived threat. While the proportion of safe and secure jobs has declined, there has been an increase in less secure jobs in the informal sector. The problem is relatively more serious in the rural sector where there is large number of unorganized workforce and there is uncertainty of regular employment.

I am sure today's deliberations will identify the areas in which we have to take concerted action with the cooperation of all the social partners so that we are able to ward-off the adverse effects of globalisation process and at the same time take advantage of its benefits.

It is a matter of pride for us that all these years we have been pursuing a healthy tradition of consultation with the social partners. In democracy, tripartite consultation is such an effective process by which we can reach meaningful solutions to the multifarious problems facing the nation. This tradition has been the greatest source of strength in our march towards social, economic and political development. In fact, tripartite consultation forms an integral part of our Constitution. The principle of tripartism becomes more important for maintaining harmonious industrial relations in view of the prevailing economic environment in the country.

Today, when the world is characterized by continuous changes, deep anxiety and unending uncertainties, the need for more and better social security cannot be ignored. The notion of social security encompasses many aspects of safety and health at work, adequate income in old age or ill health as well as protection against contingencies. It is, therefore, necessary that ways and means should be found to provide social security to the millions of unorganized workers also. We need to keep in mind that our workers face some of the most trying conditions in the world.

With the ever-increasing population and the changing social pattern, the needs for social security are also changing. As far as social security for workers in India is concerned we have, within the resources available, introduced necessary social security measures in the country to provide facilities to large number of workers. The existing social security schemes in the country do not cover the entire gamut of social security rights contemplated in our Constitution. The existing social security schemes provide for limited benefits like medical care, sickness and maternity benefits, old age and dependents benefits in the form of provident fund and family pension. In the existing schemes, only workers drawing specified wages and employed in specific factories and establishments are covered.

It is a matter of great pleasure that the ESIC has entered into 50th year of its services. During this Golden Jubilee Year the organisation has decided to computerize its services so that quick and better facilities could be provided to its subscribers. The coverage of EPF Scheme has been extended to the employees drawing salary up to Rs.6500/-PM. With the amendment in the Workers Compensation Act, the maximum compensation payable in the case of death or permanent disability has been doubled.

In addition to the above we had introduced and enhanced a few social security facilities like partnering outreach programmes for pensioners jointly launched by the Employees Provident Fund Organisation and the Department of Posts. This aims at providing options to EPF subscribers to receive pension through 26,000 post offices across the country. EPFO has also launched a massive computerization programme to provide trouble free and prompt service to the subscribers. Government is going ahead with the scheme for providing social security measures for the unorganized workers in the agricultural sector as announced in this year's budget. In addition to this, the interest of workers would be kept in mind in the proposed amendments to the labour laws.

I, on behalf of the Ministry of Labour assure that we are committed to build a nation where social security to all workers is ensured. Towards this end, it is vital that all social partners, the Government and other interests in the society join hands to work in social and economic areas. Today's deliberations would result in practical ideas, which we will be able to translate into programmes and schemes, for providing meaningful social security to our workers within the resources available with us. I am sure that this new spirit will enable us to face all challenges of the time and made India a prosperous nation.

I convey my heartfelt gratitude to the Hon'ble Prime Minister of India for gracing this Conference. I also thank the distinguished guests for attending this Conference.

