

Summary record of discussion held at the 38th Session of the Indian Labour Conference held on 28-29th September, 2002 under the Chairmanship of Union Labour Minister, Dr. Sahib Singh Verma at Vigyan Bhavan, New Delhi.

1. The 38th Session of the Indian Labour Conference was held on 28-29 September 2002, under the Chairmanship Dr Sahib Singh Verma, Union Labour Minister. The Conference was inaugurated by the Hon'ble Prime Minister of India Shri Atal Bihari Vajpayee. The following items were included in the Agenda for the Conference:-

- i) Impact of globalization on the Indian economy particularly on employment, and how to meet the challenges,
- ii) Social Safety Net,
- iii) Disinvestment policy of the Government,
- iv) Problems and challenges being faced by the small scale industries and their remedies: and
- v) Report of Second National Commission on Labour.

A List of participants is at **Annexure-V**.

2. Welcoming the **Hon'ble Prime Minister, Shri Atal Bihari Vajpayee** and other delegates to the 38th Session of the Indian Labour Conference (ILC), **Shri Ashok Pradhan**, Minister of State for Labour stated that the subjects selected for discussion in the ILC amply displayed the readiness of social partners to debate these important and topical issues so as to come to mutually acceptable conclusions.

3. Speaking on behalf of the employers, **Dr. Ram S. Tarneja, President, Employers' Federation of India highlighted** the post reform achievements which were significant in terms of the share of the service sector to the national economy which crossed 50% mark in second half of 1990s as compared to 41% in early 1980s. Employment in service sector and small-scale sector has also witnessed an increase. During the last decade, service sector and agro-business which has an emerging rural market have shown tremendous employment potential. To tap these potential and to achieve 8% growth rate, it becomes necessary to push through the reforms. Referring to the problems of SSI sector on account of burgeoning regulatory burden as well as heightened competition with imported goods now freely available in market, he observed that their survival is difficult unless they were provided with sound credit policy and marketing support. He supported the recommendations of Second National Commission on Labour for replacing all labour legislations in small-scale sector with one umbrella legislation. However, at the same time he had some reservations with certain other recommendations of the NCL, which he felt were not conducive for increasing competitiveness of Indian industry.

4. **Dr. Sahib Singh, Union Labour Minister** in his presidential address requested employers and workers to give up traditional adversarial role in favour of a wholesome, congenial and work-friendly atmosphere so that the two partners could contribute towards industrial and economic growth. While acknowledging the necessity of adequate social protection in a transitional economy, the Minister resolved to ensure benefits of social security to all sections of workforce uniformly and informed the ILC about the introduction of 'Multi-purpose Smart Card' for the purpose. He also apprised the ILC about the steps being taken by the Government to provide social security and medical care facilities to the workers who have lost their jobs in the process of structural adjustment till they find alternative employment. To bring transparency in the system and to make the existing schemes more client-friendly, Government is considering the allotment of a nationally unique social

security number to each worker. This single number and one account would be very useful in bringing migrant and casual workers within the fold of social security schemes. He further informed that Government would soon organise a national seminar on unorganised sector workers with the participation of voluntary organizations working for the betterment of this sector to consider extension of social protection programmes for the unorganized workers. Concerned with the shrinking employment opportunities in organised sector, the Minister requested for special efforts to accelerate the economic growth with particular emphasis on sectors having potential for additional employment and better spread of income. He reiterated the commitment of the Government to provide employment to every hand, which wants to work.

Speaking on the issue of Disinvestment, Hon'ble Union Labour Minister assured the workers that their interest would be protected in Government's ongoing programme to restructure Government owned enterprises and expressed the hope that representative of Ministry of Disinvestment present in the Conference would be able to clarify doubts and restore confidence on this issue. Coming to the Report of the Second National Commission on Labour, the Minister invited discussions on the recommendations with open mindedness. He informed that in order to build consensus, he had been discussing the issue with trade unions, employers and social workers individually and separately. He hoped the Government would soon be able to bring about necessary reforms.

5. **Hon'ble Prime Minister, Shri Atal Bihari Vajpayee inaugurated the Conference** with a strong appeal for consensus on labour reforms. Describing the Indian Labour Conference (ILC) as the country's Labour Parliament, the Prime Minister observed that the labour reforms had become the need of the hour in view of the fast emerging developments accelerating the pace of globalisation. Citing the example of some of the neighbouring countries, which have established dominant positions in global markets, he told that labour reforms had played an important part in their growth strategy. "We too need to reform our laws, institutions and systems so that investments can successfully chase opportunities", he observed. He mentioned that the rate of growth has to be at least 8% in order to remove poverty and for generating employment. Referring to the enormous untapped potential for employment generation in the small scale sector, he noted that competitiveness of this sector ought to be strengthened, its commercial viability enhanced, technological base improved as well as its quality and productivity stepped up through fresh investments in this sector. The Prime Minister congratulated Shri Ravindra Varma and his team for bringing out such an exhaustive report of Second National Commission on Labour within the stipulated time and requested Ministry of Labour to take time-bound action on the recommendations of the Commission. Reiterating Government's commitment to protect the interest of workers while pursuing economic reforms, the Prime Minister assured the working class that the Government would take every step to broaden the social security net as it is a moral and constitutional obligation of both the Government and the employers. He praised the voluntary organizations for undertaking excellent welfare programmes for the workers in unorganised sector and requested them to continue with their good work. Hon'ble Prime Minister complimented the ILC and the principle of tripartism which underscores the basic Indian philosophy of labour and capital that believes in harmony among differing views and not in the class conflicts.

6. Voicing the concerns of workers, **Shri Hasubhai Dave, President, BMS** and representative of Trade Unions drew the attention of the Prime Minister to lopsided consequences of globalisation such as growing unemployment, low purchasing capacity of people, increasing regional imbalances and income disparity within the society, and requested for an in-depth review of globalisation. He observed that India could not benefit from globalisation due to problems of over population, illiteracy and poverty to overcome these challenges, he proposed an education policy targeted towards skill acquisition and self-reliance. Opposing the disinvestment policy of the Government,

Shri Dave observed that it would bring further unemployment in the name of competitiveness. He rejected recommendations of the Second National Commission on Labour relating to the amendments in chapter V-B of the Industrial Disputes Act aiming at reduction in leave, increase in working hours, acceptance of contract employment etc. which were perceived by trade unions as anti-labour. He played the decisions of the Government for freezing Dearness Allowance, reduction in interest rate of Provident Fund, reduction in bonus, abolition of ceiling on minimum wages etc., which would hit middle class adversely.

7. The inaugural session was concluded with the vote of thanks by **Dr. P.D.Shenoy, Union Labour Secretary.**

8. The Second Working Session started with the election of Vice-Chairpersons from the tripartite constituents. ILC elected following members as Vice-Chairpersons of their respective groups:

1. Hasubhai Dave, President, BMS - Vice-Chairman of workers' Group
2. Dr. Ram S. Tarneja, President, EFI - Vice-Chairman of employers' Group
3. Shri Kanjibhai Patel, Labour Minister, - Vice-Chairman from the Gujarat State Governments

9. The second working session was a plenary session. The first speaker was **Governor of Punjab and Administrator of Chandigarh, Lt. General J.F.Jacob.** He invited attention of the ILC to the problems of migrant labour, seasonal agricultural workers and child labour who are working under the conditions of extreme insecurity and requested ILC to consider an effective social protection scheme for these hitherto neglected section of workers.

10. Shri Sanjeeva Reddy, President, INTUC observed that the country had entered into the globalisation phase without full preparation. Neither employers nor employees were equipped with necessary skills to face international competition. He, however, admitted that the process of globalisation could not be reversed and the only choice left before the country is to learn to live with it by making our institutions stronger. He strongly opposed disinvestment in profit making Public Sector Enterprises at any cost. In loss-making Public Sector Undertakings, if disinvestment were to be resorted to in unavoidable circumstances, it should be done with prior consultation with trade unions so as to enable the workers to build an understanding with the new employer and new work environment. On the lines of public sector and private sector, he suggested formation of a third sector entirely managed by workers. For this purpose he demanded that the trade unions should also be given a chance to take over a sick industry by allowing them to participate in the bidding process. Shri Reddy blamed the Government for shirking social and moral responsibility of a welfare state and demanded that the Government should also contribute towards social security schemes on equal footing with social partners. To grant some relief to the workers who have lost their jobs in the process of industrial restructuring, he suggested an unemployment dole to such workers for a period of at least two years. He further suggested introduction of a National Social Security Scheme by merging ESIC and EPFO together. Referring to the long pending demand of workers to enable their participation in management through legislative back up, he regretted that despite assurances by the successive Governments no serious effort was made to implement the scheme.

11. Dr. M.K.Pandhe, General Secretary, CITU, disagreed with the projection of globalisation as the only alternative before the world. He alleged that globalisation is in fact a move of developed countries to capture the world trade. After advent of globalisation, share of developing countries in

world trade has declined. 85% of total world income was appropriated by only top 20% of world population. Globalisation has resulted in increased inequality at global level. He suggested that India should take lead in mobilising support of developing countries so that the tide of globalization could be turned in favour of developing countries. Dr. Pandhe requested for a sincere review of progress made during last decade. He dubbed the growth in the last ten years as jobless growth. Disinvestment and privatisation had debilitated employment scenario further. On top of this, the declining rate of interest on social security schemes has added salt to injury. Dr. Pandhe, therefore, requested the Union Labour Minister to restore the interest rate on Provident Fund to 10%, i.e., at the level it was pegged two years back. He strongly objected to interference by Ministry of Finance in matters relating to Provident Fund and demanded that the Board of Trustees should have full and final authority to decide issues relating to Provident Fund. He was also critical of Ministry of Labour using funds of ESIC and EPFO for publishing advertisements in Newspapers.

Dr. Pandhe urged the Labour Minister to restore the dignity of the Indian Labour Conference by taking appropriate action on conclusions adopted by the Conference. Referring to the PM's statement on class harmony, Dr. Pandhe stressed that so long as exploitation of labour by capital existed, the class conflict would remain.

12. **Shri Umraomal Purohit, General Secretary, HMS** observed that the history of 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 was more than that of the developed countries. India could have taken a lead in mobilising support of developing countries to turn the agreement in favour of developing countries. He, however, observed that the reforms had no relation with WTO but were dictated by the World Bank and International Monetary Fund which were set to promote privatisation. Shri Purohit clarified that trade unions were not demanding that the things should be under the national control but privatisation should also not be considered as the panacea for every disease and requested the Government to reconsider its policy on Public Sector Undertakings. Regretting the marginalisation of trade unions by the Central Government, Shri Purohit recalled that it was the trade unions and employers' organisations that supported the Government on the issue of social clause in WTO but Government of India never bothered to have their representation in the Indian delegation. Shri Purohit did not agree with the papers prepared by the Ministry of Labour on globalisation which, according to him, tended to mould the statistics in favour of globalisation. Shri Purohit criticised Ministry of Labour for not reading reports/representations submitted by unions on the issues.

