



सत्यमेव जयते

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT
NEW DELHI**

AGENDA

**46th SESSION OF
INDIAN LABOUR CONFERENCE
(NEW DELHI : 20-21 JULY, 2015)**

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Sl.No.	Item	Page No.
1.	Implementation of the conclusions/recommendations of the 43 rd , 44 th and 45 th Indian Labour Conference, particularly on Contract Labour, Minimum Wages and Scheme Workers and Tripartite Mechanism	1
2.	Social Security for the workers in organized sector, unorganized sector and international migrant workers	71
3.	Amendment of Bonus Act – Removal of conditions on payment ceiling, eligibility limits, decisions to pay minimum bonus without linking to loss when the performance indicator satisfy grant of bonus	98
4.	Labour Laws amendments proposed/done either by the Central or State Governments	102
5.	Employment and Employment Generation	117

**46TH SESSION OF
INDIAN LABOUR CONFERENCE**

Item-1 : Review on implementation of the conclusions/ recommendations of the 43rd, 44th and 45th Indian Labour Conference, particularly on Contract Labour, Minimum Wages and Scheme Workers and Tripartite Mechanism

**45th SESSION OF INDIAN LABOUR CONFERENCE - 17th & 18th MAY, 2013
– CONCLUSIONS & ACTION TAKEN REPORT**

45.1 CONFERENCE COMMITTEE “MEASURES TO IMPROVE EMPLOYMENT AND EMPLOYABILITY”

Sl.No.	Conclusion	Action Taken
45.1.1	Enhancement of off-farm and non-farm employment opportunities for rural youth. Specific measure should be decided and quantified for implementation.	<p>Regarding measures to enhance off-farm and non-farm employment, it may be appreciated that employment generation is the outcome of overall functioning of economy and depends upon policies and programmes of several Central Ministries and State Governments. Some of the recent initiatives of the Government are given below which will also boost employment.</p> <p>(1) “Make in India” is a new national programme designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure.</p> <p>(2) Development of one hundred “Smart Cities” is being planned.</p> <p>(3) “Digital India” programme has been launched for ensuring Broadband connectivity at village level.</p>

		<p>(4) It has been decided to set up “National Industrial Corridor Authority”.</p> <p>2. Ministry of Labour has also launched the National Career Service Portal for transforming the employment services in the country. A national portal has been developed at www.ncs.gov.in which will bring job seekers, employers and training providers on a common platform. This would facilitate online matching of jobs and provide information about opportunities for training and re-skilling.</p> <p>3. Government of India has set-up a new Ministry of Skill Development and Entrepreneurship to coordinate the skill activities across Ministries. In order to improve the employability of youth, around 20 Ministries run skill development schemes across 70 sectors. According to the data compiled by National Skill Development Agency (NSDA), about 51.50 lakh persons were given skill development training in the year 2014-15 (up to January, 2015) under these schemes. The Apprentice Protsahan Yojana has been launched to cover one lakh trade apprentices for training through MSME units. Scheme for Recognition of Prior Learning for the construction sector workers has been launched and 8 new RVTIs are being set-up for women training.</p> <p>4. The Government has also launched the National Skill Development Mission, National Policy for Skill Development and Entrepreneurship and Pradhan Mantri Kaushal Vikas Yojana to improve the employability and skill level of workforce.</p>
45.1.2	Continued investment in infrastructure development such as roads, ports, airports, power, etc for enhancing	The Government has taken several steps to improve infrastructure development in the country as described below:

	<p>employment opportunities should be made.</p>	<p><u>I. According to Economic Census new initiatives by IR during 2014-15</u></p> <ul style="list-style-type: none"> i. Completion of Udhampur-Katra broad gauge line. ii. Rail connectivity to Meghalaya. iii. High speed Bullet Trains between major cities. iv. Harnessing solar energy in railway factories and buildings. v. Cooperation with China in training on heavy haul freight transportation, raising speed of trains on existing routes, station re-development, high speed rail and setting up of a Railway University. vi. Early completion of coal transportation projects. <p><u>II. Roads</u></p> <p>(i) Improvement of road connectivity in left-wing extremism (LWE)-affected areas with an estimated cost of Rs. 7,300 crore.</p> <p>The government has approved a scheme for development of 1,126 km of national highways and 4,351 km of state roads in left -wing extremism (LWE) affected areas as a special project with an estimated cost of about ` 7,300 crore.</p> <p>(ii) Creation of a corporation to expedite works in the North-Eastern Region</p> <p>The National Highways and Infrastructure Development Corporation Ltd. has been created to expedite development of highways in the North- Eastern region and border areas.</p> <p><u>III. Airport Infrastructure is being improved in various locations as</u> at Bikaner and Jaisalmer (Rajasthan), Bhatinda (Punjab), and Cuddapah (Andhra Pradesh) etc.</p>
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	<p>Other Initiatives:</p> <p>The major initiatives to augment better airport infrastructure across the country are: (a) implementation of PPP projects at four airports of the AAI, namely Chennai, Kolkata, Ahmedabad, and Jaipur, (b) setting up of greenfield airports, namely, Mopa in Goa; Navi Mumbai, Shirdi and Sindhudurg in Maharashtra; Shimoga, Gulbarga, Hassan, and Bijapur in Karnataka; Kannur and Arnamura in Kerala; Durgapur in West Bengal; Pakyong in Sikkim; Datia/Gwalior (cargo) in Madhya Pradesh; Kushinagar in Uttar Pradesh; and Karaikal in Puducherry, and (c) development of small airports in Tier II and Tier III cities, namely Hubli and Belgaum in Karnataka, Kishanganj in Rajasthan, Jharsuguda in Odisha, and Tezu in Arunachal Pradesh.</p> <p>IV. <u>NEW AND RENEWABLE ENERGY</u></p> <p>To provide a big push to solar energy, two new schemes, viz., ‘Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects’ and ‘Pilot-cum-Demonstration Project for Development of Grid Connected Solar PV Power Plants on Canal Banks and Canal Tops’ were rolled out in December, 2014.</p> <p>V. <u>PORTS</u></p> <p>Cargo traffic at Indian Ports</p> <p>VI. According to DIPP, Ministry of Commerce & Industry, the development of industrial infrastructure is continued through a new Scheme namely Modified Industrial Infrastructure Upgradation Scheme (MIUS), which has been notified on 18.07.2013 and proposals have been invited from the State Implementing Agencies in this regard.</p>
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		<p>In so far as National Investment and Manufacturing Zone (NIMZ) is concerned, eight Investment Regions along the Delhi Mumbai Industrial Corridor (DMIC) have been announced as National Investment and Manufacturing Zones (NIMZs).</p> <ul style="list-style-type: none"> i) Ahamdabad-Dholera Investment Region, Gujarat ii) Shendra-Bidkin Industrial Park City near Aurangabad, Maharashtra iii) Manesar-Bawal Investment Region, Haryana iv) Khushkhera-Bhiwadi-Neemrana Investment Region, Rajasthan v) Pitampur-Dhar-Mhow Investment Region, Madhya Pradesh vi) Dadrai- Noida-Ghaziabad Investment Region, Uttar Pradesh vii) Dighi Port Industrial Area, Maharashtra; and viii) Jodhpur-Pali - Marwar Region in Rajasthan <p>VII. Twelve NIMZs out side the DMIC region have also been given in-principle approval (i) Nagpur in Maharashtra; (ii) Tumkur in Karnataka; (iii) Chittoor in Andhra Pradesh; (iv) Medak in Telangana; (v) Prakasham district in Andhra Pradesh; (vi) Bidar in Karnataka; (vii) Gulbarga in Karnataka; (viii) Kolar in Karnataka; (ix) Kalinganagar Jaipur district in Odisha; (x) Ramanathapuram in Tamil Nadu; (xi) Auriya and (xii) Jhansi districts in Uttar Pradesh.</p>
45.1.3	Promotion of domestic and export oriented manufacturing and services sector units to enhance employment opportunities.	For promotion of domestic and export oriented manufacturing and services several steps have been taken to boost employment opportunities. Department of Commerce, Ministry of Commerce & Industry has informed that in terms of special Economic Zone (SEZ) Act 2005, a SEZ may be set up either jointly or severally by the Central Government, State Government or any person for