LIST OF PARTICIPANTS

WORKERS' GROUP

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2. Shri K. Lakshma Reddy, National Secretary, BMS
3. Shri N.M. Sukumaran, BMS
4. Shri Devnath Singh, BMS
5. Kum. Suchitra Mahapatra, BMS
6. Shri P.G. Uparkar, BMS
7. Shri N. Angusami, BMS
8. Shri Waman Rao Khedkar, BMS
9. Shri Jang Bahadur Yadav, General Secretary, BMS
10. Shri Pratap Singh Bisht, BMS
11. Shri G. Sanjeeva Reddy, President, Indian National Trade Union Congress
12. Shri N.M. Addyanthaya, Secretary, INTUC
13. Shri R.C. Khuntia, Vice President, INTUC
14. Shri P.L. Subbaiah, Organising Secretary, INTUC
15. Shri Chandra Prakash Singh, INTUC
16. Shri Ashok Singh, Organising Secretary, INTUC
17. Shri Heeralal Sharma, Organising Secretary, INTUC
18. Dr. Subhash Sharma, President, INTUC
19. Dr. M.K. Pandhe, General Secretary, Centre of India Trade Unions
20. Shri Chittabrata Mazumder, Secretary, CITU
21. Shri Ardhendu Dakshi, Secretary, CITU
22. Shri S.K. Bakshi, Secretary, CITU
23. Shri T.K. Rengarajan, Vice President, CITU
24. Shri Badal Saroj, General Secretary, CITU
25. Shri Umraomal Purohit, General Secretary, Hind Mazdoor Sabha
26. Shri Thampan Thomas, Secretary, HMS
27. Shri A.D. Nagpal, Secretary, HMS
28. Shri R.A. Mital, Secretary, HMS
29. Shri K.L. Mahendra, General Secretary, All India Trade Union Congress
30. Shri D.L. Sachdev, Secretary, AITUC

31. Shri Shankar Saha, All India Secretary, United Trade Union Centre (LS)
32. Shri Ashitosh Banerjee, President, UTUC(LS)
33. Shri Abani Roy, M.P. United Trade Union Congress
34. Shri Naren Sen, President, National Front of Indian Trade Unions
35. Shri K.K. Verma, Executive Member, NFITU
36. Ms. Manali Shah, Self Employed Women;s Association
37. Ms. Mira Chatterjee, SEWA

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38. Shri Arvind R. Doshi, Chairman & Mg. Director, Council of Indian Employers
39. Shri I.P. Anand, CIE
40. Shri Vikram Kapur, CIE
41. Shri R. Hari, CIE
42. Shri Vineet Virmani, CIE
43. Shri C.H. Khisty, Dir.(P), CIE
44. Shri M.A. Hakeem, Secretary General, CIE
45. Shri Raji Philip, Chairman & Mg. Director, CIE
46. Shri Sudhir Jhunjhunwala, Managing Director, CIE
47. Shri Sharad S. Patil, Secretary General, EFI
48. Shri C.M. Krishna, Adviser, CIE
49. Shri N. Kannan, Secretary, CIE
50. Shri Michale Dias, Secretary, CIE
51. Shri B.P. Pant, Secretary, AIOE
52. Shri V. Balasubramanian, Executive Director (P&A) CIE
53. Shri S.A. Khan, Sr. Manager (P&A) CIE
54. Shri G.P. Srivastava, General Manager (P&HRD) CIE
55. Shri Suresh Deora, Hon. Gen. Secretary, All India Manufacturers' Organisation
56. Shri G. Ramanand, Hon. Secretary, AIMO
57. Shri Murlidhar K. Jalan, Senior Working Committee Member, AIMO
58. Shri Subodh Gupta, AIMO
59. Dr. S.S. Aggarwal, National President, Laghu Udyog Bharti
60. Shri Vishram Jamdar, General Secretary, LUB
61. Shri Nikhil Bhai Patel, Secretary, LUB

62. Shri Vijay Malik, Secretary, LUB
63. Shri Shayam Bihari ji, General Secretary, LUB
64. Shri Man Mohan Ji, Treasurer, LUB
65. Shri Deshbir Singh, Member, Confederation of Indian Industries
66. Shri S.Sen, Dy. Director General, CII
67. Shri A.S. Kasliwal, Chairman, FICCI
68. Shri M.K. Garg, Adviser (HR) ASSOCHAM