13. **Shri Gurudas Das Gupta, President, AITUC**, criticised the Prime Minister for delivering a philosophical speech rather than looking into hard realities of life. Vehemently opposing the reform policy of the Government, he observed that no country had ever been benefited by these reforms. Even economies of developed countries were under crises. There was a significant decline in real wages of people. Unemployment reached its peak with two crore people losing their jobs in last few years. He observed that eight per cent growth rate can never be achieved with declining rate of interest, declining domestic savings and shrinking investments by the Government in infrastructure. He accused the Government of India for defaulting on statutory dues worth Rs.25, 000 crore payable to the workers. Shri Das Gupta was extremely unhappy with devaluation of tripartism and termed the ILC as a fashionable ornament hanging around the neck of the Government.

14. **Shri Ashutosh Banerjee, President, UTUC-LS**, stated that the agenda paper prepared by the Ministry of Labour presented distorted facts on globalisation. Ignoring unequivocal opposition by trade unions, the agenda paper had tried to project that there was a consensus on globalisation and continuance of India's membership in WTO.

While disputing Government's policy on Public Sector Undertakings, he desired a debate on their role in the economy. Rebutting the concept that the Public Sector Undertakings are a burden on Government exchequer, he stated that among the profit making industries only the top 20 had accounted for a profit of Rs.25,998 crore in the year 2000-2001. The cumulative income of PSUs was Rs.6, 28,600 crore in the previous financial year.

Refraining himself from making any observation on the report of Second National Commission on Labour, Shri Banerjee requested for a separate two day session of ILC to discuss the report of the Second National Commission on Labour.

15. **Shri S.R. Sengupta, General Secretary, UTUC** criticised the government for surrendering to the prescription of WTO and the World Bank and demanded that the Government should reconsider its policy of economic reforms. UTUC resolve to oppose the structural adjustment programme of the Government and to support the theory of class struggle so long as exploitation of working class exists. He rejected the report of the Second National Commission on Labour and told that it was not acceptable to UTUC unless it is amended in favour of working class.

16. **Shri Naren Sen, President, NFITU** was unhappy with the current state of trade union movement where trade unions are divided pathetically on political lines. He requested for an effective population policy to arrest the problems of poverty and unemployment.

17. **Shri I.P.Anand, President, CIE** was of the opinion that the objectives outlined by the Prime Minister could not be achieved with emotional approach and conventional mind set. He requested the Government to expedite action on the recommendation of Second National Commission on Labour as the country could not afford slow pace of reforms any more.

The Plenary session was discontinued at this stage to resume its discussions next day i.e. on 29th October, 2002 when speakers made general remarks on the agenda items as well as special mention on the report of the Second National Commission on Labour. The other four items of agenda were taken up for discussion by the respective committees. Reports of the Committees and conclusions adopted by the Conference in respect of each item are annexed. The Plenary resumed its work on 29th September, 2002 with observations of Shri R.Vishwanathan from Employers' side.

18. **Shri R. Vishwanathan, President of Employers' Federation (South India)** was unhappy with the tardy pace of reforms because of which many industries were not able to operate upto their full capacity. Government hardly permits sick industries to down their shutters even when they are unable to pay salaries to their workers. Timely closure would enable employers to redeploy resources in another viable venture and thereby save at least a few jobs. In this context, he welcomed the recommendations of the Second National Commission on Labour and requested the Government to build consensus on the recommendations so that implementation of the recommendations could be ensured. Shri Vishwanathan strongly supported disinvestment policy of the Government.

19. **Shri Upendra Prasad Verma, Hon'ble Labour Minister of Bihar** was concerned with the uneven growth that has followed globalisation. It has resulted in regional imbalances. He requested the Central Government to provide assistance to the States which were not able to take advantages of the globalisation. He had strong reservation on Government's disinvestment policy and certain recommendations of the Second National Commission on Labour which may have adverse bearing on labour.

20. **Shri Babu Lal Todi, Senior Vice-President, AIMO** expressed the view that existing labour laws which tend to act more as impediment for law abiding people are responsible for tardy growth of economy. He warned that if industries were not allowed to adopt flexibilities in their operations, employment level would further fall with increased number of sick enterprises unable to recycle their assets in productive ventures. While admitting the need for social security for all, he observed that the present financial situation did not permit enhanced role for Government or employer. He was in favour of sharing profit through productivity linked bonus.

21. **Ch. Jagjit Singh, Hon'ble Labour Minister of Punjab**, advocated a single umbrella legislation to replace all existing labour laws. He supported labour reforms which allow the employer to carry out his business and economic activities without getting entangled in the nitty-gritty of the law. But in the process, workers should not be left to the total mercy of management. He further suggested that while the process of consultation on the Report of National Commission on Labour is in progress, recommendations on which consensus is not a problem could be accepted and implemented.

22. **Dr. S.S.Agarwal, Laghu Udyog Bharati** reiterated his demand that small scale industries should not be governed with the same set of labour laws which were designed for big industries. The employer in a small scale sector, surrounded by basic infrastructural problems like absence of credit policy, lack of market support, growing international competition, delayed payment of dues, access to technology and raw material etc. could hardly afford 56 labour inspections in a year. Referring to social security measures in the small scale sector, he requested the Government to keep in mind the financial capacity of employer as well as traditional cultural value of this land where serving an old father is considered a social and moral responsibility of son while formulating schemes of social security. Not satisfied with the recommendations of NCL on Small Scale Industries, he stated that those are short of the expectations of the Small Scale Industries.

23. **Shri Deep Chand Bandhu, Labour Minister, Delhi**, raised the question of fundamental rights of the workers which were under attack with the emerging trend of contractualization and casualisation of work. He strongly opposed the exclusion of establishments employing less than 20 persons from the purview of labour laws. This would make employees of such establishments vulnerable to exploitation. Emphasising the need to regulate activities of MNCs, who are least bothered about welfare of workers, he requested that Government should issue a white paper directing all MNCs to undertake welfare schemes according to the requirement of workers of this country.

24. **Mr. G.C.Narang, member CII** was doubtful whether consensus on labour reforms could ever be achieved because of rigid attitude of trade unions. He, therefore, requested the Government to take hard decisions after taking stock of international situation.

25. **Mr. Hira Singh, Labour Minister Uttaranchal**, apprised the ILC about the socio-economic problems of the new born state and requested for adequate support from the Central Government for rehabilitation programmes of bonded labour in Uttaranchal.

26. **Shri Shekhar Borker, Co-Chairman, Expert Committee on HRD, ASSOCHAM**, stated that the globalisation, liberalisation and advent of new technology had transformed the economy and necessitated reorientation of business. To prevent sickness in industries, it is important to allow industries to restructure themselves in time so that the resources could be redeployed. ASSOCHAM was greatly disappointed with the Report of NCL which according to their representative, tends to ignore the strategic areas. It has proposed to cover all the establishments including charitable establishments for labour legislation.

27. **Shri Md. Amin, Minister-in-charge of Labour, Government of West Bengal,** was highly critical of disinvestment/liquidation policy of PSUs. Concerned with the growing industrial sickness, increasing closures and retrenchments and consequent loss of income and employment opportunities, he warned the Government that the country could never be prosperous with the help of foreign funds which never come without conditionalities. He, therefore, urged the Central Government to reframe its economic policy suitably so as to encourage more domestic investment in social sector. He further requested the Government to take necessary steps for extension of various social security measures including health measures to the workmen engaged in the unorganised sector. In this context he mentioned a scheme implemented by State Government to provide security measures to the workers engaged in the units in unorganised sector employing less than 20 workmen and also to the self-employed persons. He further informed about the unemployment relief paid by the State Government to the workers of closed industrial units for a period of one year. Expressing unhappiness in the manner in which the Second National Commission on Labour was set up and its terms of reference were finalised by Union Government without any consultation with State Governments, he demanded that the State Governments must be consulted in order to achieve a consensus on recommendations of the National Commission on Labour.

28. **Shri Kamrul Islam, Labour Minister Karnataka** apprised the Conference about the steps taken by his State Government for the welfare of the workers in unorganised sector including domestic workers. A Bill to this effect has been referred to the House Committee and the House Committee will submit its report on the proposed legislation in the coming session of the Legislative Assembly. The Minister felt that the targeted growth rate of 8% could not be achieved without full cooperation of workers.

29. **Shri Uday Patwardhan, General Secretary, BMS** stated that the dissent note was appended in the NCL Report only because of the efforts made by BMS. He demanded a separate session to discuss the report of the Commission. For the time being, his suggestion was that those recommendations, on which there was already a consensus, may be accepted.

30. **Shri Anil Anand, FICCI** was of the opinion that positive results of globalisation were evident from annual growth rate of 6.1% in post-reform period, increased foreign exchange reserve etc. However, the situation could not be exploited and our potential could not be utilised fully due to half-hearted implementation of reform policy. He complained that while old barriers to investment had been removed, major barricades continue to exist. The investors were not sure of honourable exit in case investment failed to yield desired results. Huge assets are blocked in sick industries which could be redeployed to produce employment. He suggested following remedial actions: (i) suitable changes in labour laws to ensure flexibility to industries, (ii) embark upon massive programmes on skill development and skill acquisition. He assured full support of industries in skill development programmes. Shri Anand supported the disinvestment policy and suggested that the proceeds might be utilised for social safety programmes.

31. **Shri Sanjeeva Reddy, President, INTUC** asked the Government to first announce its stand on recommendations of NCL. He further wanted to know what would be Government's share of contribution in social security programmes. He criticised the trade unions for boycotting the Second NCL and for now rejecting the Report of Commission without having a discussions on it. He urged the trade unions to realise that change is inescapable and unavoidable. "Difference of opinion may be there but party barriers have to be crossed for the sake of the progress and prosperity of the country."

32. **Shri Deewan Chandrabhan Singh, Minister of State for Labour, Madhya Pradesh** requested for more time to examine the report of the Commission. He informed that the State Governments would like to discuss the Report with social partners of their States before forming an opinion on the issue. He further suggested calling a special session of ILC to discuss the Report after the winter session of Parliament. The Minister also did not find the brief highlights of the recommendations circulated by the Ministry adequate and requested for circulation of a more comprehensive executive summary of the Report in all Indian languages so as to promote a meaningful nation-wise debate on the Commission's recommendations. The Hon'ble Minister was, however, agreeable with the recommendations such as replacement of plethora of labour laws with a small number of core laws, setting up of an all India service for labour administration, introducing labour studies as a discipline in universities and research institutions etc. But some other recommendations such as amendment in Chapters V-A and V-B of the I.D.Act, proposal for different rates of retrenchment compensation for establishments of different sizes and profitability, bonded labour system etc., in his view, require a careful consideration though these appear quite appealing. He made a plea for greater central assistance to States in priority areas like health and safety, welfare of unorganised workers, strengthening labour administration for labour welfare programmes.

33. **Shri Sharad Patil, Secretary General, CII**, suggested that social security should be a contributory scheme in which Government should also be a partner. Existing schemes of social security would not be feasible in informal sector given the size and very nature of work in this sector. Social security programme for the unorganised sector should be more at state level and possible linkages between various schemes being run by the State Governments may be established.