		<p>manufacture of goods or rendering services or for both or as free trade warehousing zone. Such proposals duly recommended by the concerned State Government are considered by the Board of Approval for SEZs. SEZ being set up under the SEZ Act, 2005 are primarily private investment driven. In addition to this, in order to promote business opportunities in SEZ s, time to time policies/guideline are issued on the basis on intra-ministerial/inter-ministerial consultation and representation received from concerned stakeholders resulting in enhanced employment opportunities.</p> <p>Manufacturing holds a key position in the Indian economy, accounting for nearly 16 per cent of real GDP in FY 12 and employing about 12.0 per cent of India's labour force. There are also concerns pertaining to employability estimating the share of employable graduates in the country at 39.5 percent. Taking cognizance of such concern the Government has acted in a proactive manner. The number of technical institutes (including IITs and NITs) has been increased and foreign direct investment in education is encouraged. (Source IBEF)</p> <p>The Government also launched the Technical Education quality improvement programme (TEQIP) towards making the technical education system more responsive to national as well as global economic & technological developments. The TEQIP was outlined as a 10-12 year programme to be implemented in 3 phase with the assistance of the World Bank. The Central government has announced the launch of Phase II of the programme with an investment worth USD 519 MILLION. This amounts to 26 per cent of total funding with the rest coming from the World Bank (72 per cent), state</p>
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		<p>government (27 per cent), and unaided institutions (1 per cent). The Government has also set up National Skill Development Council to encourage private participation/management of Industrial Training Institutes. (Source IBEF)</p> <p>According to DIPP, Ministry of Commerce & Industry, National Manufacturing Policy (NMP) which is in implementation phase, would address these issues.</p> <p>National Manufacturing Policy states that while the proposals in this policy paper are sector neutral, it is proposed to identify special focus sectors where India can be cost competitive and which would generate maximum employment. These sectors would need sector specific policy interventions. Some of these sectors specific policy are already in place. Their efficacy would need to be examined and wherever necessary additional measures including sector specific policy intervention would need to be introduced, by the Ministries/Departments ealing with these sectors.</p>
45.1.4	Channelize more investment in labour intensive industries to upscale employment.	<p>According to DIPP, Ministry of Commerce & Industry, National Manufacturing Policy states that while the proposals in this policy paper are sector neutral, it is proposed to identify special focus sectors where India can be cost competitive and which would generate maximum employment. Some of these sectors would need sector specific policy interventions and are already in place. Their efficacy would need to be examined and wherever necessary, additional measures would need to be introduced.</p> <p>Twelfth Plan has identified the following sectors that will create large employment; Textiles and Garments, Leather and Footwear, Gems and Jewellery, Food</p>

		Processing Industries, Handlooms and Handicrafts.
45.1.5	Establishment of a well-structured holistic Labour Market Information System (LMIS) to bridge the supply-demand gap between industry and skill providing institutions	<p>The Labour Market Information System (LMIS) is under the mandate of the National Skill Development Agency (NSDA) who has informed that a national database on all major aspects of skill development is being created at the NASDA in partnership with all other Ministries of the Government of India and the State Governments. This would be a one-shop stop where all the relevant information is freely available to citizens. National steering Committee for setting up the Labour Market information system (LMIS) has been set up for this purpose. The LMIS would bring in operational efficiencies, would be transparent and available to all, and would help reduce considerably the situation of one individual being benefitted under different schemes.</p> <p>The modules for training providers to register has already become active along with trainee registration form, and the module for empanelment of training providers will go live within one month. It also acts as a searchable directory of all training providers with details of training centers and courses in the form of citizen information portal. India post will be working with the NSDA to assist in the verification of training providers.</p> <p>The register of candidates who have opted for skill development trainings is also a part of LMIS. Aadhar-enabled enrollment is being rolled out through the over one lakh Common Service Centres (CSCs) located throughout the country. Access would be provided to the database to external stakeholders, such as employers, so that they are able to find suitable candidates for employment from this database.</p>

		<p>Ministry of Labour has also launched National Career Service Portal for transforming the employment services in the country. A national portal has been developed at WWW.NCS.GOV.IN which will bring job seekers, employers and training providers on a common platform. This would facilitate online matching of jobs and provide information about opportunities for training and re-skilling.</p>
45.1.6	<p>Increase outreach of skill development to rural, hilly, inaccessible and unserved areas.</p>	<p>i. ‘Skill Development in 34 Districts Affected by Left Wing Extremism’</p> <p>The scheme is being implemented from year 2011 to create Skill Development infrastructure in 34 districts closer to the people of left wing extremism (LWE) affected districts. The objective of the scheme is to establish one ITI & two Skill Development Centers (SDCs) in each of 34 districts and to run demand driven vocational training courses both long term and short term to meet the requirement of skilled manpower of various sectors of economy in and around these areas, on the one hand and on the other, provide youth opportunities of decent livelihood. The cost of the scheme is Rs. 241.65 crore. The scheme will continue upto 31st March, 2016.</p> <p>The scheme facilitates Skill training programmes for 1000 youth in Long Term Training @ 30 per district, 4000 youth in Short Term Training @ 120 per district and 340 youth in Instructor Training @ 10 per district.</p> <p>In addition to that, infrastructure will be created for 34 Industrial Training Institutes (ITIs) @ one ITI per district and 68 Skill Development Centres (SDCs) @ two SDCs per district.</p>

		<p>An amount of Rs. 117.85 crore has been released to 09 states to establish 34 ITIs and 68 SDCs alongwith Skill Training to 4290 youth in 9 States.</p> <p>ii. “Enhancing Skill Development Infrastructure in NE States & Sikkim”</p> <p>The scheme is being implemented from year 2011 at a total cost of Rs. 57.39 crore to enhance the existing infrastructure of skill development in North Eastern States. The scheme is aimed for Upgradation of 20 ITIs by introducing three new trades per ITI and Supplementing infrastructure deficiencies in 28 ITIs by constructing new hostel, boundary wall and supplementing old and obsolete tools and equipment.</p> <p>The scheme was continued upto 31.03.2017 at a revised cost of Rs. 149.80 crore with an additional component for establishment of 14 new ITIs in 7 North eastern States at a cost of Rs.6.22 crore per ITI.</p> <p>The scheme has been further revised at a revised cost of Rs. 298.13 crore. The number of new ITIs to be established has been increased from 14 to 22 at a revised cost of Rs.9.5 crore per ITI in 8 North Eastern States.</p> <p>A total of Rs. 96.69 crore has been released to eight States of Assam, Arunachal Pradesh, Nagaland, Meghalaya, Mizoram, Manipur, Tripura & Sikkim.</p> <p>iii. 1500 ITIs are proposed in unserviced blocks under Public Private Partnership (PPP) mode. A scheme by Ministry of Skill Development and Entrepreneurship is under process of approval.</p>
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45.1.7	Increase access of skill development to SC, ST, OBCs, Minorities, persons with disabilities with special focus on women by starting skill development centres and ITIs.	<p>A Plan scheme for “Welfare of SC/ST job seekers through Coaching, Vocational Guidance & Training” is being implemented by Ministry of Labour & Employment through Coaching-cum-Guidance Centres for SC/STs (CGCs). Through this scheme, career guidance and training facilities are extended to SC/ST job seekers.</p> <p>A New Scheme on “Introduction of New Courses in existing Coaching-Cum-Guidance Centres for SC/ST” for providing one year ‘O’ level Computer Training by outsourcing through DOEACC now National Institute of Electronics & Information Technology (NIELTT) or its accredited institutions was started w.e.f. 03.08.2009 during 2009-10 and will be continued during the 12th Five Year Plan period. A new Scheme on “Introduction of New Course in existing CGCs for providing one year ‘O’ level Computer Hardware Maintenance has also been started w.e.f. 01.08.2012 through NIELIT.</p> <p>The Ministry of Labour & Employment is implementing the scheme of the setting up of Vocational Rehabilitation Centres for the Handicapped (VRCH) in 1968. At present, there are 21 VRCH in the country, which evaluate the residual capacities of the handicapped (referred to as persons with disabilities also) in the categories of Locomotor, Visual & Hearing impaired, Mild Mental Retardation and Leprosy Cured and provide them adjustment training, to facilitate their early economic rehabilitation. Three more VRCs are being set up.</p>
45.1.8	Increase number of institutes for training of trainers for ITIs and Skill Development Centres.	At present trainers training programme is being run in 16 Advanced Training Institutes (ATIs) and 11 NVTI / RVTIs of Ministry of Skill Development and Entrepreneurship under the Craft

		<p>Instructor Training Scheme (CITS). 8 new RVTIs are being set up out of which 5 new RVTIs will start functioning from August, 2015.</p> <p>To meet the additional requirement of trainers, Government has given in-principle approval for setting up of 12 ATIs in Public Private Partnership (PPP) in first phase in 12 states.</p> <p>Also 12 Private Institutes of Training of Trainers (ITOTs) have been approved by the Government to run trainers training programmes under CITS.</p>
45.1.9	<p>Industry should enhance seats for apprenticeship training by suitably amending the Act. Stipend under the Apprentices Act should also be enhanced.</p>	<p>The Apprentices Act, 1961, has been amended to make it flexible and user friendly for industry and youth. Key features as given below :</p> <ul style="list-style-type: none"> • Trade-wise regulation has been replaced by a band based on percentage of total strength of the workers. • Within this band, apprentices can be engaged in any trade. • Industry can also engage apprentices in optional trades which are not designated, with the discretion of entry level qualification and syllabus. • Scope extended also to non-engineering occupations. • The procedural simplification has been provided through the following measures: <ul style="list-style-type: none"> i. Submission of returns and other information through online portal (to be launched shortly) ii. Submission of apprenticeship contract through portal and its time bound approval.