STATE GOVERNMENTS

69. Shri B. Danam, Principal Secretary, Government of Andhra Pradesh
70. Shri A.K. Malakar, Labour Commissioner, Government of Assam
71. Shri R.C. Vaish, Commissioner/Secretary, Government of Bihar
72. Shri S.S. Chauhan, Asstt. Labour Commissioner, U.T. of Chandigarh
73. Shri M.S. Murti, Secretary (Labour), Government of Chhatisgarh
74. Shri R.K. Srivastava, Finance Secretary, U.T. of Dadra & Nagar Haveli & Daman & Diu
75. Shri M.K. Mishra, Commissioner-cum-Secretary(Labour), Government of Delhi
76. Shri J.C. Negi, Joint Labour Commissioner, Government of Delhi.
77. Shri Z.U. Siddiqui, Joint Labour Commissioner, Government of Delhi.
78. Shri R.D. Sharma, Labour Inspector, Government of Delhi
79. Dr. Suresh Amonkar, Minister for Labour, Government of Goa
80. Shri R.S. Mardolker, Commissioner of Labour, Government of Goa
81. Shri Bhupendra Lakhawala, MOS for Labour & Emp., Government of Gujarat
82. Shri Arjun Singh, Principal Secretary, Lab. & Emp., Government of Gujarat
83. Shri K.C. Thamhane, PS to LM, Government of Gujarat
84. Shri O.P. Chautala, Chief Minister, Government of Haryana
85. Shri K.G. Verma, IAS, Financial Commr. & Secretary, Government of Haryana
86. Shri Amit Jha, IAS, Labour Commr., Government of Haryana
87. Shri H.S. Mandiwal, Joint Labour Commissioner, Government of Haryana
88. Shri Anupam Malik, Deputy Labour Commr. Government of Haryana
89. Shri Kishori Lal Vaidya, Industries Minister, Government of Himachal Pradesh
90. Shri Johli Ram, President, Government of Himachal Pradesh
91. Shri J.P. Singh, Labour Commr.-cum-Director, Employment, Government of H.P.
92. Shri Padam Dev Sharma, Labour Inspector (Hqrs.), Government of H.P.
93. Shri P.L. Raina, IAS, Commr. & Secretary, Government of Jammu & Kashmir

94. Shri Syed Yasin, Labour Commr., Government of J&K
95. Shri K.K. Sharma, Deputy Commissioner, Government of J&K
96. Shri Raghuwar Das, Minister for Labour & Emp., Government of Jharkhand
97. Shri P.S. Cheema, IAS, Labour Secretary, Government of Jharkhand
98. Shri A.M. Hindasgeri, Minister for Labour & Waks, Government of Karnataka
99. Shri Bulla Subba Rao, Principal Secretary (Labour), Government of Karnataka
100. Shri Ayyappan Nair, Labour Commissioner, Government of Kerala
101. Shri K.M. Acharya, Chief Secretary, Government of Madhya Pradesh
102. Shri Satish Chaturvedi, Minister for Textile & Labour, Government of Maharashtra
103. Dr. Munshilal Gautam, Secretary (Labour), Government of Maharashtra
104. Shri Simon Siangshay, Minister for Inds. and Labour, Government of Meghalaya
105. Shri Shreerajan, Commr. & Secretary (L), Government of Meghalaya
106. Shri Zilay Singh, Planning Advisor, Government of Mizoram
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108. Shri Bimbadhar Kuanr, Minister of State, Lab. & Emp. Government of Orissa
109. Shri R. C. Misra, Commissioner-cum-Secretary, Government of Orissa
110. Shri S. Hemachandran, IAS, Secretary (Labour), Government of Pondicherry
111. Shri G. Theva Neethi Dhas, Commissioner of Labour, Government of Pondicherry
112. Shri Balramji Dass Tandon, Labour & Emp. Minister, Government of Punjab
113. Shri B.C. Gupta, IAs, Secretary, Government of Punjab
114. Shri Ashok Kumar Jaiswal, PS to LM, Government of Punjab
115. Shri Hardyal Singh, Addl. Labour Commissioner, Government of Punjab
116. Shri L.D. Sharma, Dy. Labour Commissioner, Government of Punjab
117. Shri Charanjit Bhatia, Asstt. Labour Commissioner, Government of Punjab
118. Shri Bhikha Bhai, Labour Minister, Government of Rajasthan
119. Shri B.B. Mohanti, IAS, Secretary Labour, Government of Rajasthan
120. Dr. Dinesh Kumar Goyal, Labour Commissioner, Government of Rajasthan
121. Shri R.P. Pareek, Joint Commissioner (Labour), Government of Rajasthan
122. Shri R.S. Koli, Labour Commissioner, Government of Rajasthan
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124. Shri Dharam Pal Singh, State Minister, Government of Uttar Pradesh
125. Smt. Manjulika Gautam, Chief Secretary (Labour), Government of U.P.
126. Shri Anish Ansari, Labour Commissioner, Government of U.P.
127. Shri Kedar Singh, Labour Minister, Government of Uttranchal