34. **Shri Varadrajan, CITU representative**, clarified that CITU boycotted the Second National Commission on Labour on account of their differences on terms of reference and composition of the Commission. Though he had found few recommendations of the Commission positive he apprehended the anti-worker recommendations would get preference over positive suggestions. He severely criticised double dealing of the Government who could not bring Agriculture Workers' Bill for want of consensus among the State Government, but passed Trade Union Bill without even referring it to the State Governments. He asked why Ministry of Labour was not a part of the Cabinet Committee on Reforms. CITU demanded that Government should prioritise the reforms. It is necessary to first ensure an effective social security programme in place and then go for bringing about labour reforms. He requested that the report of the National Commission on Labour be discussed with trade unions and State Governments without fixing time frame in a hurry.

35. **Kishori Lal Vaidya, Hon'ble Labour Minister, Himachal Pradesh** supported the disinvestment and economic reform policy of the Government which are necessary to attract more domestic as well as foreign investment. He, however, warned that economic progress should not be at the cost of social justice.

36. **Shri I.P.Anand, CIE** observed that consultation was an evasive approach. In the past also many commissions/committees were set up but not a single decision was taken. He apprehended that the report of the Second National Commission on Labour would also meet the same fate if an early decision on the recommendations is not taken as next year with elections at corner, no Government could afford to take hard decisions. Responding to the remarks of trade union representatives on workers' participation in management, Shri Anand told that workers' participation was crucial to run the industry but it required improved work culture, congenial environment and a different mind set which believes in cooperation and not in confrontation.

37. Presenting views of HMS on the Report of the Second National Commission on Labour, **Shri Umraomal Purohit, Secretary**, said that the Second Labour Commission was set up in an undemocratic manner. Trade unions were not consulted on terms of reference of the Commission.

In spite of this, if HMS did not boycott the Commission that was only because of the great regard they held for its Chairman Shri Ravindra Varma. Shri Purohit asked for sufficient time to go through the voluminous report before having a meaningful debate on the recommendations.

38. **Shri Satish Chaturvedi, Hon'ble Minister of Labour and Textile, Maharashtra** stated that political consensus was a must for bringing about reforms. India cannot be China. No political party can afford to ignore the large force of working class. He regretted that when Maharashtra Government raised the limit for closure from 100 to 300 workers, opposition parties in the state, some of whom are in alliance with the ruling front at the Centre made a lot of hue and cry. This tendency of taking political mileage out of the issues of national interest must be stopped, he emphasised.

39. **Shri H. Mahadevan, Deputy General Secretary, AITUC** reconfirmed his union's opposition to the Second National Commission on Labour. Citing the reason for boycott of National Commission on Labour by AITUC, Shri Mahadevan explained that the terms of reference of the Commission had accepted the 'globalisation' and, therefore, the same was not acceptable to AITUC. He referred to the report of the Commission as a pre-determined exercise and called it as yet another challenge before the working class to be faced collectively. Although he has found some consolation in certain recommendations specially those concerned with social security but was doubtful on the sincerity of the Government to implement them. He demanded that structural adjustment programme should be accompanied with proper compensation package for the affected workers.

40. **Shri M.K.Garg, ASSOCHAM** made the following observations on the report of National Commission on Labour:-

- (i) The Report has greatly disappointed the employers and the industry. Amendments proposed do not provide adequate flexibility to employers to manage their human resources.
- (ii) ASSOCHAM has reservations against the proposed limit of 20 or more employees for an establishment to be covered by labour laws and demanded that the threshold limit should be 50 or more employees.
- (iii) They have objection to the use of the word 'establishment' and proposed that the word should be prefixed with 'business undertaken with profit motive' so as to exclude charitable institutions from the purview of the labour laws.
- (iv) There should be no provision for prior permission for closure of industries. It is a business decision to be left to the employers only. If Government wants to retain a threshold limit it should be raised to 1000 workmen or at least 500 workmen.
- (v) Conditions and restrictions proposed by NCL for engaging contract labour in non-core activities would negate the benefits expected to be achieved by granting flexibility in contract labour system. ASSOCHAM, therefore, suggests that establishments be allowed to engage contract labour as per business need and exigency of work without any preconditions.

41. **Thiru V.D.Natrajan, Hon'ble Minister for Labour, Govt. of Tamil Nadu** informed that plantation and textile industries in Tamil Nadu had been severely affected by globalisation. Economic problems faced by them have resulted in lay off or reduction in wages. He requested the Central Government to provide some assistance from National Renewal Fund to state public sector

undertakings also. While appreciating the need to strengthen small scale sector in the face of globalisation, the Minister did not favour wholesale exemption of small scale sector from the provisions of labour laws. Important labour laws may continue to be implemented to save the workers from exploitation. He, however, welcomed the suggestions of the Second National Commission on Labour for a separate law to regulate establishment having less than 20 workers. He also supported a system of self-certification by small scale industries. Commenting on the report of the NCL, he stated that the suggestions like separate law for small establishments, Wage Act, Working Condition Act etc. required elucidation and discussion. Implementation of new labour welfare law requires consensus among workers and employers. He suggested that the Government of India might conduct a series of workshop to discuss different aspects of the recommendations and on the basis of feed back received; specific measures to implement the recommendations may be taken up.

42. **Shri Babu Divakaran, Hon'ble Minister for Labour and Rehabilitation, Government of Kerala** in his speech welcomed the recommendations of the Second National Commission on Labour which is aimed at modernising the labour regime in India and improving income security, work place security and social security for the country's working population. He lauded the effort of the Commission to redress one of the basic lacunas in the country's labour management i.e. the vast majority of the workers in the unorganised sector. He largely supported the recommendations of the Commission on social security and urged the Union Ministry of Labour to take a lead in formulating the national policy for social security in line with Commission's recommendations. He, however, suggested further discussions on the recommendations relating to legislative changes and opined that those recommendations may be discussed in the tripartite fora at the State level by the State Governments and then in another meeting of Indian Labour Conference to take a view on these issues at the national level.

43. **Shri Kanjibhai Patel, Labour Minister, Gujarat** strongly supported workers' participation in management. He also praised 'Krishi Shramik Samajik Surkhsa Yojana' and requested the Central Government to consider extension of the scheme to other districts of Gujarat. On NCL, he observed that consensus was emerging on social security and skill development programmes. Therefore, action to give effect to those recommendations may be started.

44. Re-affirming their opposition to the recommendations of Second National Commission on Labour, **Shri Ashutosh Banerjee, UTUC-LS** said that the ideological concept of Second National Commission on Labour was faulty. It accepted 'globalisation' which is in effect a myth. In the world, divided into so many common regional markets and protected by tariff barriers, integration of global market is impossible. 'When GATT treaty was signed by the Government of India voluntarily without consulting Workers Groups and when Chambers of Commerce accepted the same, why they are now asking for concessions from workers', he wanted to know. He observed that the recommendations of NCL would lead to further unemployment and social unrest.

45. **Dr. Ram S.Tarneja, President, EFI** made an appeal to the Government to promise and make a commitment for good governance in management and creation of resources for social safety funds. While appreciating the report of the Second National Commission on Labour, he observed that some recommendations were in consonance with our goal of intensive growth but few others are quite the opposite and need further discussions. He, however, requested the Government to give due priority to the report and commit to a deadline for decision on the recommendations.

46. **Dr. Suresh Amonkar, Labour Minister Goa**, suggested following to meet the challenges of globalisation:

- (i) The Centre should sponsor special training schemes for skill upgradation of manpower.
- (ii) Vocational Training Programmes be implemented with active participation of industries.
- (iii) The Central Government should extend financial support by releasing the fund as its share and assistance for social security benefits provided under the specific schemes of the State Governments.
- (iv) Ceiling for purchase of drugs and medicines under the ESI Scheme may be enhanced.

47. **Shri S.R.Sengupta, General Secretary, UTUC** stated that UTUC did not participate in the proceedings of Second National Commission on Labour because of the manner in which its terms of references were finalised without taking trade unions into confidence. Now the report of the Commission is also not acceptable to them. He supported the theory of class conflicts and said that trade unions could not surrender their right to capital.

48. **Shri Sudharsan Sareen from AIMO** thanked the Minister for giving due importance to the report of the NCL and hoped for an expeditious action on the report. While supporting disinvestment policy of the Government, the AIMO representative requested the Ministry to speed up the process in a professional and transparent manner by introducing systems and procedures for optimum realisation on the sale price of the units. At the same time, he cautioned the Government against monopoly that could follow privatisation. He also opposed privatisation in oil exploration and refinery, which may cause risk on national security.

While discussing the problems of small-scale sector, AIMO suggested that the 60 days' retrenchment compensation would be too much to small-scale sector. The compensation should not be more than for 30 days and that also only if retrenchment is on account of closure etc. In case of misbehaviour and misconduct, no compensation should be payable to the retrenched employee. He further suggested that ESIC and EPF etc. should be made applicable to units employing 100 or more workers. Similarly, the Factories Act should be made applicable to units employing more than 100 workers to minimise unnecessary harassment to the small-scale enterprises.

49. **Shri Naren Sen, President, NFIU**, observed that the country has been invaded by Multi-National Companies. In the circumstances, abuse and confrontation of power and money is quite natural. 'Unity among trade union is a must to fight the challenges posed by globalisation and privatisation', he stated.

50. Hon'ble Labour Minister in his concluding remarks stated that he had already started the process of consultation on the report of the Second National Commission on Labour with each and every social partner individually. A time-frame has to be fixed to complete the consultation process so that the necessary changes could be introduced in the system without further delay. He requested State Labour Ministers to send their comments on the report to the Ministry of Labour in writing at the earliest. He resolved that Government would make every effort to bring vast unorganised sector within the fold of social security. In this context, he announced that a national seminar on unorganised sector will be organised in the last week of October or in the first week of November, 2002 where social protection programmes for unorganised sector will be discussed with voluntary organizations active in the field. Thanking everyone for fruitful and meaningful participation in the deliberation of ILC, the Minister observed that the two-day session did not give sufficient time to the speakers to express their views on the agenda items. He, therefore, suggested that ILC should be a three-day session.

51. Dr. P.D. Shenoy, Secretary in his concluding remarks thanked the participants for a constructive and meaningful discussion on all the five items of the agenda. He stated that the difference of opinion was quite natural on sensitive subjects like disinvestment and globalisation. However, underlying these differences was a common concern to make our economy more resilient and our workers more prosperous. He hoped that free exchanges of views would certainly facilitate the fine tuning of the process of disinvestment and labour reforms.

Meeting ended with a vote of thanks to the chair.

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ANNEXURE-I

Committee on 'Problems and Challenges Faced by the Small Scale Industries and their Remedies'

1. The Technical Session which deliberated the Agenda No. 4, Problems and Challenges faced by the Small Scale Industries and their Remedies, was chaired by Shri Hashmukh Bhai Dave, President, BMS. Mr. Shankar Agarwal, Joint Secretary, Ministry of Industry acted as the Vice-Chairman of the Technical Session. Mr. Uday Kumar Varma, Director, V.V. Giri National Labour Institute was the Member Secretary. Representatives from Trade Unions, Employer's Associations, Central and State Governments participated in the discussions.