		<p>iii. Establishment operating in four or more states would be interfacing with central authorities.</p> <ul style="list-style-type: none"> • Industries have been permitted to outsource basic training in any institutes of their choice. • The Stipend payable to Trade apprentices under the Apprentices Act has been revised with effect from 22.09.2014. The minimum rate of stipend per month has been indexed to minimum wage of semi-skilled worker notified by the respective State/UTs, starting at 70% of that minimum wage in first year, 80% in the second year and going up to 90% in third year & 4th Year. The stipend has almost doubled after this notification. For other apprentices the stipend has been enhanced by 40% in December, 2014.
45.1.10	<p>Micro, Small & Medium Enterprises (MSME) should be brought under the purview of Apprentices Act to promote employability among larger number of youth.</p>	<ul style="list-style-type: none"> • Apprentice Protsahan Yojana has been started on 16th October, 2014 to support manufacturing units and other establishments with special focus on MSMEs by sharing 50% of the prescribed stipend paid to apprentices during the first two years of their training for one lakh apprentice. This Scheme covers all categories of apprentices except the Graduate, Technician and Technician (Vocational) apprentices which are covered by the Scheme administered by Ministry of HRD. • Establishment can engage apprentices within a band based on percentage of the total scheme of the establishment. The establishment eligible in the Scheme should have employee strength of at least six.

		<ul style="list-style-type: none"> • Basic training curricula is being restructured on scientific principles to make it more effective and MSMEs are proposed to be supported financially by permitting this component in Government funded SDI Scheme. • The Scheme is implemented through the Regional Directorates of Apprenticeship Training (RDATs) under the control of Directorate General of Employment & Training in their region located at Faridabad, Kanpur, Mumbai, Hyderabad, Kolkata & Chennai. • The series of workshops being organised in MSMEs cluster for bringing them in the ambit of apprenticeship training.
45.1.11	National Skills Qualifications Framework has been notified by National Skills Development Agency (NSDA) on 27 th December, 2013.	<p>The NSQF is being anchored in the National Skill Development Agency (NSDA) and being implemented through the National Skills Qualification Committee (NSQC).</p> <p>Till now 16 courses under Craftsmen Training Scheme (CTS) and 22 courses based MES format under Skill Development Initiative Scheme have been approved by National Skills Qualifications Committee (NSQC) as NSQF compliant. Alignment/ mapping of remaining NCVT courses with National Skills Qualification Framework (NSQF) is being done and the same will be achieved by the target date (December, 2016) as notified by NSDA.</p>
45.1.12	Faster implementation of Employment Exchanges Mission Mode Project (EEMMP) to provide better employment services to job-seekers and employers.	The Government has decided to transform the present system of Employment Exchanges into National Career Service by implementing a national information technology based portal to connect all the Employment

		Exchanges. There is also a provision to give guidance and counseling to youth about various modern career options as well as the available opportunities for vocational training, apprenticeship etc. In addition, Model Career Centres are being developed to demonstrate the new services being provided to unemployed youth and job seekers. Subsequently, these Model Centres can be replicated by various State Governments.
45.1.13	Ban on recruitment to be lifted & existing vacancies should be filled up.	Ministry of Personnel, Public Grievances & Pensions, Department of Personnel Training has informed on 08.07.2015 that as on date there is no ban on recruitment in Central Government. The respective Ministries/Departments concerned are required to fill up the vacancies within the framework of existing instructions/rules keeping in view functional requirement of the posts.
45.1.14	National Employment Policy should be finalized on priority	An Inter Ministerial Committee has been constituted on 4th April, 2014 to draft the National Employment Policy. In view of its implication on other sectors, comments have been sought from various stakeholders like Ministries, State Governments, Trade Unions and industry associations etc. for inputs to the policy. The draft policy has also been discussed with the State Ministers on 29.08.2014. The information/ inputs received are being incorporated. Revised draft will be placed for public consultation.
45.1.15	Public awareness campaign on skill development should be taken up, particularly in the rural areas.	Following publicity efforts have been undertaken in order to promote the importance of Vocational training a) A project was implemented for production & broadcasting of reality show 'Hunnarbaaz' on DD National. Total 12 episodes were aired during Aug- Nov 2014. The shows provided information

		<p>on Vocational Training courses available in the ITIs, job opportunities, success stories, etc.</p> <p>b) Twenty-five ITI pass-outs who have made a mark for themselves as well as the society were recognized by the Hon'ble Prime Minister as National Brand Ambassadors of Vocational Training for the year 2014 in the 'Pandit Deen Dayal Upadhyay Shramev Jayate' Program held in New Delhi on 16th October 2014. These Brand Ambassadors have undertaken advocacy efforts on behalf of the Ministry by promoting Vocational Training through TV shows at DD National ("Hunnarbaaz" and "Good Evening India") and Radio talks.</p> <p>c) As part of National Awareness Campaign for implementation of apprenticeship training, numbers of workshops being organised in Industries cluster including MSME clusters.</p>
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45.2 CONFERENCE COMMITTEE ON "SERVICE CONDITIONS, WAGES AND SOCIAL SECURITY FOR VARIOUS CATEGORIES OF WORKERS EMPLOYED IN DIFFERENT CENTRAL GOVERNMENT AND STATE GOVERNMENT SCHEMES (ANGANWADI, MID-DAY MEAL, ASHA, SARVA-SHIKSHA ABHIYAN AND OTHER SCHEMES) UNDER VARIOUS MINISTRIES OF CENTRAL GOVERNMENT"

Sl.No.	Conclusion	Action Taken
45.2.1	They should be first recognized as "workers" and not volunteers or honorary workers	The Ministry of Women and Child Development, the Department of School Education and Literacy and Ministry of Health & Family Welfare respectively have informed that Anganwadi workers, Mid- Day Meal Scheme Cook-cum-helpers cannot be treated as workers. Anganwadi workers are honorary workers from the local community who render their services on a part time basis and are
45.2.2	They should be paid minimum wages	
45.2.3	They should get all social security benefits like pension, gratuity, maternity benefits etc	

45.2.4	To begin with, the social security schemes for unorganized workers like Aam Admi Bima Yojana (AABY) and Rashtriya Swasthya Bima Yojana (RSBY) should be extended to these workers	paid monthly honorarium. The cook-cum-helpers are engaged for limited hours for preparing and serving the mid-day meal. ASHAs are honorary workers under NRHM who only receive performance based incentives. The Departments referred to above have informed that for the above reason they are unable to comply with the recommendations of the ILC.
45.2.5	Anganwadi Centres should be in pucca building in good conditions with all basic amenities. Similarly, for ASHA workers also, suitable working space with basic amenities should be provided	
45.2.6	They should have right to organize and collective bargaining.	
45.2.7	Respective Departments should formulate "Employment Standing Order" for these workers to regulate their employment and service conditions (wherever not existing).	
45.2.8	For Anganwadi Workers & Helpers, who have already retired or retiring in near future, one time gratuity / lump sum payment should be given	
45.2.9	Such workers, as are kept on contract basis, should be retained for all such subsequent activities.	
45.2.10	Service conditions of the teachers and staff of the National Child Labour Project (NCLP) schools should be ameliorated along with appropriate infrastructure and amenities.	