128. Shri N.N. Prasad, Secretary (Labour), Government of Uttranchal
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130. Mrs. Anjali Prasad, IAS, Addl. Resident Commissioner, Government of Uttranchal
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132. Shri M. Surai, IAS, Joint Secretary, Labour Deptt., Government of West Bengal
133. Shri A.K. Agarwal, IAS, Labour Commissioner, Government of West Bengal

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134. Shri J.S. Fulzele, Director (Coopn.), Deptt. of Agriculture & Coopn.
135. Shri D.K. Trehan, ESA, Deptt. of Agriculture & Coopn.
136. Shri G.R. Juneja, Addl. ECO Advisor, Deptt. of Agri. & Coopn.
137. Shri U.K. Sinha, Joint Secretary, Ministry of Finance
138. Shri Devi Dayal, Spl. Secretary, Banking Division, M/o. Finance
139. Shri P.M. Sirajuddin, Director, Board for Indl. & Financial Reconstruction
140. Shri Gopal Krishan, Deputy Secretary, Deptt. of Chemicals & Petrochemicals
141. Shri Sanjay Bahadur, Dy. Secretary, Ministry of Coal
142. Shri H.C. Jayal, Director, Deptt. of Commerce
143. Shri B.N. Satpathy, Addl. Economic Adviser, Deptt. of Commerce & Industry
144. Shri B.S. Pawar, Labour Welfare Commr., Ministry of Defence
145. Shri H.R. Arora, Labour Welfare Commr. Ministry of Defence
146. Shri N.C. Chandra, Labour Welfare Commr., Ministry of Defence
147. Ms. Mary Celine Jakar, DGQA
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149. Smt. Sunanda Sharma, Addl. Economic Adviser, Deptt. of Economic Affairs
150. Shri T.S. Kripanidhi, Director, Deptt. of Education
151. Dr. Rashid Hasan, Addl. Director (PL), M/o. Environment & Forest
152. Shri N.K. Agarwal, Addl. I.A., Deptt. of Fertilizers
153. Shri V.B. Dubey, Under Secretary, Deptt. of Fertilizers
154. Shri A.S. Gupta, Joint Secretary, Ministry of Health & Family Welfare
155. Dr. S.K. Bhat, A.D., M/o. Health & Family Welfare
156. Dr. T.K. Mahaptra, M/o. Health & Family Welfare
157. Mrs. Sudha Midha, Director, Deptt. of Public Enterprises
158. Shri B. Nayat, Director, Ministry of Home Affairs (Inter-State Council)

159. Shri Kartar Singh, Deptt. of Industrial Policy & Promotion
160. Shri Ratnakar Gaikwad, C.E. Office, Khadi & Village Industries Commission
161. Shri S.S. Machchal, Dy. Chief Ex-Officer, Khadi & Village Industries Commission
162. Shri L.C. Khatri, Resident Manager & DGM, NALCO, Ministry of Mines
163. Shri B. Majumdar, Jt. Director, Estt.(LL), Railway Board
164. Shri A.K. Munjal, Labour Inspector, M/o. Railways
165. Mrs. Radha R. Ashrit, Research Officer, Planning Commission
166. Shri Shailendra Sharma, Adviser, Planning Commission
167. Shri A.K. Kaushal, Director (SR), Deptt. of Posts
168. Shri H.M. Choudhary, IAS, Director (Admn.Hqrs.) Deptt. of Revenue
169. Shri Madho Ram, Deputy Secretary, Deptt. of Revenue
170. Shri C.R.K. Nair, Deputy Secretary, Ministry of Rural Development
171. Shri N.K. Jawa, Director (Puri), M/o. Shipping
172. Shri Pankaj Jain, Director, M/o. Small Scale Industries & Agro & Rural Industries
173. Dr. N.S. Sastry, DG&CEO, NSSO, Deptt. of Statistics & Programme Implementation
174. Shri D.N. Bansal, Under Secretary, Ministry of Steel
175. Shri Pradeep Nagpal, Dy. Director General (SR), Deptt. of Telecommunications
176. Shri B.K. Kapur, Consultant, Deptt. of Telecommunications,
177. Shri L.K. Aggarwal, Deputy Secretary, Ministry of Textiles
178. Shri Kashi Ram Rana, Ministry of Textiles
179. Shri P.S. Sethi, Deptt. of Women & Child Development