2. Initiating the discussion, the Chairman noted that the Small Scale Industry (SSI) sector has over the years emerged as a highly vibrant and dynamic sector of the Indian economy. He said that the SSI sector has made impressive contributions in terms of manufacturing employment, value addition and total exports of the Indian economy. He opined that the SSI sector is confronting new challenges due to the processes of globalisation and liberalisation. He said that the existing policy framework of the SSI sector needs to be reviewed with a view to make the sector more growth oriented and thus enable it to withstand the pressures of global competition. He noted that measures also need to be evolved with a view to generate additional employment without diluting the quality of employment.

3. Mr. Arun Bansal, Secretary, Laghu Udyog Bharati, noted that the SSI sector is facing unfair competition in the light of the reduction in tariffs. He said that there is a need to provide increased protective measures to ward off the adverse effects of the unfair competition. He said that the small and tiny units are also regulated by too many labour legislations which adversely affect the modernisation and diversification plans. He opined that the labour legislations should be made more flexible, especially in relation to the tiny sector.

4. Mr. P.K. Ganguly, Secretary, CITU, said that the Industrial sickness among SSI Units have considerably increased during the period of globalisation. He said that a number of National level and State level committees have highlighted the need to reverse this tendency of industrial sickness. He said, however, follow up action to translate the recommendations of some of these committees into ground level realities have hardly being initiated. This, he said, is mainly due to the lack of appropriate institutional arrangements to address the problems of SSI sector in a holistic perspective. He opined that what presently exists is a system which views the issue only in parts rather than as a whole. He opined that with increased global competition and rapid technological transformations there is a need to review the labour legislations operating in the SSI sector so as make it in tune with the emerging realities. However, the pertinent issue to be borne in mind is that this should be done not with the perspective of eliminating the labour legislations totally.

5. Mr. R. Vishwanathan of the Council of Indian Employers noted that in majority of the SSI enterprises, the proprietor is required to be engaged in a variety of business responsibilities. He said that burdening the entrepreneurs with the requirement of maintaining a large number of records pertaining to the enforcement of labour legislations thus could be detrimental to the interest of the growth and diversification of small-scale sector. He noted that presently the small scale sector is over burdened with labour legislations and hence there is a need to either exempt the small scale sector from the purview of the labour legislations or rationalise it in tune with emerging competitive environment. He said that the following actions need to be immediately taken so as to ensure that the small scale sector continues to be an integral part of the India's economic progress: i) The tiny sector need to be totally exempted from the purview labour legislations; ii) In other small scale

industries, laws such as Minimum Wages Act could be made applicable, but they should be exempted under the provisions of the Industrial Disputes Act as well as Contract Labour Act.

6. Mr. R.S. Mardolkar, Commissioner, Labour & Employment, Government of Goa noted that the idea of exempting the small scale sector from the purview of labour laws may not have much merit as they may be in contradiction to the provisions of other Acts which are applicable to the small scale sector such as the Factories Act. He said there is a need not only to enforce labour laws such as Minimum Wages Act more stringently in relation of small scale industry but there is also a requirement to increase the level of the Minimum Wages. He also opined that the idea of creating a pool of workers in each identified region to meet the demands of the small scale industry need to be deliberated and follow up strategies evolved. He said that once such pools are established, they could even manage PF, ESI, etc. applicable to the workers.

7. Mr. Pankaj Jain, Director, Ministry of Small Scale Industry said that the Ministry is currently considering the possibility of framing a separate but simple legislation on labour matters for all the small scale enterprises which employ less than 100 workers. Although this may be a Central Act, the Rules relating to it will have to be framed by the respective State Governments. He said that the detailed modalities will be worked out in consultation with all the stakeholders.

8. Mr. Prabhu Narain Singh, State President, HMS said that there should not be any compromise on the existing social security systems which are applicable to the workers engaged in the small scale industry. He said that any dilution of the existing social security benefit would further deteriorate the working conditions of those engaged in this sector. He noted that the small scale sector is encountering several new challenges as a consequence of the process of globalisation. This is especially so in relation to the availability of credit and infrastructural facilities. He said that the infrastructural and credit bottlenecks need to be immediately overcome, as they are basic prerequisites in maintaining the high level of competitiveness. Lack of policies addressing these issues could further increase sickness among small-scale sector, which would adversely affect the interests of both small-scale entrepreneurs and workers.

9. Mr. Renuka Devi, Secretary, INTUC noted that there are a number of industrialists who misuse the concessions being offered to the small-scale industry. Such practices, she said, often leads to the exploitation of labour. She opined that the penalties for indulging in such anti labour practice should be made more stringent.

10. Mr. Babulal B. Todi, President, AIMO noted that the SSI sector is encountering several new challenges in the era of globalisation. He said that the need of the hour is to evolve policies, which would make the Indian SSI sector globally more competitive. This, he said, would entail actions on many policy fronts. Referring specifically to the area of labour legislations, he said that although there is a need to make the labour legislations applicable in the case of SSI sector more flexible, it should not correspond to any reduction in providing social security measures to the workers engaged in this sector.

11. Mr. P.K. Gurudasan, Secretary, CITU said that any move to exempt small-scale sector from the purview of the labour legislations is unwelcome. He said that in majority of the SSI sector the existing conditions of employment are already much below the desired standards. Any further relaxation in labour laws would make these conditions much more adverse to the interest of the workers.

12. Mr. Vijayaraghava Menon, Additional Secretary (Labour) Government of Kerala said that the Kerala Government is currently in the process of finalising new policies such as labour policy,

industrial policy, IT policy etc. He said that one of the important elements of all the new policies is the recognition of the fact that there is a need to institutionalise more proactive policies for the promotion of entrepreneurial initiatives, especially in relation to the modern sectors of the economy. This, he said, would entail moving away from traditional approach of protective policies, especially of those in relation to small scale sector. He said that, for instance, there is a shift away from inspection to self certification, especially in the case of small scale sector. Inspections are carried out only on a random basis and strict penal actions are initiated once violations are found during such inspections.

13. Mr. Uday Patwardhan, General Secretary, BMS, said that the processes of globalisation and liberalisation have brought about a number of new challenges for the small-scale sector. He said that one of the major problems being encountered by the SSI sector is the increased industrial sickness. He noted that such a trend is visible in the developing countries as a whole. He opined that it is vital to put in place appropriate strategies to ward off the adverse effects of the globalisation. He emphasised that it is only through meaningful social dialogue that the remedial actions can be arrived at. He said that such social dialogue should mainly address the following issues, which have been inhibiting the growth of SSI sector. These include inadequate credit flow from financial institutions, inadequate infrastructural facilities, use of obsolete plant, machinery and equipments and inefficient management techniques.

14. Mr. G.C. Narang of the Confederation of Indian Industry noted that the small scale sectors are currently being subjected to a number of inspections and such inspections act as the major factor in impairing the growth prospects of the small scale sector. He favoured that the system of inspection need to be replaced by self-certification.

15. Mr. Raman Kumar, OSD, Government of Andhra Pradesh said that the inspections are being carried out in Andhra Pradesh only if there are complaints of exploitative practices. He said that such a system has already shown favourable results. Mr. Ravindra Dhar, Deputy Labour Commissioner, Government of Delhi also highlighted the need to replace inspections with self-certification. A similar view was also expressed by Mr. J.S. Bisht, Additional Labour Commissioner, and Government of Uttaranchal. However, all of them maintained that the penal measures for the erring employers should be stringent.

16. Mr. Uday Kumar Varma, Director, VVGNI and Member Secretary summarised the proceedings of the Discussions.

17. The Drafting Committee consisting of Mr. Hashmukh Bhai Dave, Mr. Shankar Agarwal, Mr. Uday Kumar Varma, Mr. Babulal B. Todi, Mr. R.S. Mardolkar, Mr. Uday Patwardhan, and Mr. D. Raman Kumar finalised the conclusions of the deliberations.

Conclusions/Recommendations of the Committee on 'Problems and Challenges Faced by the Small Scale Industries and their Remedies'

1. The need to make functioning of tiny units simpler was generally agreed. In this context, it was felt that plethora of laws have to be simplified. However, while extending such exemptions the basic labour laws governing social security, social assistance, minimum wages and equal remuneration must be retained.

2. There is a need for the simplification and rationalisation of labour laws, which are applicable in relation to the small scale sector. The exact modalities like number of workers, investment limit etc. Through which such simplification and rationalisation have to be brought out could be considered in the light of and in conjunction with the proposed umbrella legislation for the unorganised sector as a whole.

3. There was a general consensus for the introduction of self-certification in the small scale sector in lieu of the submission of multiple returns and inspections.

4. There was consensus on the need to provide benefit of insurance coverage against death, disease and disability to workers and employees of SSIs.

Annexure-II

Committee on 'Impact of Globalisation on the Indian Economy particularly on Employment and how to meet the Challenges.'

1. The Technical Session on agenda item "Impact of globalisation on Indian economy particularly on employment and how to meet the challenges" met under the Chairmanship of Dr. Ram S Tarneja, President, CIE. Shri M. V. P. C. Sastry, Joint Secretary, Ministry of Commerce & Industry was the vice-Chairman of the Session and Dr. G.S. Ram, Labour & Employment Adviser, Ministry of Labour, Member Secretary.
2. Initiating the discussion on the impact of globalisation, the Chairman delineated the challenges raised by globalisation and linked it to the developments in the labour market. He briefly explained the background of liberalisation since 1991 and the Phase-I and Phase-II of the reforms. He expressed his views that to protect employment to the workers, the sustainability of the industry and business needs to be ensured as pre-requisite and stressed the need for tapping the potentials of informal and unorganised sector. He was optimistic that the proposed 8% GDP growth in 10th Five Year Plan would be possible if the agriculture and service business and agro processing industries were given utmost attention.
3. Shri Umraomal Purohit, General Secretary, HMS observed that he was not opposed to globalisation as he was fully conscious that India could ill-afford to remain in isolation. But, he was opposed to iniquitous globalisation that was totally biased in favour of the developed nations and the MNCs. He was of the opinion that the globalisation should be in consonance with the national needs and should benefit all. The development policy needs to be combined with protection of all the workers with improvement in productivity.
4. Dr. M.K. Pandhe, General Secretary of UTUC was critical of the Government's policy on globalisation. He stated that the undesirable trends in Indian labour scenario were the outcome of planned action of developed nations. He observed that foreign goods were entering the Indian market in a big way and there was a need for controlling the foreign trade. He felt that this was the time for the social partners to have a social dialogue because it was disturbing to note that on one side, unemployment was on the increase, on the other, the employers were bent upon downsizing their workforce. He, therefore, observed that the growth of Indian economy was nothing but jobless growth. He expressed his apprehension that attaining 8% GDP growth in 10th Five Year Plan was an unrealistic target. The realistic growth, according to him, would be somewhere near 5%. He, therefore, suggested that while discussing the impact of globalisation, the experience of other countries might be examined. He pointed out that none of the countries that had opted the path of structural adjustment succeeded in terms of sustainable level of economic growth. He was also critical that in India, though, Special Tripartite Committees were constituted immediately after the launch of liberalization programme, but these never met. He stated that it was pathetic to note that no labour laws were implemented in the Export Processing Zones (EPZ).
5. Dr. Jayadev Sarangi, Jt. Resident Commissioner, Andaman & Nicobar Island supported the Government's globalisation policy. He, however, suggested that to bridge the gap of regional imbalances in economic development, the possibilities of tapping the employment potential of fishing and tourism needs to be explored in Andaman & Nicobar.
6. Shri S.P. Marwah, Labour Commissioner, NCT, Delhi observed that skill upgradation required added attention in the era of globalisation, liberalization and privatisation. He suggested that

DGE&T, Ministry of Labour may be requested to reorganize the employment exchange mechanism to meet the new challenges.