45.3 CONFERENCE COMMITTEE ON “SOCIAL SECURITY WITH SPECIAL REFERENCE TO ASSURED PENSION WITH INDEXATION FOR ALL WORKERS INCLUDING SELF-EMPLOYED”

Sl.No.	Conclusion	Action Taken
45.3.1	Universal social security Coverage be provided for the entire working population of the country. Further, appropriate steps should be taken to remove the prevalent hurdles, such as making different social security schemes eligible only for BPL beneficiaries, to achieve this objective.	<p>It has been decided that, as provided in the Unorganised Workers’ Social Security Act 2008, all unorganized workers will be registered and issued identity cards which shall be a smart card with a unique identification number and shall also be portable. These will be issued by the State Labour Departments through the District Administration. The card will contain the worker’s and their dependent family members’ Aadhar number, bank account number, mobile number and details regarding their eligibility for Aam Admi Bima Yojana (AABY), Rashtriya Swasthya Bima Yojana (RSBY) and Indira Gandhi Old Age Pension Scheme (IGNOAPS).</p> <p>At the time of issue of cards the states are also being advised to get all unorganized workers registered for Aadhar and Jan Dhan Yojana. The issue of identity cards to all unorganized workers will create a data base of the workers, make it possible for them to access social security schemes to which they are eligible and facilitate monitoring of the performance of the schemes which provide social security for unorganized workers.</p>
45.3.2	The entire working population of the country should have access to assured pension at the end of their working life	The comments of Department of Financial Services, Ministry of Finance have been sought. Deptt. of Financial Services have launched three Schemes namely Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY), which have universal coverage and is meant to provide access Assured Pension.

45.3.3	The EPS 1995 should, as a first step, provide a minimum assured pension of Rs.1000/- p.m.	The minimum pension of Rs. 1000/- per month to the pensioners under Employees' Pension Scheme (EPS), 1995 has since been notified on 19-08-2014 effective from 01-09-2014. The Scheme has been extended in perpetuity.
45.3.4	The pensionary benefits available to the beneficiaries should be responsive to price rise.	Index linking of pension i.e. increase in pension by fully neutralizing inflation is not feasible through a funded scheme. The issue of index linking of pension i.e. increase in pension by fully neutralizing inflation was considered by the Expert Committee constituted by the Central Government on review of EPS, 1995. In EPS, 95 the contribution of employer and Government is at a fixed rate of 8.33% and 1.16% respectively. Therefore, the value of benefits cannot be left open linking with the inflation as inflation is variable. Price index linking of pension will require increase in contribution from Members.
45.3.5	The New Pension Scheme (NPS) should be suitably modified also to provide for assured pension to its members	The comments of Department of Financial Services, Ministry of Finance have been sought, They have been reminded to furnish their comments, which are still awaited.
45.3.6	The Committee reiterates implementation of the recommendations on social security made at the 44 th Session of the Indian Labour Conference.	The comments have been given in the recommendations of 44th ILC.
45.3.7	The current Government spending on social security schemes as a percentage of GDP being very low as compared to many other countries should be increased.	Department of Financial Services, Ministry of Finance has been approached to consider this recommendation of the Committee. They have been reminded to furnish their comments, which are still awaited.
45.3.8	Similar to Right to Information and Right to Education, the Government is requested to	Pension is social measure welfare scheme which is given through the individual and Government contribution.

	examine enacting legislation for “Right to Work and Pension.”	MGNREGA has been implemented since August 25, 2005 which guarantees 100 days per year right of work for rural workers.
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45.4. CONFERENCE COMMITTEE ON “LABOUR LAW FOR MICRO AND SMALL ENTERPRISES”

Sl.No.	Conclusion	Action Taken
45.4.1	Any suggestions or proposals made for rationalization or simplification of procedures in compliance of labour laws will be examined by the Ministry of Labour & Employment for appropriate action.	Ministry of Labour & Employment constituted a tripartite committee under the chairmanship of Joint Secretary on 18.11.2013, with representatives of the State Governments, Central Trade Union organizations and Employers' Associations. The Tripartite Committee held two Meetings on 23.12.2013 and 28.05.2014. During the second meeting of the Tripartite Committee held on 28.05.2014, it was agreed that the Micro and Small Establishments, unlike bigger establishments, have limited capacity to comply with complex Labour Laws and that the Ministry of Labour should bring an agenda for a single labour law for Micro and Small Enterprises before the Committee consistent with the country's obligation under ILO Conventions and Agreements, and without compromising on aspects of decent working conditions, worker welfare, safety, health, social security etc. The starting point can be the draft law suggested by the Second National Commission on Labour.
45.4.2	A Tripartite Committee having representatives of all stakeholders including the Employers' Associations, Trade Unions, Central Govt. and State Governments will be constituted for examining all aspects of labour laws affecting the working of the Micro and Small Enterprises and submit its recommendations regarding any further action required, to the Government.	2. Thereafter, the Ministry constituted a Sub-Group to work on the draft Small Factories Bill. A draft Bill was prepared by the Sub-Group and submitted on 24 th September, 2014 to the Ministry. After obtaining the approval of Hon'ble Minister

		<p>of Labour & Employment, the draft Bill was placed on the Website of the Ministry on 10th October, 2014 for inviting suggestions from all stakeholders and to have wider consultations. A DO letter from the Ministry was also sent to all State Governments /Trade Unions/ Employers' Associations, inviting suggestions on the draft Bill, as available of the website on the Ministry, by 10th November, 2014.</p> <p>3. Subsequently, on 20.11.2014, an Inter-Ministerial Group (IMG) was set up under Additional Secretary (L&E), with representatives from the Department of Industrial Policy & Promotion, Ministry of MSME, Ministry of Textiles, Ministry of Commerce and Legislative Department as Members of the IMG, to review the draft Small Factories Bill and give suggestions thereon. The IMG has held consultations with the representatives of Trade Unions (on 17.12.2014), Employers' Associations (26.12.2014) and State Governments (02.01.2015) on the Draft Small Factories Bill. Suggestions have also been received from the stakeholders, general public and ILO, on the draft Bill.</p> <p>4. Ministry of Labour & Employment held a Tripartite consultation with all stakeholders viz. Central Trade Unions, Employers' Associations and State Governments/ Central Ministries, on 03.02.2015 under the chairmanship of Hon'ble Minister of State (Independent charge) for Labour & Employment. Keeping in view the suggestions received from the stakeholders in these consultations, the Draft Small Factories Bill was modified / revised.</p>
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		<p>5. A draft Cabinet Note on the Small Factories (Facilitation and Regulation of Employment & Conditions of Service) Bill</p> <p>2015 was circulated on 01.04.2015 for Inter-Ministerial Consultation. The Draft Bill is under consultation with other Ministries.</p>
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**44th SESSION OF INDIAN LABOUR CONFERENCE - 14th & 15th
FEBRUARY, 2012 – CONCLUSIONS & ACTION TAKEN REPORT**

44.1 CONFERENCE COMMITTEE ON MINIMUM WAGES

SI.No.	Conclusion	Action Taken
44.1.1	There was consensus that the Govt may fix minimum wages as per the norms/ criteria recommended by the 15 th ILC (1957) and the directions of the Hon'ble Supreme Court (Reptakos Co. Vs Workers' Union) 1992. The Government may take necessary steps accordingly.	<ul style="list-style-type: none"> • It is proposed to place the matter in the next meeting of the Minimum Wage Advisory Board (MWAB)
44.1.2	It was suggested that the Minimum Wages Act should cover all employments and the existing restriction for its applicability on the scheduled employments only, should be deleted	<ul style="list-style-type: none"> • Amendment proposal includes coverage of all employments in the Act. • No consensus among the stakeholders on the issue, • An Inter Ministerial Group (IMG) constituted on 29.10.2014 to sort out the issue. • The IMG has recommended that minimum wage to be applicable to all employments.
44.1.3	National minimum wages applicable to all employments throughout the country	<ul style="list-style-type: none"> • Fixation of wages depends on local conditions, cost of living and paying capacity of the enterprise which vary State-wise and Industry-wise. • Difficult to maintain uniformity in wages all over the country. • To reduce the disparity National Floor Level Minimum Wage (NFLMW) on the basis of the recommendations of the National Commission on Rural Labour (NCRL) in 1991. • NFLMW at present is non-statutory. • No consensus among the stakeholders on the issue.

		<ul style="list-style-type: none"> • CTUO's, however, did not support NFLMW to be statutory.
44.1.4	There was consensus that all States/UTs should adopt VDA	<ul style="list-style-type: none"> • Concept of Variable Dearness Allowance (VDA) introduced in the Central sphere in 1989 • States are requested to have similar provision in the minimum wages coming within State sphere • 9 States have not yet adopted the concept of VDA.
44.1.5	The payment of minimum wages should be done through Banks/Post Offices etc.	<ul style="list-style-type: none"> • U/s 6 of Payment of Wages Act, all wages shall be paid in current coin or currency notes or in both. • However the employer may pay wages either by cheque or crediting the wages in the employee's bank account after obtaining the written authorization of the employed person. • Recently, the Uttarakhand, Punjab & Kerala Govts. have proposed the amendment for making the payment of wages through bank accounts. • As per the draft Labour Code on Wages relating to Payment of Wages, all wages to employees will be paid by depositing the same in the bank account of the employees, electronically or by cheque. However, payment of wages to employees up to such amount as may be notified by the appropriate Government in a month can be made by cash.
44.1.6	The proposal of paying different minimum wages in respect of same employment either in the Centre or in the State should be done away with	<ul style="list-style-type: none"> • Under the provisions of MW Act, both Central and State Governments are appropriate Governments to fix, review and revise the minimum wages of scheduled employments under their respective jurisdictions. • Fixation of wages also depends on local conditions, cost of living and paying capacity which vary from State-wise and industry-wise.