MINISTRY OF LABOUR

1. Shri Vinod Vaish, Secretary (Labour)
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3. Dr. G.S. Ram, Labour & Employment Adviser
4. Shri J.P. Pati, Joint Secretary
5. Shri K. Chandramauli, Joint Secretary
6. Smt. Padma Balasubramanian, Joint Secretary
7. Smt. Preet Verma, Director
8. Shri Y.P. Yajurvedi, Director
9. Smt. Vinita Kumar, Director

10. Shri P.P. Mitra, Director
11. Shri V.Parameshwaran, Director
12. Shri K.K. Marwaha, Dy. Secretary
13. Shri C.A. Bhaskarn, Dy. Secretary
14. Shri H.C. Gupta, Under Secretary
15. Smt. Jaya Dubey, Under Secretary
16. Shri P.K. Kulshrasta, Asstt. Dir.
17. Smt. Simmi Chaudhary, Dy. Director
18. Shri Prem Pal Singh, Asstt. Dir.
19. Shri S.P.S. Parihar, PS to LM
20. Shri Prabhakar Singh, PS to LM
21. Shri M.L. Dhar, Information Officer
22. Shri S. Krishnan, DGE&T
23. Shri P.K. Ray, Director (LMI)
24. Shri D.K. Sharma, Director (Training)
25. Shri S.K. Das, Director General (LW)
26. Shri Rajpal, Director
27. Shri D.K. Singh, Welfare Commissioner (Hqrs.)
28. Shri Subhash Sharma, Chief Labour Commissioner (c)
29. Shri S.K. Mukhopadhyay, Jt. Chief Labour Commissioner (C)
30. Shri G.R. Majhee, Dy. Chief Labour Commissioner (C)
31. Shri B.K. Bhise, Dy. Chief Labour Commissioner (C)
32. Shri B.K. Sanwaria, Director (Training)
33. Shri P.K.Saxena, RLC(c)
34. Shri V.K. Taneja, RLC(C)
35. Shri S.S. Tammar, A.D.
36. Shri Ajai Singh, Central Provident Fund Commissioner
37. Ms. Rakhi Chakarvorty, P.R.O., E.P.F.O.
38. Smt. Suman Swarup, Director General, ESIC
39. Shri S. Chandrasekharan, Insurance Commissioner
40. Shri S.K. Saxena, Director General, FASLI
41. Shri A.K. Rudra, Director General of Mines Safety
42. Shri M. Satyamurthy, Dy. Director, DGMS
43. Shri A.S. Ahluwalia, Director, Labour Bureau

44. Shri Rajan Kumar, Director, Labour Bureau
45. Shri M.K. Jain, Regional Director, CBWE
46. Shri D.R. Prashar, EO(SU), CBWE
47. Shri C.S.K. Singh, Senior Fellow, V.V.Giri, NLI
48. Shri Ravinder Verma, Chairman, NCL
49. Dr. Sabade, Member, NCL
50. Shri N. Sanyal, Member Secretary, NCL
51. Shri T.C. Girotra, Director, NCL
52. Shri Sudarshan Sareen, Member, NCL
53. Dr. Rashmi Agrawal, Joint Director
54. Shri Chander Kumar, PS (NCL)
55. Shri Lalsanglur, Dy. Director, M/o. Labour
56. Shri I.J. Bangra, Joint Director, M/o. Labour
57. Mrs. Mary Johnson, Director, ILO
58. Shri A.S. Oberai, Director ILO-SAAT
59. Shri S.K. Gautam, Press Coordinator
60. Shri Javed Qureshi, APS to LM