7. Shri I.P. Anand, CIE representative observed that the flaws in the Indian labour market were mainly due to the Government's wrong labour policy. He advised that the Government's administrative system needs to be changed as per the market demand and more social dialogue should be held. The Ministry of Labour should focus on promotion of employment, not the generation of employment. The present labour laws which have become obsolete, dilapidated and outdated need to be reviewed / repealed and rationalised conducive to market needs. He felt that the charm of IT industry would wither away in few years time and the employers would be more interested to investing in agriculture sector. He felt that the cooperative societies, perhaps, would not be a solution to the complex issues of industry and economy in the present competitive environment.

8. Shri H. Mahadevan, Dy. General Secretary, AITUC severely criticised the policy of globalisation, which according to him, was dictated by Bretton Woods twins, i.e. IMF and World bank. He accused that these agencies were dictating the agenda of globalisation in India. Globalisation had menacingly impacted on employment and millions of workers were rendered jobless in the country because of closure, VRS and downsizing. The virus of VRS was affecting the workers' world and public sector undertakings as well as private corporate had resorted to a large-scale reduction of their human resources. He regretted that our growth was jobless, fruitless and futureless and cautioned that any growth oriented policy which had no employment content, might not be pursued. There was no use of having growth if human hands remain idle. Therefore, employment generation should be the single most criterion now and similar to exit policy, there is a need for entry policy in India. He advised that the Government should think of instituting a skill development fund.

9. Shri S. Srinivasan, Labour Commissioner, Kerala informed that Government of Kerala was contemplating to hold a Global Industrial Meeting, shortly. He also informed that Government of Kerala is contemplating to bring out a new legislation to protect the interests of head loading sector (hamals) workers. He stated that the experience gained in the scheme of welfare fund by the Government of Kerala could be a torch-bearer to the other states.

10. Shri Ashok Khot, Principal Secretary, Maharashtra commented that there was a need for learning lessons from the efficiently operating state government schemes on employment generation.

11. Dr. S.S. Aggarwal, representative of LUB observed that globalisation implies more employment opportunities. The solution of unemployment in India lies in promotion of small scale industry sector. Therefore, the problems of SSI need to be taken care of. He observed that re-employment of the retrenched workers is a crucial issue and effective measures need to be taken for skill development. He emphasised that the Government's core competence is limited to govern and not to run business. Therefore, Government should come out from the business activities. He felt that globalisation should be in consonance with the national needs and should benefit all. SSI sector is also aware that competition is need of the hour and there cannot be any compromise on productivity and quality. He urged the Government to give utmost importance to small scale and other potential areas such as fisheries, agriculture, water and solar harvesting, dairy farming, tourism, ayurveda, herbal medicine, export of jewellery, horticulture, leather, IT etc.

12. Shri G. Sanjeeva Reddy, President, INTUC stated that the issue of industrial sickness needs to be focused. He stated that INTUC is not opposed to globalisation as it is fully conscious that India

can ill-afford to remain in isolation. But we need to take the advantage of globalisation. FDI may not be taken as a negative thing. The Indian industry which was working in protectionist environment has to be competitive in the present market economy. The competition brings efficiency in services and quality of output. However, we have to ensure the workers that their legitimate interests and needs are protected. The workers are to be covered under social security umbrella and this has to be done with due and desirable tapping of the potentialities of globalisation. He emphasised the need for giving protection to SSI sector and a positive role in developing a workers' sector.

13. Shri Manohar Kant, Labour Commissioner, Rajasthan mentioned that the union government may bring out a scheme which focuses on employment generation so that unemployment problem could be tackled effectively.

14. Shri M.R. Mohan, Director Employment & Training, Tamil Nadu observed that similar to National Renewal Fund, certain funds for skill development need to be formed at the state level. Upgradation and providing more autonomy to these institutions are also essential. He suggested that levy could be imposed on companies to build up a skill development fund, which could be used for financing it. He further suggested that the possibilities of developing Special Economic Zone (SEZ), as in the line of China, could also be thought of.

15. Shri B.C. Prabhakar, representative, CIE mentioned that the globalisation had brought in technological change which had resulted in automation and consequential reduction in employment. He stated that in the present scenario, to combat the menace of unemployment, cooperative efforts made by the workers like that of SEWA are worth emulating. He concluded that the employers are fully conscious about assuring livelihood security to the workers.

16. Shri R.K. Aggarwal, Secretary, AIMO stated that the skill development needs to be given top priority. He pointed out that the present difference in sales tax between states and UTs is leading to haphazard growth of industry and trade and is detrimental for uniform growth of the regions/states. So, there is a need for uniform sales tax between states / UTs.

17. Shri S.R. Sen Gupta, General Secretary, UTUC stated that with the advent of liberalization of Indian economy, the graph of employment had gone drastically down. In other words, the globalisation to India means shrinkage of employment avenues. Thus, the effort of the Government should be focused to devise schemes for generation of employment.

18. Shri P.T. Rao, Finance Secretary, BMS felt that the majority of the unorganised workers were engaged in agricultural activities. In spite of the fact that these agricultural workers have such numerical strength, they are extremely vulnerable to exploitation and there is need for safety network for them. He further suggested that there is a need for assuring minimum support price to the farmers so that the workers engaged in agricultural and allied activities do not migrate from rural areas to urban areas.

Conclusions/Recommendations of the Committee on 'Impact of Globalisation on the Indian Economy particularly on Employment and how to meet the Challenges.'

1. There were different views available on both positive and negative impacts of globalisation on Indian economy. Some felt that it has ushered in a higher GDP growth, made enterprises more competitive and quality conscious, has made our foreign exchange reserves quite stable and changed our mindsets to a great extent and has considerably helped Indian economy. However, some others felt that it has brought jobless growth in the organised sector, multinational companies are only purchasing the enterprises and not setting up any new enterprises, and opening up of our markets has not helped Indian economy because of availability of imported goods at cheaper prices.
2. A section of the participants felt that instead of reducing Government spending, disinvestment in public sector, devaluing our currency and reducing spending on social security, we should be in improvement in public sector, encourage domestic savings and invest more in social sectors.
3. Deceleration in employment growth is also because of global competition compelling enterprises to reduce costs and be competitive by resorting to VRS, retrenchment and closure.
4. Since India has the experience of globalisation for more than a decade, there should be an in-depth review of the impact of globalisation including its effectiveness. There should be a thorough dialogue among the social partners about the strategies that should be adopted for facing the challenges.
5. There should be broader consultation within the country prior to signing major international trade agreements. India should take initiative in bringing together developing countries to protect their interests in such fora.
6. The group strongly felt that growth-oriented policy which has diversified and sustainable employment content must be pursued.
7. Employment generation should be an important criterion for investment policy, although viability and technological updating should be accorded due weighages.
8. It is the small scale industry and traditional industry, agri-business and rural sector that have more employment potential. Special efforts should be made to promote faster growth in these sectors and encouragement should be given to promote marketing efforts for small scale industry and to rural sector.
9. Promotion of indigenous, need-based technology growth related to Indian needs and resource endowment should be pursued.
10. There is a great need for resources for Skill Development for appropriate Fund will enable to re-orient the training programmes and employment exchanges. There is also need to have convergence of training and employment schemes of al the Central and State Ministries.
11. Knowledge based employment generation specially in social sectors such as education, health care, tourism and travel need to be rapidly developed and encouraged.

Annexure-III

Committee on 'Social Safety NET'

1. The Committee on Social Safety Net of the 38th Session of Indian Labour Conference met in Hall No.4 of Vigyan Bhawan under the chairmanship of Shri Ashok Pradhan, Hon'ble Minister of State for Labour. Shri B. Danam, Principal Secretary, Government of Andhra Pradesh co-chaired the meeting.

Employees Group :

2. It was mentioned that Public expenditure by the govt. on social security measures is very low and despite 11 years of economic reforms the social security measures are yet to be initiated for majority of the workers. Though the informal sector, but in actual practice the opposite is happening. The existing social security provisions are inadequate as 92% of the workers in the country are out of coverage. There is an urgent need to extend social security to the workers in the unorganized sector. The expenditure on social security measures by the Govt. needs to be increased by 1% to 2% GDP annually till satisfactory social safety net is in place. It was also mentioned that the health care provided by the ESIC suffers from various weaknesses and there was need for improving the health care system after exploring different options, better coordination of health services and reduction of administrative costs. The Review Committee constituted by the Ministry needs to examine the matter expeditiously. It was also emphasized that the workers covered by the social security scheme must be provided with National Unique Social Security No. and Identity Card.

3. Due to the economic reforms the formal sector has not grown and there is growth only in the unorganized sector. There is an urgent need to provide safety net for workers who are losing employment on account of VRS/VSS etc. Some scheme needs to be initiated to provide minimum financial assistance to such class of workers till they find alternative employment. The unemployment insurance benefit can be provided out of contributions by all the stake holders which may cover a reasonable duration of unemployment period. Of course the Committee underlined the fact that the best guarantee for social security is provision to jobs to all those who are entering the labour market. The prime objective of the Govt. should be the adequate generation of employment in coordination with all social partners. Additionally skill development of workers should be given top priority to facilitate their re-employment. The Committee took note of the fact that a number of ILO Conventions are still to be ratified by India for which expeditious measures should be taken so that all the social security conventions are ratified and implemented.

Employers' side :

4. On behalf of the employers' it was emphasized that there needs to be a commitment on the part of the Govt. to take care of social security of the workers. In this context contributions towards social security should be by the Govt., employer and the employees. The social safety net has to look after all the social needs of the workers i.e. health care, unemployment benefits, old age benefits, accident compensation, skill development and safety. There was an urgent need to modernize social security organization to provide a good quality, transparent and cost effective service. The EPFO and ESIC have to provide cost effective services within a reasonable time frame and for this the information technology has to be harnessed. The employers side emphasized that since the rate of return is going down the Govt. should provide safe avenues for investment of the

social security corpus with adequate inflation indexed real rate of return. However, the social security institutions/agencies must be provided with ample measure of autonomy.

5. At present there are a number of labour legislations relating to social security which would need to be consolidated and one comprehensive social security law needs to be enacted. The existing social insurance schemes are also required to be modified and made more effective. The steps should be initiated for achieving functional and administrative integration of the existing institutions/agencies administering various social security benefits. All this would result in increasing the coverage and also avoid duplication of benefits.