		<ul style="list-style-type: none"> • Further, the IMG has in its recommendation stated that the State Government shall fix the minimum rates of wages payable to employees employed in an employment. Similar provision has been made in Draft Code on Wages.
44.1.7	<p>Minimum Wages should be fixed for all trades of the informal sector like Domestic workers, tendu leaves workers etc.</p> <p>Trades of informal sector should be included in the schedule of minimum wages.</p>	<ul style="list-style-type: none"> • It is proposed to cover all the employments in the amendments to the Minimum Wages Act, 1948
44.1.8	<p>Home based trades should be included in the schedule of minimum wages and rate of minimum wages should be fixed on piece rate basis.</p>	-do-

44.2 CONFERENCE COMMITTEE ON SOCIAL SECURITY

Sl.No.	Conclusion	Action Taken
44.2.1	There was a broad-based consensus that the wage ceiling for the application of EPF Act be increased from the present level of Rs.6,500/- to Rs.10,000/- or Rs.15,000/- as already applicable for the ESI Corporation. Similarly, the ceiling for workers covered under EPF Act be reduced from 20 to 10. However, Laghu Udyog Bharati was not agreeable to this reduction in ceiling of number of workers	<p>Wage ceiling for coverage under EPF & MP has since been enhanced from Rs. 6500/- to Rs. 15000/- vide notification dt. 22-08-2014 effective from 01-09-2014.</p> <p>Threshold limit for coverage under EPF & MP Act., 1952 from 20 to 10 has been included in the comprehensive amendment of the Act, which is under consideration of the Government.</p>
44.2.2	Minimum pension under the EPS 95 be increased to some floor level, which should not be less than Rs.1,000/-, since a large number of workers receive pension which is less than that provided by the State Governments for elderly people which is normally in the range of Rs.400/- to Rs.1000/-.	The minimum pension of Rs. 1000/- per month to the pensioners under Employees' Pension Scheme (EPS), 1995 has since been notified on 19-08-2014 effective from 01-09-2014. The Scheme has been extended in perpetuity.
44.2.3	The PF Accounts be computerized urgently so that the workers are able to avail the facility of PF transfer and settlement immediately. Smart Cards like RSBY be issued to PF account holders.	The facility of Universal Account Number (UAN) has been launched by Hon'ble Prime Minister on 16-10-2014, which provides portability for the employees covered under EPF & MP Act., 1952. PF Accounts have now been fully computerised and on 01-04-2015 EPFO has, for the first time updated accounts of 14.65 Crore members electronically.
44.2.4	Minimum ceiling of 5 years of continuous service be reduced in case of gratuity	A proposal in this regard is being initiated for consultation with stakeholders.

	and gratuity be made transferable in case of change of job by the employee.	
44.2.5	The maternity leave under the Maternity Benefit Act be increased from the present level of 12 weeks to 24 weeks. This increased maternity benefit be made available only up to two children, while the lower limit be continued for more than two children.	It is basically employer's liability. Ministry of Women & Child Development, the nodal Ministry for women welfare, has been discussing this and other related issues. A proposal in this regard is being initiated for consultation with stakeholders
44.2.6	Accountability on the part of organizations implementing the social security schemes be fixed in order to ensure that the beneficiaries receive the deliverables in time. Citizen Charters for these organizations be finalized early.	Both organization i.e. EPFO and ESIC are maintaining their Citizen Charters. e-governance programme of EPFO and ESIC has been implemented to ensure timely delivery of service to stakeholders.
44.2.7	Amendment in the definition of wage is required in the EPF Act so as to remove the ambiguity with regards to splitting of minimum wages for the purpose of contribution.	<ul style="list-style-type: none"> • A new definition of wages similar to the definition of wages in ESI Act., 1948, has been proposed to be included in the comprehensive amendment of EPF & MP Act., which is under consideration of this Ministry • Under ESI Act, "Wages" has been defined U/S 2(22) of ESI Act.
44.2.8	It was felt that the funds of Rs.1000/- crore provided in National Social Security Fund (NSSF) is inadequate and it was broadly agreed that funds should be substantially increased either through imposition of cess or by increasing the corpus	The National Social Security Fund is administered by the Department of Economic Affairs (Ministry of Finance) and it is meant for meeting the expenditure on the social security schemes for the unorganized workers. Though there is no proposal to impose cess, the funds are made available as and when required. In the Budget provision for the year 2012-13, the corpus was increased to Rs. 1500 crore.

44.2.9	It was agreed that on the lines of National Social Security Board, State Social Security Boards must be constituted as provided under the Act by the end of the year. Some of the States viz., Karnataka, West Bengal and Chhattisgarh have already constituted these Boards to monitor welfare schemes in their respective spheres.	Ministry of Labour & Employment is consistently pursuing with the States/UTs to set up State level Social Security Boards. So far, 14 States have been set up Boards/framed rules. The Minister of State (IC) for Labour & Employment has written to all States who are yet to constitute the boards, urging them to do so immediately.
44.2.10	Social security benefits be provided to Anaganwadi, Asha, mid-day meal workers and other similar type of workers	<p>Ministry of Women & Child Development has reported that –Integrated Child Development Services(ICDS) Scheme envisages the Anganwadi Workers (AWWs) & Anganwadi Helpers (AWHs) as ‘honorary workers’ from the local community who come forward to render their services, on part-time basis, in the area of child care and development. Being honorary workers, they are paid monthly honoraria as decided by the Government from time-to-time.</p> <p>Department of School Education and Literacy has reported that under the Mid-day Meal Scheme Cook-Cum-Helpers (CCH) have been engaged for preparing and serving of the Mid-day Meal to the elementary class children studying in the schools under Sarva Shiksha Abhiyan. They work for about 3-4 hours in the Schools for preparing and serving the Mid-Day Meal (MDM). Since Cook-cum-Helpers under Mid Days Meal Scheme are engaged for limited hours for preparing and serving the MDM, they cannot be treated as Government employees.</p> <p>Ministry of Health & Family Welfare (MoH&FW) has reported that ASHAs are envisaged as honorary volunteers under National Rural Health Mission (NRHM) and hence do not earn wages or honorarium but are only receiving performance based incentives. Therefore,</p>

		<p>it would be difficult to conceive ASHAs for coverage under EPFO. However, MoH&FW would support the proposal of extension of RSBY to ASHAs keeping in view the important role they play- as a link between community and public health system. While the Ministry has been constantly endeavouring to expand the activities and incentives for ASHA, the proposal for monthly honorarium for ASHAs have not been approved.</p>
44.2.11	<p>Unorganized sector must be brought under various social security schemes including health, insurance, education, pension, etc</p>	<p>It has been decided that, as provided in the Unorganised Workers' Social Security Act 2008, all unorganised workers will be registered and issued identity cards which shall be a smart card with a unique identification number and shall also be portable. These will be issued by the State Labour Departments through the District Administration. The card will contain the worker's and their dependent family members' Aadhar number, bank account number, mobile number and details regarding their eligibility for Aam Admi Bima Yojana (AABY), Rashtriya Swasthya Bima Yojana (RSBY) and Indira Gandhi Old Age Pension Scheme (IGNOAPS).</p> <p>At the time of issue of cards the states are also being advised to get all unorganised workers registered for Aadhar and Jan Dhan Yojana. The issue of identity cards to all unorganised workers will create a data base of the workers, make it possible for them to access to social security schemes to which they are eligible and facilitate monitoring of the performance of the schemes which provide social security for unorganised workers.</p>
44.2.12	<p>It was agreed that RSBY should be extended to all the unorganized sector workers to avail the health insurance benefits at the earliest</p>	<p>It has been decided that the Rashtriya Swasthya Bima Yojana (RSBY) will move to Ministry of Health and Family Welfare (MoHFW) to be made part of the National Health Assurance Mission. The scope of</p>

		coverage of the services currently being provided under RSBY will be determined by the MoHFW as part of the design of National Health Assurance Mission.
44.2.13	There was a consensus that steps should be taken to provide OPD facility to beneficiaries under RSBY and generic medicines should be used and provided under this scheme.	National Health Assurance Mission, into which RSBY will be integrated by the MoHFW, aims to provide a continuum of services including some free drugs, diagnostics and free out patient consultation.
44.2.14	Interest on income of various social security funds created by the Central or State Governments be exempted from taxes	Minister of State (IC), Labour & Employment has written to Finance Minister for exempting the income of social security funds from income tax. A similar letter has also been written by Secretary (L&E) to Secretary (Revenue).

44.3 CONFERENCE COMMITTEE ON EMPLOYABILITY AND EMPLOYMENT

Sl.No.	Conclusion	Action Taken
44.3.1	Employment generation and Employability should be top agenda of the Govt	As informed by Niti Aayog, generation of productive and gainful employment with decent working condition on a sufficient scale to absorb the growing labour force is cornerstone for achieving inclusive growth. The twelfth Plan growth strategy focuses on labour intensive activities within manufacturing sector to ensure accelerating growth in employment opportunities. The twelfth Plan has therefore, targeted generation of 5 Crore additional jobs in the non-farm sector, including 1 Crore jobs in the manufacturing sector.

44.3.2	<p>Though lot of focus is being laid on training of 500 million persons by 2022, there is a need to take appropriate measures for creation of employment opportunities to offer the matching employment.</p>	<p>As informed by Niti Aayog, generation of productive and gainful employment with decent working condition on a sufficient scale to absorb the growing labour force is cornerstone for achieving inclusive growth. The twelfth Plan growth strategy focuses on labour intensive activities within manufacturing sector to ensure accelerating growth in employment opportunities. The twelfth Plan has therefore, targeted generation of 5 Crore additional jobs in the non-farm sector, including 1 Crore jobs in the manufacturing sector.</p> <p>NSDA has informed that some of the measures to achieve this objective are highlighted as under:</p> <ol style="list-style-type: none"> 1. An outcomes-based approach to skill Development <p>All schemes of the Government of India need to focus on outcomes, and performance needs to be measured in terms of percentage of persons actually placed in wage or self-employment. In this connection, a committee on Rationalization of Government Schemes has made the following recommendations:</p> <ol style="list-style-type: none"> a. Having a clear definition as to what constitutes “skill development”. The numbers being reported by various ministries include everything from extension contract lasting a few hours to long term technical courses. As such, the actual numbers who would have been skilled and sufficiently equipped to take on wage or self employment would be much lower. b. Rationalization of the various parameters of the Government of India schemes-So that difference in durations, costs etc., are allowed only on account
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		<p>the geographical or differences in the socio-economic background of the beneficiaries.</p> <p>c. Imposing one standard outcome for all such schemes-and that should be expressed in terms of the employment of the persons being trained.</p> <p>2. Working closely with the private sector and the industry</p> <p>a. <u>Role of sector skill councils (SSCs)</u></p> <p>Approximately 30 SSCs have been set up using funds provided by the Government of India through the National Skill Development Corporation. The SSCs are Industry-led bodies and are required to bring the industry viewpoint to bear upon the Government's skill development efforts, so that these are relevant to the needs of industry. However, there is need to strengthen the functioning of the SSCs by:</p> <p>I. Ensuring that there is significant and meaningful participation by Industry</p> <p>II. Ensuring that the needs of medium, small and micro units, which account for about 90% of the non-agricultural labour force, are being taken into account.</p> <p>b. <u>Proactive Role of Industry</u></p> <p>The industry is an essential partner and there is need to encourage greater participation from the private sector in the skill development sphere. Industries should be encouraged to create more apprenticeship opportunities and encouraged to start funding part of the training cost as an investment for its own developed manpower. This will help reduce the disconnect between industry</p>
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		<p>and vocational training centres as well as school education and vocational training, which has led to the training being less relevant to industry's needs, resulting in further alienating students from the vocational stream.</p> <p>Industries should be incentivized to create infrastructure in the difficult areas particularly in rural, border, hilly and difficult areas, including the North Eastern states, J & K, the districts affected by Left wing extremism, etc. where the private sector may find it difficult to invest. A vibrantly productive population would only promote economic and social progress in these areas.</p> <p>Since MSME sector continue to employ a very large part of our non-farm workforce, efforts should be laid so that such skills are identified and design programmes to meet these multi-skilling requirements. Clusters across the sectors should be promoted to generate more-jobs in the economy.</p>
44.3.3	There is an urgent need to declare the National Employment Policy in order to provide enabling framework for facilitating employment generation and decent working conditions for all	An Inter Ministerial Committee has been constituted on 4th April, 2014 to draft the National Employment Policy. In view of its implication on other sectors, comments have been sought from various stakeholders like Ministries, State Governments, Trade Unions and industry associations etc. for inputs to the policy. The draft policy has also been discussed with the State Ministers on 29.08.2014. The information/ inputs received are being incorporated. Revised draft will be placed for public consultation.
44.3.4	Investment in labour intensive industries should be promoted and incentivised.	Ministry of MSME has informed that Traditional industries not only have great potential for growth in production and export but can also lead to widespread generation of employment opportunities in the rural areas of the country. Khadi and

		<p>Coir based industries including some unorganized sector has labour intensive manufacturing activities. For incentivizing this sector, with a view to make the traditional industries more productive, competitive and to facilitate their sustainable development, Ministry has the Schemes such as PMEG (Prime Minister's Employment Generation Programme) and SFURTI (Scheme of Fund for Regeneration of Traditional Industries).</p>
44.3.5	<p>Labour Market Information System should be established to get skill requirement from the industry and available skills from the institutes. In this regard, employment exchanges may be modernized for providing virtual job market on real time basis.</p>	<p>For development of the Labour Market Information System (LMIS) in India, a Steering Committee has been notified on 24th October, 2013 by the Department of Economic Affairs, Ministry of Finance. The Committee is headed by the Chairman, National Skill Development Agency (NSDA) with members from different Central Ministries, State Governments, Survey/ Statistical Organisations and Research Organisations. The Steering Committee has already started work. A National Skills Qualification framework (NSQF) has been approved by the Government to act as a quality assurance framework which organizes qualifications according to a series of levels of knowledge, skills & aptitude. Responsibility has been given to National Skill Development Agency.</p> <p>As per information from NSDA, for well structured labour market information system, a national database on all major aspects of skill development is being created in partnership with all other Ministries of the Government of India and the State Governments. This would be one shop stop where all the relevant information is freely available to citizens. This LMIS would also be used as a monitoring system and for the programmes run by all the Ministries. The LMIS would bring in operational</p>

		<p>efficiencies, would be transparent and available to all.</p> <p>The Government has decided to transform the present system of Employment Exchanges into National Career Service by implementing a national information technology based portal to connect all the Employment Exchanges. There is also a provision to give guidance and counselling to youth about various modern career options as well as the available opportunities for vocational training, apprenticeship etc. In addition, Model Career Centres will also be developed to demonstrate the new services being provided to unemployed youth and job seekers. Subsequently, these Model Centres can be replicated by various State Governments.</p> <p>NSDA has informed that a national database on all major aspects of skill development is being created at the NSDA in partnership with all other Ministries of the Government of India and the state Governments. Students who have enrolled themselves in various skill development programmes will also be a part of this registry. This LMIS would be also be used as a monitoring system for the programmes run by all the Ministries and would help reduce considerably the situation of one individual being benefitted under different schemes. Access would be provided to the database to external stakeholders, such as employers so that they are able to find suitable candidates for employment from this database.</p>
44.3.6	Skill mapping should be done at the local level and inventory of skill assets should be created.	NSDA has informed that currently, there is inadequate information as to the actual training capacity that exists in the country. The capacity that has been created through government funded programmes is known, but the capacity that has been created through private investment, and

		<p>which is being utilized to train persons who pay for these programmes through their own means, is unknown. The NSDA has requested the NSSO to include questions about training capacity and training institutions in both its enterprise and household surveys. Once this is done, and we know the capacity that already exists and how it is being utilized, the shortfall in capacity can be gauged and a plan for meeting this shortfall can be formulated and implemented.</p> <p>Regarding accreditation of Training providers by the NSDA, it has been informed that the norms developed by the NSDA to accredit training providers will collate post placement information of candidates being trained and placed. This information will give an overview of the skills, which are in demand by the industry as well as by candidates.</p>
44.3.7	ITIs should also focus on sectors beyond manufacturing and should concentrate on service sector. There is urgent need for quality assurance measures in training of ITIs and instructors	<p>a) New trades under CTS implemented through Government and Private ITIs are introduced as per demand of industry/ industrial sector. Trades like Data Entry Operator, Corporate House Keeping, Front Office Assistant, Insurance Agent, Medical Transcription, Secretarial Practice, Tourist Guide, Travel & Tour Assistant, Spa Therapy etc. have already been introduced in services sector under Craftsmen Training Scheme.</p> <p>On the demand of industry following three new trades in service sector under CTS have been introduced:-</p> <ul style="list-style-type: none"> i) Human Resource Executive ii) Finance Executive iii) Marketing Executive <p>New courses are being introduced through Flexi-MOU policy, in partnership with industry.</p>