Government Side :

6. The Govt. representatives emphasized that there was a need to evolve a National Social Security Policy covering all sections of workers. A National Social Security Authority under the chairmanship of Hon'ble Prime Minister is also required to be established which shall have adequate representation from all the social partners. The representatives from the State Govts. stressed that a single agency must be there to look after all the social security needs of the workers. Further, the unorganized sector has to be covered of which the majority consists of agricultural and allied services. Labour Commissioner, Tamil Nadu and the Secretary (Labour), Goa provided a detailed account of the social security schemes which have been launched by their Governments. The unorganized sector workers are presently covered under several welfare schemes sponsored both by the Centre and the States. A holistic approach must be evolved in consultation with the State Governments for an effective delivery mechanism to avoid duplication. The administration of welfare funds should be streamlined to improve quality and timely delivery.

CONCLUSIONS/RECOMMENDATIONS OF THE COMMITTEE ON 'SOCIAL SAFETY NET'

1. The Committee on 'Social Safety Net' of the 38th Session of Indian Labour Conference met in Hall No.4 of Vigyan Bhavan under the Chairmanship of Hon'ble Minister of State for Labour Shri Ashok Pradhan. Shri B.Danam, Principal Secretary, Government of Andhra Pradesh co-chaired the meeting. After detailed deliberations, the following conclusions were arrived at:-

1) The Committee emphasized the need to urgently evolve a National Social Security Policy covering all sections of workers. The Committee also urged the establishment of a 'National Social Security Authority' under the Chairmanship of the Prime Minister with adequate representation to all social partners.

2) Public expenditure by the Government on social security measures in merely 1.8% of the GPD IN India. Many other countries are spending much more. The expenditure on social security should be increased by 1% to 2% of GDP annually till satisfactory social safety net is in place.

3) The existing social security provisions are considered inadequate in as much as 92%of the workers in the country are out of coverage. In such a situation, there is an urgent need to extend social security to the workers in the unorganised sector.

4) All the labour legislations relating to social security should be consolidated and one comprehensive social security law needs to be enacted.

- 5) Contributions towards social security should be by the Government, employers and the employees. In a Welfare State, the commitment on the part of the Government to take care of social security of the workers is more essential.
- 6) The existing social insurance schemes should be modified and made more effective.
- 7) All the safety related social needs of workers, viz., health care, unemployment benefits, old age benefit, accident compensation, skill development, safety etc. should be addressed.
- 8) It was unanimously felt that workers covered by the social security schemes must be provided with nationally unique social security number and identity card.
- 9) It was felt that steps should be initiated for achieving functional and administrative integration of the existing institutions/agencies administering various social security benefits. This would result in increasing the coverage and also avoid duplication of benefits.
- 10) The key issue facing the country today is 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. However, initially it could cover a reasonable duration of unemployment.
- 11) Health care provided by ESIC suffers from several weaknesses. The group recommended improving the health care system after exploring different options, better coordination of health services and reduction of administrative cost. In this context the Review Committee constituted by the Ministry needs to examine the matter expeditiously.
- 12) The Government should provide safe avenues for investment of the social security corpus with adequate inflation indexed real rate of return.
- 13) Single window service should be provided more expeditiously for providing benefits under the safety net to the workers.
- 14) There is an urgent need to modernize social security organizations to provide a good quality, transparent and cost effective service. In this regard it was suggested that harnessing of information technology tools be achieved within a reasonable time frame.
- 15) For the unorganised sector workers, there are several welfare schemes sponsored both by the Centre and the States. A holistic approach is to be evolved in consultation with the State Governments for an effective delivery mechanism to avoid duplication. The administration of welfare funds should be streamlined to improve quality and timely delivery.
- 16) The Committee recommended expeditious measures to ratify the ILO Conventions and standards related to social security.
- 17) The Committee emphasized that the social security institutions/agencies must be conferred with ample measure of autonomy.

18) The Committee underlined the fact that the best guarantee for social security is provision of jobs to all those who are entering the labour market. Adequate generation of employment should be the prime objective of the Government in coordination with all social partners.

19) Skill development to the workers should be given top priority.

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ANNEXURE-IV

COMMITTEE ON “DISINVESTMENT POLICY OF THE GOVERNMENT”

1. The Committee on “Disinvestment Policy of the Government” met under the chairmanship of Shri Kanjibhai Patel, Hon’ble Minister for Labour, Government of Gujarat. Shri Pradip Bajjal, Secretary, Ministry of Disinvestment was the Vice Chairman. Shri Bajjal made a presentation on the Policy of the Government on Disinvestment, the rationale behind it and the performance up till now. He mentioned that the PSUs were created over the last 40 years. This was the trend everywhere in the world as that was the only way of development at that point of time. There had, however, been doubts in the last 10-20 years all over the world and many countries had undertaken massive privatization. He informed that the policy of disinvestment in India began from the budget of 1991-92 when the Government agreed to disinvest 20% equity in PSUs and then it evolved gradually over the years. During 1997-99, the Ramakrishna Commission advocated disinvestment through strategic sale. In 1998, it was decided to bring down the Government equity in units in the non-strategic sector to 26% and to strengthen the strategic sector which was defined to include Defence, Atomic Energy and Railway Transport.

2. He informed that experience showed disinvestment through strategic sale as more advantageous than that through sale of shares. So far, the Government had undertaken disinvestment through sale of shares in 39 companies and through strategic sale in 16 companies. In the first round, while the Government got over Rs.19000 crore, it received Rs.11000 crore in the second round. The latter was earned by selling Rs.894 crore worth of equity which was about 1% of the total Government of India’s equity. Hence, the potential of PSUs was very high. He also explained that although the dividend received by the Government on this equity sold was about Rs.52 crore on an average during the last 8 years, the average annual losses on account of supporting these companies was about Rs.126 crore. The Government was, therefore, losing about Rs.74 crore every year. Hence, the Government saved about Rs.1200 crore every year on account of such disinvestment. The stock markets operation also showed that strategic sale was good. This, he said, was also proved by the fact that in 1990-91, when disinvestment was done through sale of shares in the market, the shares of the monopoly companies and even blue chip companies were sold at a PE ratio ranging 4.4 to 6. However, later, after 2000, when strategic sale was undertaken, the PE ratio improved to 19 for BALCO, 12 for CMC, 11 for VSNL, 89 for Maruti and so on. In addition, as in the case of Maruti, the Government also got a control premium for such sales.

3. Responding to the issue regarding disinvestment in profit-making companies, he gave the example of VSNL to show that Government control of Company did not benefit anybody – neither the consumers nor the taxpayers. While the services were poor and there were distortions in the system, the Government was getting only about Rs.10 crore every year. He also clarified that the Government, at no stage, made a commitment that they would sell only the loss-making public sector units.

4. He explained that the Government’s budget was under severe pressure as the Indian economy was characterised by high fiscal deficit, high debt, low savings rate and low investment leading to low growth. Hence, they could no longer subsidise the public sector as was done in the past. Explaining the impact of disinvestment on employment, he told that in the last 10 years even without privatisation, the employment in the public sector had come down from 2.18 million to 1.74 million. On the other hand, during the same period, employment had gone up in the private sector. An NCAER study also showed that in the 1990s there was a positive improvement in the private sector on all fronts whereas there was deterioration in the public sector perhaps because of structural reasons. He also mentioned that wherever the Companies had been privatized, people

had not lost their jobs and the employees had in fact gained in terms of higher salaries and better facilities.

5. Initiating the discussion from the Employers' Group, representatives from SCOPE stated that they were not against disinvestment or privatization per se. However, the objective of the disinvestment policy should be to improve the efficiency/ competitiveness of PSE and to inject market dynamism in them besides ensuring broad basing of ownership. The aim should not be to convert capital into revenue to meet the budgetary deficit. They also felt that the threat of disinvestment /privatization had been hanging on the head of several PSEs for last several years without any firm decision. This had adversely affected the company's business results and future plans. The Government should, therefore, have a long-term roadmap on the disinvestment policy which should emerge as a strategic consensus among all the political parties, so that there were no roll backs or hurdles. Moreover, although many public enterprises had improved their performance and productivity, a negative image was being projected in respect of all. This had harmed not only the public sector but also the disinvestment process and the national exchequer.

6. They suggested that the government should make a distinction between different categories of public enterprises as - Companies which were profit making and competing successfully with global competitors; Companies showing signs of turnaround; and those which had turned sick and may not be able to withstand competition in the future. Better performing public enterprises should be given greater autonomy in running their units in a professional manner, while terminally sick PSEs should either be closed or privatized. PSUs operating in the strategic sector should be exempted from disinvestment.

7. It was also suggested that a part of disinvestment proceeds should be set aside for turning around the potentially viable sick PSEs, for fresh investments needed by some Companies and for VRS needs, etc. The rest may be used for retiring debts and for investment in infrastructure and social sectors. Moreover, people separated through VRS should not be left on the road as an inevitable sequel of disinvestments but should be helped to upgrade their skills.

8. It was mentioned that speedy decision making was required for industries to be globally competitive. What was required, was a sector, whether public or private, which could deliver the goods and generate wealth and employment. Hence, there should be a holistic approach to the disinvestment issue. Management should be performance oriented with proper accountability and that there should be transparency in the system.

9. From the workers' side, the representative from AITUC told that the question that the profitability of PSUs had gone down or that the private sector's performance was better than the public sector, was debatable. There were a number of private sector enterprises which had closed down recently. According to the RBI Survey, in 90 per cent of cases, closure was due to corporate delinquency and management inefficiency. Disinvestment was being made by the Government to fill the gap in fiscal deficit. Since the Government was unable to improve its revenue collection, they had made PSUs a soft target. He compared the disinvestment of PSUs to sale of family assets for meeting deficits in revenue. Hence, in stead of opting for disinvestment, revenue should be increased, tax compliance should be effectively implemented and additional resource areas should be tapped. The Govt. had no right to sell national assets created over 50 years. He explained that they were not against sale of loss making PSUs. However, since those were not being purchased, the Government was selling the profit making units. He further mentioned that higher growth had no meaning if it did not translate into human development. Thoughtless disinvestment was leading to de-industrialization and growth of monopoly of private sector like in cement and aluminium.

10. Endorsing the views of AITUC, the representative of BMS stated that the Government had earlier assured that all decisions on disinvestment would be taken in a transparent manner and that limited exercise of disinvestment would not lead to change in ownership. He criticized the disinvestment of BALCO and noted that as per the CAG report, the Govt. had been cheated in the BALCO deal. IPCL had also been sold at a cheap price. He emphasized that only sick units should be sold and not the profit-making public sector undertakings. The latter should be encouraged and strengthened. PSUs in fertilizer and oil sectors should also be classified as strategic. He suggested that the Disinvestment Commission should be replaced by a Tripartite Committee with equal representation of workers.