		<p>b) In order to ensure quality training in it, following measures are being taken.</p> <ol style="list-style-type: none"> 1. Upgradation of infrastructure of all Government ITIs for improving the quality of training so as to ensure better employability of the graduates, was taken up under following three different schemes: <ol style="list-style-type: none"> i. Upgradation of 100 Government ITIs through domestic funding ii. Upgradation of 400 ITIs under VTIP with World Bank Assistance iii. Upgradation of 1396 Government ITIs through Public Private Partnership. 2. In order to maintain quality standard in ITIs, Quality Council of India (QCI) has been engaged for accreditation of all the Government and Private ITIs in the country. The accreditation of the QCI has been made the basis and pre-requisite for affiliation by NCVT. 3. Instructors from ITIs are being trained to upgrade their skills through distance learning project. 4. As a result of all these efforts, placement in upgraded ITIs has increased to a level of 81 to 99% and in other ITIs to a level of 41 to 60%. 5. A grading scheme for ITIs has been implemented that can provide benchmark for comparison of it is amongst various institutes and trades offered therein. 6. Leadership training has been given to Principals of Government ITIs. 7. Reaffiliation of ITIs after every five years has been introduced. 8. Semester system has been introduced.
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44.3.8	Emphasis should be laid on development of infrastructure including storage, processing and marketing in rural areas and agro-based industries	<p>(MGNREGA Division), Ministry of Rural Development informed that Constitution of food grain storage structures is permitted under MGNREGS.</p> <p>Further, Department of Commerce, Ministry of Commerce & Industry has informed that their department deals with the development of infrastructure and promotion of exports in North Eastern Region under a corpus fund, namely Export Development Fund- North Eastern Region (EDF-NER) created from the budget of ASIDE Scheme to assist entrepreneur and export oriented manufacturing units in export of agricultural and processed products.</p>
44.3.9	ITIs should focus more on popular trades keeping in view the requirement of the local industries	<p>Introduction of new trades in ITIs is the subject matter of the respective State Governments. The State Governments have already been advised to introduce training programs keeping in view the requirement of the local industries. With local industry closely involved in running of ITIs through Institute Management Committees, it has already started happening.</p> <p>Further Flexi-MOU policy has been introduced to permit customised courses for meeting the industry needs.</p> <p>NCVT has also introduced several new courses according to industry needs.</p>
44.3.10	Institutional arrangements for providing training in traditional skills should be encouraged and may be brought under certification system	<p>Institutional arrangement for providing training in traditional skills has been made available under SDI Scheme through MES courses since 2007. Approximately 578 modules in 68 sectors are being implemented under the scheme. A large number of these modules are on traditional skills. Training under the scheme is being provided through Vocational Training Providers (VTPs) and NCVT certificates are issued to successful trainees.</p>

		In order to expose existing workers to new skill areas, training courses on new skill areas on the local demand have been envisaged in 2nd shift of ITIs located in Urban/ Semi- Urban centre within periphery of 5-10 Kms of Municipal Corporation/ Council. States have already been requested to identify such ITIs and courses. States have also been requested to earmark funds for training of existing workers in such ITIs.
44.3.11	Public awareness programme should be taken up, particularly in rural areas regarding the importance of skill development and certification of traditional skills.	<p>Following publicity efforts have been undertaken in order to promote the importance of Vocational training</p> <p>a) A project was implemented for production & broadcasting of reality show 'Hunnarbaaz' on DD National. Total 12 episodes were aired during Aug- Nov 2014. The shows provided information on Vocational Training courses available in the ITIs, job opportunities, success stories, etc.</p> <p>b) Twenty-five ITI pass-outs who have made a mark for themselves as well as the society were recognized by the Hon'ble Prime Minister as National Brand Ambassadors of Vocational Training for the year 2014 in the 'Pandit Deen Dayal Upadhyay Shramev Jayate' Program held in New Delhi on 16th October 2014. These Brand Ambassadors have undertaken advocacy efforts on behalf of the Ministry by promoting Vocational Training through TV shows at DD National ("Hunnarbaaz" and "Good Evening India") and Radio talks.</p>
44.3.12	There should be functional and spatial integration of State and Central infrastructure and other available resources for optimal utilization of resources.	Department of Commerce, Ministry of Commerce & Industry has informed that their department deals with the development of infrastructure and promotion of exports in North Eastern

		<p>Region under a corpus fund, namely Export Development Fund- North Eastern Region (EDF-NER) created from the budget of ASIDE Scheme to assist entrepreneur and export oriented manufacturing units in export of agricultural and processed products.</p> <p>Further, NITI Ayog has informed that with the changed set up, they would not be able to comment upon the issue and had requested to seek the information from the implementing ministries. However, as informed by the Ministry of Road Transport & Highways, there ministry is concerned with National Highways and assistance to States for States roads.</p>
44.3.13	MSMEs should be encouraged and supported to participate in the skill development efforts	<p>Apprentice Protsahan Yojana has been started on 16th October, 2014 to support manufacturing units and other establishments with special focus on MSMEs by reimbursing 50% of the stipend paid to apprentices during the first two years of their training for one lakh apprentice.</p> <p>This Scheme covers all categories of apprentices except the Graduate, Technician and Technician (Vocational) apprentices which are covered by the Scheme administered by Ministry of HRD.</p> <p>Establishment can engage apprentices within a band based on percentage of the total scheme of the establishment. The establishment eligible in the Scheme should have employee strength of at least six.</p> <p>Basic training curricula is being restructured on scientific principles to make it more effective and MSMEs are proposed to be supported financially by permitting this component in Government funded SDI Scheme.</p>

		The Scheme is implemented through the Regional Directorates of Apprenticeship Training (RDATs) under the control of Directorate General of Employment & Training in their region located at Faridabad, Kanpur, Mumbai, Hyderabad, Kolkata & Chennai.
44.3.14	Stipend of apprentices under the Apprentices Act should be enhanced.	The Stipend payable to Trade apprentices under the Apprentices Act has been revised with effect from 22.09.2014. The minimum rate of stipend per month has been indexed to minimum wage of semi-skilled worker notified by the respective State/UTs, starting at 70% of that minimum wage in first year, 80% in the second year and going up to 90% in third year & 4th Year. The stipend has almost doubled after this notification. For other apprentices the stipend has been enhanced by 40% in December, 2014.
44.3.15	Existing and new Centres of Excellence/Clusters in traditional crafts should be strengthened and provided support in terms of marketing, credit, new technology, etc. to promote self-employment	The National Institute For Entrepreneurship and Small Business Development (NIESBD), an autonomous institute under Ministry of Micro, Small and Medium Enterprises has been set up with a basic objective to promote development of MSME Enterprises including enhancement of their competitiveness. The institute is facilitating and supporting Central / State / other agencies in organising entrepreneurship development programmes. A Credit Guarantee Fund is also being created to help support banks to lend to MSME to enhance their production and productivity by infusing new technology, marketing product design etc.
44.3.16	Barriers should be removed from skilling and certification of illiterate and uneducated workers	The erstwhile Directorate General of Employment & Training, Ministry of Labour & Employment, has started a scheme 'Recognition of Prior Learning of Construction Workers'. Beneficiaries of the scheme are the construction workers

		<p>registered with State Labour Welfare Department. Expenses incurred toward training, assessment and wage compensation of the worker would be met from the Building and Other Construction Worker's (BOCWs) cess. The training will be provided at the Construction site and training Providers will set up training infrastructure at the construction site. Workers will be pre-assessed at the pre-determined criteria and based on the outcome of the pre-assessment, workers would be provided skill gap training. The training providers will be reimbursed training cost at the rate of Rs. 27.50 /- per hour per person and it will increase by Rs. 2.50/- from every financial year started from 1st April. Wage allowance at the rate of Rs. 35/- per hour person to worker to compensate wages during training will be paid by Welfare Board from Cess fund. The scheme has been launched in the states of Haryana, Telengana and Delhi. 05 Training Provider and 09 Assessing Bodies have been empanelled. Total 321 workers have been recommended for training and 22 for final assessment.</p>
44.3.17	<p>Entrepreneurship and self-employment should be encouraged by providing necessary support</p>	<p>Ministry of MSME has informed that Skill Development is important for employment and self employment purposes, to cater to the needs of the different type of people as well as different type of MSMEs. Skill Developmental Activities under the Ministry are carried out with an objective of promoting self employment and to provide employable skill in Youth through: Training programmes through office of DC (MSME)•</p> <p>Training programme through autonomous National level autonomous institutes (NIMSME, NIESBUD,IIE) and NSIC•</p> <p>Training Programmes through KVIC and Coir Board for cottage industry, artisans and other programmes etc.</p>