11. It was also mentioned that disinvestment was being undertaken under donor & international agency pressure. He said that it was unfortunate that Companies like IPCL which had provided manpower to Reliance, Haldia and also trained foreign experts, were being privatized today. He favoured setting up people's enterprises and emphasized that workers should be given preference in taking over the Company. He also emphasized that before disinvestment in PSUs, the workers/ trade unions should be consulted.

12. The representative from INTUC informed that his organization was opposed to indiscriminate privatization of the public sector. He suggested that nothing should be done without tripartite consultation and also without consulting all political parties. Disinvestment, he said, should be undertaken only as a last option. He suggested that the Government should try to improve the efficiency of PSUs, develop professional management, undertake manpower planning and change the work culture, particularly in profit-making enterprises and enterprises which could be revived. The workers cooperatives should try to take over those units which were loss-making. Only if all efforts for revival failed, disinvestment/closure should be considered. Quoting the example of Talchar Thermal Plant, which had been taken over from the State Government by the NTPC, he emphasized that with a small investment and reduction of manpower, some engineers/workers were able to substantially improve the production of electricity. It was, therefore, a question of professional management. He also criticized the move to disinvest in NALCO which, he said, was yielding profit, had repaid loans and was giving dividend to the Government. He emphasized that the main reason for losses was corruption and inefficiency of the management.

13. The representative from NFITU observed that initially the Government talked about privatization of only the sick units. However, since there were no buyers for the sick units, the profit-making units were being sold.

14. The representative from CITU criticized the Government's policy of disinvestment in profit-making public sector units and noted that the PSUs in the Banking, LIC and Steel sectors were the instruments through which the Government could play the role for development of the economy. He opined that no mandate of people was taken for these reforms and the money earned through disinvestment was being used for deficit balancing. This disinvestment, he felt, was being done under the pressure of IMF and World Bank. In India, the contribution of the manufacturing sector to GDP was only 3.3% today which was much lesser than the other countries. Quoting the report of National Commission on Labour, he stated that 40% of the dollars were coming in the form of acquisitions alone. Most of the big private sector companies had been sold to the multinational companies.

15. Responding to the issue of workers' cooperatives, Secretary (Ministry of Disinvestment) stated that it had been the practice that in every bid, there was to be a net-worth. For net-worth creation, the workers cooperatives had to give venture capital. On this question, talks were going on with the ICICI. In the case of IPCL, since the workers' bid did not have the net-worth, they could not

bid. He told that labour had been given shares on discount at one-third of the rate. On the issue of privatization of profit-making units, he clarified that out of the units sold so far, 25% were profit-making and 75% loss-making. Moreover, only 1% of Government equity had been sold in the last two years. Disbursal of shares by selling in the market also had the danger of these being acquired by some Companies at a cheap price. On the question of including Fertilizers and the Oil sectors as strategic sectors, he clarified that in so far as the Fertilizer sector was concerned, many units were in the private sector even today, so it could not be considered as a strategic sector. The question of Oil sector had also been decided by the Govt. after detailed discussion.

16. Responding to the issues, Smt. Rama Murli, FA, informed on behalf of the Ministry of Finance that in every budget speech, there had been policy statements on tax realization for raising revenue. PSUs had suffered on account of rigidities in decision making. Hence, corporatization and eventually privatization would improve the level of decision making. She stated that there was a felt need today to concentrate on social sector and basic primary needs, hence all resources could not be spent on the PSUs. The turn around in some PSUs could be done but only at a high cost which the nation may not be able to afford as the resources were limited. There was, therefore, a need to adopt a holistic approach in making recommendations. She also clarified that even if some proceeds from disinvestment went to the Consolidated Fund of India, almost an equal amount of devolutions were being made to the PSUs in some form or the other. On the issue of efforts made to improve the resources, she explained that Debt Recovery Tribunals had been set up and the banks were also moving towards realization of NPAs.

17. Intervening in the discussion, Labour Minister stated that role of the Government should be that of a facilitator. He emphasized that the workers should be taken into confidence and should be involved in the disinvestment process. Workers' cooperatives should be encouraged. Wherever workers and management were ready to take over the company, first preference should be given to them and they should be helped in arranging funds for the purpose. Disinvestment of good PSUs, he said, should be seriously thought about and action should be taken only after proper discussion and consultation. Even after so many years of freedom, basic facilities were not available to the people; hence, the Government should, instead of getting into business, look at providing basic facilities to the people and focus on social sectors, infrastructure development and on addressing the problems of the unorganized sector and other poor small workers.

18. There was no consensus amongst the Groups. While the Trade Unions wanted the whole policy of disinvestment to be reviewed, the employers favoured disinvestment for enhancing the efficiency and competitiveness of the enterprises. The report of the Group is annexed.

CONCLUSIONS/RECOMMENDATIONS OF THE COMMITTEE ON "DISINVESTMENT POLICY OF THE GOVERNMENT".

The Committee appointed to discuss the Disinvestment Policy of the Government met under the Chairmanship of Sh. Kanjibhai Patel, Hon'ble Minister of Labour, Govt. of Gujarat. The Ministry of Disinvestment made a presentation to the Committee on the disinvestment policy, the rationale behind it and the various safeguards built into the process for the employees. After detailed discussions amongst the various members representing the social partners, while there was no consensus, the following views emerged;-

1. The trade unions strongly felt that the policy of disinvestment should be reviewed. They felt that it was their experience that the disinvestment policy did not serve the national

interest. They also felt that no profit making public sector undertaking should be disinvested.

2. The employers on the other side felt that although they favoured the policy of disinvestment for enhancing the efficiency and competitiveness of the enterprises, PSUs operating in strategic sector should be exempted from disinvestment.
3. The employers also felt that the emphasis should be on broad basing ownership of privatized companies. They also stated that employees' interests should be kept in mind at the time of disinvestment.
4. While reiterating the need for pursuing the current disinvestment policy and programme, the Government noted the cross section of views expressed and felt that some of the positive suggestions would facilitate fine tuning the process of disinvestment further.

ANNEXURE-V

LIST OF PARTICIPANTS

Disinvestment policy of the Government

Sl.No.	Name/Designation	Office/State/Org
1.	Shri K.J.Thakkar,	Bhartiya Mazdoor Sangh
2.	Shri R Seshadri, Gen Secy	BMS, Bangalore
3.	Shri Girish Chandra Awasthi, Dy Gen Secy	Bhartiya Mazdoor Sangh
4.	Shri R C Kuntia, M P, Vice President	INTUC
5.	Shri K K Nair, Treasurer	INTUC
6.	Shri Gibon Roy	C I T U
7.	Shri Gurdas Das Gupta	A I T U C
8.	Shri O P Verma, Sr Vice President	N F I T U
9.	Shri Sharad S Patil	EFI Mumbai
10.	Shri Jauhari Lal,	SCOPE
11.	Dr S M Dewan, Vice Chairman	SCOPE
12.	Raji Philip	SCOPE
13.	Shri U K Gupta, Gen Manager	SCOPE
14.	Shri K S Subramanian, Manager	H P C Ltd
15.	Shri G Ramanand	A I M O
16.	Shri Manmohan	Laghu Udyog Bhavan
17.	Shri Kanjibhai Patil, Chairman	LM, Gujarat Government
18.	Shri D S Bains, Secretary(Labour)	Punjab
19.	Shri Charanjit Bhatia, ALC	Punjab
20.	Shri Hardyal Singh, Addl Lab Comm	Punjab
21.	Shri R P Pareek, Jt Lab Commissioner	Rajasthan
22.	Shri Pradip Baijal, Vice Chairman	Secy, D/o Disinvestment

23.	Shri P K Babu, J S	M/o Disinvestment
24.	Shri T S Krishnan C Chari, DS	M/o Disinvestment
25.	Shri Rajeev Jain, DS	D/o Heavy Industry
26.	Shri S Meenakshi Sundaram	D/o Heavy Industry
27.	Shri K P Pandian	M/o Steel
28.	Shri K M Ibrahim Yusuf, Director	D/o Telecom
29.	Smt Uma Pillai, A S	M/o Labour
30.	Shri K Chandramouli, Member Secretary	JS, M/o Labour
31.	Smt Rama Murali, JS & FA	M/o Labour
32.	Shri Gaurav Dave, Director	M/o Labour
33.	Ms Preet Verma, Director	M/o Labour
34.	Shri Vinita Aggarwal, Director	M/o Labour
35.	Shri K K Marwaha, D S	M/o Labour
36.	Shri P C Das, Controller of Accounts,	M/o Labour
37.	Shri K R S Dy Labour Commissioner	Delhi
38.	Shri A K Panda, Jt Director	Ministry of Labour
39.	Shri A A Chalai, U S	M/o Labour
40.	Shri Amar Singh, PAO	M/o Labour
41.	Shri S Gopalan, Consultant	M/o Labour
42.	Shri Rama Chandra	
43.	Shri Anandan Menon, Prog Officer	
44.	Shri Chandra Sekhar	
45.	Shri Ganga Sagar	
46.	Shri P K Pankaj	

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2	Shri Hasu Bhai Dave	B M S
3	Shri Suninder Thakur, Gen Secy	B M S
4.	Shri S S Chauhan, Secretary	I N T U C
5.	Shri Renuka Devi Barkatak	INTUC
6.	Shri P K Gurudasan, Secretary	C I T U
7.	Shri P K Ganguly, Secretary	C I T U
8.	Shri Prabhu Narayan Singh	H M S
9.	Shri T M Jawaharilal	C I E
10.	Shri Babulal B Todi	A I M O
11.	Shri G C Narang	C I I
12.	Shri A Bansal	L U B
13	Shri Anil P Anand	FICCI
14	Shri Ramana Kumar, ASD	Andhra Pradesh
15.	Dr M M Kutty	Andaman & Nicobar
16.	Shri C M Sihmani, Addl Lab Comm	Bangalore
17.	Shri G K Marwah, Lab Secretary	Chandigarh
18.	Shri Rajender Dhar, Dy Lab Comm	Delhi
19	Shri Basu Kumar	Delhi
20	Shri P K G , Lab Commissioner	Gujarat
21	Shri R S Mardolkar, Lab Comm	Goa
22	Shri S C Awasthi, Jt Lab Comm	Himachal Pradesh
23.	Shri T Bagra, Resident Commissioner	Himachal Pradesh
24.	Shri V M Vijayaraghava Menon, Addl Secy	Kerala
25.	Shri Z Mangaibou, Labour Minister	Manipur
26.	Shri S K Singh, Lab Commissioner	Manipur
27.	Shri V K Sharma, Dy Lab Comm	Rajasthan
28.	Shri Pankaj Kumar, Addl Lab Comm	Uttar Pradesh
29	Shri G P Bahuguna, Addl Lab Comm	Uttaranchal
30	Shri J S Bisht, Addl Lab Comm	Uttaranchal
31	Shri Shankar Agarwal, Vice Chariman	JS, M/o SSI & ARI
32	Shri Shankar Aggarwal, J S	M/o SSI & ARI
33.	Dr C S Prasad, Addl Dev Comm	M/o SSI & ARI
34.	Shri Pankaj Jain, Director	M/o SSI & ARI
35.	Shri Pradip Bhatt	KVIC
36	Shri A K Sharam	KVIC
37	Shri D Singh,	DGMS
38	Shri D K Saxena, Dy Director	DGMS
39	Shri S K Saxena, Director General	DGFASLI
40	Shri Uday Kumar Verma, Member Secretary	Director, NLI
41	Ms Shashi Bala	NLI
42	Ms Neetha	NLI

43	Dr S K Sasi Kumar	NLI
44	Dr Ruma Gosh	NLI
45	Ms Monika Gupta	NLI
46	Smt Sudha Ganesh	NLI
47	Shri Sanjay	NLI
48	Shri B P Juyal	M/o Labour
49	A Chellani,	ILO, Delhi

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1.	Shri W R Varada Rajan, Secy	C I T U
2.	Shri A D Nagpal, Secy	H M S
3.	Shri Rajendra Prasad, Gen Secy	INTUC
4.	Shri D D Sharma, Secy	B M S
5.	Shri S Mukherjee	UTUC-LS
6.	Shri Abani Roy, Secy	UTUC
7.	Smt Geeta Gokhale, Secy	B M S
8.	Shri M S Vernekar, ED (P&A)	C I E
9.	Shri Michael Dias	C I E
10.	Shri Suresh Deora	AIMO
11.	Shri M K Garg	ASSOCHAM
12.	S S Chauhan, ALC	Chandigarh
13.	Shri Subhash Chandra, Director	D/o Posts
14.	Shri Manohar Lal, J S	M/o Labour
15.	Shri S Sen, ADG	C I I
16.	Shri Vineet Virmani	C I E
17.	Shri Sudarshan Sareen	A I M O
18.	Shri Ajit Srivastava, Jt Lab Com	
19.	Shri S Bhattacharya,	EFI MUMBAI
20.	V U Madane, Director	I S H, Maharashtra
21.	Employers Group (Not signed)	
22.	Employers Group (Not signed)	
23.	Employers Group (Not signed)	
24.	Shri Charanjit Singh, Lab Com	J & K
25.	Shri J C Negi	Delhi
26.	Sh D N Narashimha Raju, Lab.Com	Karnataka
27.	Shri A K Agarwal, Lab Com	West Bengal
28.	Shri Gautam K Das, Lab Com	Orissa
29.	Shri Rattan Singh, Lab Com	Pondicherry
30.	Shri G Rama Rao, Lab Com	Andaman & Nicobar
31.	Shri K M Acharya, Prin Secy(L)	Madhya Pradesh
32.	Shri Babu Mohan, LM	Andhra Pradesh
33.	Shri R Raghuraman, Lab Secy	Goa
34.	Shri Elias George, Lab Secy	Kerala
35.	Shri B Danam, Vice Chairman	Andhra Pradesh
36.	Shri Ashok Pradhan, Chairman	MOS(L)
37.	Shri J P Pati, JS	MOL
38.	P S to Labour Minister	MOL
39.	Shri P K Sharma, Adviser/IR	Railway Board
40.	Shri Jagdish Chander, Director	MOL
41.	Shri R K Mahajan, Addl C P F C	M/o Labour
42.	Shri Rajeshwar yadav, OSD to LM	MOL
43.	Shri K C Jain, Director	M/o Labour
44.	Shri Rajpal, Director	M/o Labour

45.	Shri R Viswanathan, Addl CPFC	M/o Labour
46.	Shri D K Singh, WC	MOL
47.	S C Bajaj	N L I
48.	Shri S Banerjee, Jt Director	D P E
49.	Shri Rahul Arya, APFC	M/o Labour
50.	Shri P Sudhakar Babu, RPFC	M/o Labour
51.	Shri M P Sinha, RPFC	M/O Labour
52.	Shri N A Nair, RPFC	M/o Labour
53.	Shri Anil Verma	
54.	Shri R K Kukreja, RPFC	M/o Labour
55.	Shri S R Joshi, RPFC	M/o Labour
56.	Shri J P Chauhan, APFC	M/o Labour
57.	Shri Suraj Sharma, APFC	M/o Labour
58.	Shri Rakesh Sahrawat, APFC	M/o Labour
59.	Shri T A Srinivasan, U S	MOL
60.	Dr (Mrs) S Singh, Med Com	ESIC
61.	Shri S Chandrasekharan, Ins Com	ESIC
62.	Shri K S Ravichandran	ILO
63.	Mrs Shashi	M/o Labour
64.	Sh. S. V. Sharma	ALC, Rajasthan
65.	Shri J S Kochhar, Director	M/o Social Justice.
66.	Shri S K Saluja	Planning Commission
67.	Shri Batra, PS to CPFC	MOL
68.	Shri J P Pati, Jt Secretary	M/o Labour
69.	Shri V P Yajurvedi, Director	MOL
70.	Shri R G Meena, A D	MOL

LIST OF PARTICIPANTS

COMMITTEE ON "IMPACT OF GLOBALIZATION".

Sl No.	Name/Designation	Organisation
1.	Shri Ashutosh Banerjee, President	UTUC-LS
2.	Shri S R Sen Gupta, Gen Secy	UTUC
3.	Shri M K Pandhe, Gen Secy	UTUC
4.	Shri C Majumdar, Secretary	CITU
5.	Shri H Mahadevan, Dy Gen Secy	AITUC
6.	Shri Naren Sen	NFITU
7.	Shri Ashok Singh, Secretary	INTUC
8.	Shri G Sanjeeva Reddy	INTUC
9.	Shri Umraomal Purohit, Gen Secy	HMS
10.	Ms Manali Shah, Observer	SEWA
11.	Shri P T Rao, Fin Secy	B M S
12.	Shri Hanuman Sahri Shera, Gen Secy	B M S
13.	Shri Ram S Tarneja, Chairman	C I E
14.	Shri B P Pant	C I E
15.	Shri Shekhar Borker	ASSOCHAM
16.	Shri R K Aggarwal	AIMO
17.	Ms Sen	L U B

18.	Shri I P Anand	C I E
19.	Dr S S Aggarwal	L U B
20.	Shri T C Girotra	
21.	Shri B C Prabhakar	C I E
22.	Shri V Murali, D L W C	Kochi
23.	Shri Piyush Sharma, D L C	Delhi
24.	Shri M D Zahid, D L W C	Uttar Pradesh
25.	Shri T R Khushabai	D M I
26.	Smt C Lamin, Labour Secy	Meghalaya
27.	Shri S Siangsrai, Labour Minister	Meghalaya
28.	Shri R C Vaish, Secy cum Com (L)	Bihar
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30.	Smt C Lamin, Labour Secy	Meghalaya
31.	Shri T Y Nayaz Ahmed, Lab Secy	Karnataka
32.	Shri S Srinivasan, Lab Comm	Kerala
33.	Shri R C Pathak, Lab Comm	Uttaranchal
34.	Shri Rajeev Chandra, Spl Secy	Uttar Pradesh
35.	Dr Jayadev Sarangi, Jt Resident Com	Andaman & Nicobar
36.	Shri M R Mohan, Dir of Emp & Trg	Tamil Nadu
37.	Shri Ashok Khot, Prin Secy (L)	Maharastra
38.	Shri Dilip Kumar, Addl Director	Uttar Pradesh
39.	Shri S P Marwah, Lab Com	Delhi
40.	Shri Manohar Kant, Lab Com	Rajasthan
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42.	Shri P Karupasamy, D S	MOL
43.	Shri Navin Chandra	NLI
44.	Shri Naresh Kumar	MOL
45.	Shri R Chetan	M/o Road Transport
46.	Shri K P	
47.	Shri Babu P Ramesh, Associate Fellow	NLI
48.	Shri V Parmeshwaran, Director	C B W E
49.	Shri K K L Srivastava,	C B W E, Delhi
50.	Shri Mathew George,	C B W E, Nagpur
51.	Dr R L Gupta	
52.	Shri Shailendra Sharma, Adviser	Planning Commission
53.	Shri K Ramachandran Pillai, M D	NTC LTD
54.	Shri G S Ram, LEA	M/o Labour
55.	Shri M V P C Sastry, J S	D/o Commerce
56.	Shri Pradeep Kumar Pradhan	MOL
57.	Shri G R Majhee, Jt CLC(C)	MOL
58.	Ms Asha Murthy, DGET	M/o Labour
59.	Shri V K Taneja, Chief Adviser(LW)	M/o Labour
60.	Shri B N Choudhary, Dy LWC	M/o Labour
61.	Shri B N Prasad, DLWC	M/o Labour
62.	Shri D Sinha, DLW C	M/o Labour
63.	Neetu Lamba, Prog Officer	ILO
64.	Shri M C Verma, Adviser	M/o Labour
65.	Shri S S Nahar	M/o Road Transport
66.	Ms Sunita Sanghi, Director	Labour Bureau
67.	Shri Harcharan Singh, Director	M/o Labour

68.	Shri Mukesh Jain, PA	MOL
69.	Shri S K Giridhar, PA	MOL
70.	Shri Amarjeet Singh, DGET	MOL
71.	Ms Sunanda Sharma, Addl Eco Advise	D/o Economic Affairs.
72.	Dr B Prasad	MOL
73.	Shri M V P C Shashtri, JS	D/o Commerce
74.	Dr G S Ram, LEA	MOL
75.	Shri B K Bhise, Dy CLC	MOL
76.	Shri P K Saxena, RLC(C)	MOL
77.	Shri K K Warrior	
78.	Shri T R Khushabai	D M I
79.	Shri T K Rajalakshmi	Frontline, Delhi
80.	Shri _____, Consultant	Delhi
81.	Shri Bhushan Lal, PS	MOL
82.	Shri Vinod Kumar, Inv I	MOL
83.	Shri Lalsunglur, Dy Director	MOL

LIST OF PARTICIPANTS

29.09.2002

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174.	Shri Rakesh Sahrawat, APFC	EPFO
175.	Shri Suraj Sharma, APFC	EPFO
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183.	Shri J P Pati, JS	MOL
184.	Smt Asha Murthy, DGET	MOL
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189.	Shri V Parmeshwaran, Director	MOL
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192.	Shri S K Saaxena, DGFASLI	MOL

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Reference FR

We have received a letter from Coord. Section problems faced by the Small Scale Industries. The matter regarding problems and challenges being faced by the small scale industries and their remedies was discussed in the 38th Session of Indian Labour Conference and the member secretary was Sh. Uday Kumar Varma, Director, V.V.Giri National Labour Institute. We may if approved request Coord. Section to take up the matter with ESA Section for requisite information in the matter.

No. U-12016/1/2002-LC
Government of India/Bharat Sarkar
Ministry of Labour/Shram Mantralaya

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New Delhi, dated 12.12.2003

NOTE

Subject:-Letter from Minister of State for Small Scale Industries and Agro and Rural Industries.

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Reference is invited to Coord Section's Note No.H-13024/4/2001-Coord, dated 5th December, 2003 on the subject mentioned above. The issue regarding problems and challenges being faced by the small scale industries and their remedies was discussed in one of the committees of 38th Indian Labour Conference. A copy of the report of that committee is enclosed.

(A.V.Singh)
Director

Coord. Section.