		<p>The Ministry of Housing and Urban Poverty Alleviation has launched the “National Urban Livelihoods Mission (NULM)” in the 12th Five Year Plan w.e.f 24th September, 2013 by replacing the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY). The NULM will focus on organizing urban poor in self help groups, creating opportunities for skill development leading to market-based employment and helping them to set up self-employment venture by ensuring easy access to credit.</p>
44.3.19	<p>Skill development should be promoted among the women and differently-abled persons. To increase participation of women in skill development, special measures should be taken</p>	<p>Skill Development Training for women under Director General of Training is provided through a network of 11 institutes – One National Vocational Training Institute (NVTI) at Noida and ten Regional Vocational Training Institutes (RVTIs) at Mumbai, Bangalore, Thiruvananthapuram, Kolkata, Tura, Panipat, Allahabad, Indore, Vadodara and Jaipur. These institutes organize various NCVT approved training courses in skills having self/ wage employability. Around 9000 women are being trained every year in long-term and short-term courses. To increase participation of women in skill development, the Govt. has recently approved 08 new RVTIs in the States where there is no existing RVTI for Women for which the concerned State Govts. have been requested to provide land.</p> <p>The Director General of Employment & Training (DGE&T), Ministry of Labour & Employment has is implementing the scheme of the setting up of Vocational Rehabilitation Centres for the Handicapped (VRCH) in 1968. At present, there are 21 VRCH in the country, which evaluate the residual capacities of the handicapped (referred to as persons with disabilities also) in the categories of Locomotor, Visual & Hearing impaired,</p>

		Mild Mental Retardation and Leprosy Cured and provide them adjustment training, to facilitate their early economic rehabilitation. Three more VRCs are being set up.
44.3.20	Centres of Excellence should be established at the national and State levels which will produce world-class technicians.	<p>Establishment of Multi Skill Development Centres:</p> <p>Centrally Sponsored Scheme “Establishment of Multi Skill Development Centres” is being implemented as a pilot project at Bangalore and Gulbarga which may be replicated in other states based on its experience.</p> <p>In addition to this, Centres of Excellence are being set up under VTIP, upgradation of 1396 Government ITIs and 100 domestic funded Government ITIs.</p> <p>One existing ITI per State situated in a prominent industry cluster is being identified to upgrade it as Model ITI which will be evolved as an institution showcasing best practices, efficient and high quality training delivery and sustainable and effective industry relationship.</p>
44.3.21	National level consultation with all the stakeholders should be held immediately to finalize the road-map for preparing skill development plan leading to skilled force of 500 million persons by 2022	National level consultation to finalize the roadmap for preparing skill development plan leading to skilled force of 500 million persons by 2022 was held on 27th February, 2012 in which the representatives from industry, trade unions, State Governments, Planning Commission, PM’s National Council on Skill Development and NSDC Participated. Based on the outcome of this consultation, Sector-wise Strategy was prepared and disseminated to all State Governments for implementation in close cooperation with all stakeholders.

		Ministry of Skill Development and Entrepreneurship (MSDE) is revising National Policy on Skill Development. Ministry of Labour and Employment has given inputs to MSDE on this.
44.3.22	Comprehensive steps should be taken to create environment for employment generation and protection.	As informed by Niti Aayog, generation of productive and gainful employment with decent working condition on a sufficient scale to absorb the growing labour force is cornerstone for achieving inclusive growth. The twelfth Plan growth strategy focuses on labour intensive activities within manufacturing sector to ensure accelerating growth in employment opportunities. The twelfth Plan has therefore, targeted generation of 5 Crore additional jobs in the non-farm sector, including 1 Crore jobs in the manufacturing sector.
44.3.23	Trainers should be trained in large numbers to meet growing requirement.	<p>At present trainers training programme is being run in 16 Advanced Training Institutes (ATIs) and 11 NVTI / RVTIs of DGE&T. under the Craft Instructor Training Scheme (CITS).</p> <p>To meet the additional requirement of trainers, Government has given in-principle approval for setting up of 12 ATIs in Public Private Partnership (PPP) in first phase in 12 states.</p> <p>Also 12 Private Institutes of Training of Trainers (ITOTs) have also been approved by the Government to run trainers training programmes under CITS.</p> <p>Also 8 new Regional Vocational Training Institutes (RVTIs) for Women have been approved under the Central Sector Scheme.</p>

43rd SESSION OF INDIAN LABOUR CONFERENCE - 23rd – 24th
NOVEMBER, 2010 – CONCLUSIONS & ACTION TAKEN REPORT

43.1 GLOBAL FINANCIAL DOWNTURN – ITS IMPACT – JOB LOSSES – COMPREHENSIVE PACKAGE FOR PROTECTION OF LABOR FORCE, ETC.

Sl.No.	Conclusion	Action Taken Report
43.1.1	The Conference Committee is of the unanimous view that the recommendations made in the 42 nd ILC Session including short-term and long-term strategies should be followed more vigorously particularly in areas of:	Survey of Job Losses and the Employment situation in the Country. <ul style="list-style-type: none"> In order to assess the impact of global financial downturn on job losses in the country, Labour Bureau has been entrusted the task of conducting quarterly surveys in the eight selected labour intensive and export oriented sectors viz. Textiles including apparels, Handloom and Power-loom, Leather, Gems and Jewellery, Automobiles, Metals, IT/BPO and Transport.
43.1.1.1	Strict implementation of labour laws on lay-offs, retrenchment, job losses, closures, etc.	
43.1.1.3	The availability of credit at concessional rate of interest to micro, small and medium enterprises besides traditional and export oriented industries by banks/financial institutions.	<ul style="list-style-type: none"> Till so far, 24 such surveys have been conducted and thereon reports released. According to survey results, overall estimated employment in all selected sectors has experienced a net addition of 37.46 lakh starting from the first survey (Oct, 2008-Dec, 08) till the 24th survey (October, 2014-December, 2014).
43.1.1.2	The broad based social security including unemployment insurance should be devised.	In ESIC, Unemployment Allowance is given under Rajiv Gandhi Shramik Kalyan Yojna (RGSKY) to an Insured person who becomes unemployed on or after 1 st April, 2005 after remaining in insurable employment for minimum five years. The periodicity of insurable employment has been reduced to three years from five years w.e.f. 11.09.2009. Unemployment Allowance is payable for

		<p>maximum period of 12 months (6 months prior to 01.02.2009) during the entire lifetime of the Insured Person and will cease to be payable from the date the beneficiary is re-employed.</p> <p>The number of claims admitted in the year 2013-14 is 855 as against 1026 in the year 2012-13 and the expenditure on this account in the year 2013-14 is Rs 2.83 crore as against Rs. 2.93 crore during the year 2012-13.</p>
43.1.1.4	Consideration of Urban Employment Guarantee Scheme	As per available information from the Ministry of Housing and Urban Poverty Alleviation, no such scheme is under consideration.
43.1.1.5	The scope of Public Distribution System is extended to all unorganized workers in terms of commodities and coverage	
43.1.1.6	Skill Training/re-training of workers affected by economic slowdown, etc	In order to expose existing workers to new skill areas, training courses on new skill areas on the local demand have been envisaged in 2 nd shift of ITIs located in Urban/ Semi-Urban centre within periphery of 5-10 Kms of Municipal Corporation/ Council. States have already been requested to identify such ITIs and courses. States have also been requested to earmark funds for training workers in such ITIs.
43.1.2	The recommendations as long term strategies such as:	<ul style="list-style-type: none"> • Govt proposes to cover all employments under the MW Act. • NFLMW at present is non-statutory.
43.1.2.1	Statutory fixation of National Floor Level minimum wage to cover all employments	<ul style="list-style-type: none"> • No consensus among the stakeholders on the issue. • CTUO's, however, did not support NFLMW to be statutory.

43.1.2.2	More investment in infrastructure, non-conventional, renewable source of energy, agro based industries so as to stimulate domestic demand	<p>As per available information from the Niti Aayog, the total investment in infrastructure sectors in the Twelfth Plan is estimated to be Rs. 55.7 lakh crore. These include flagship projects like The Western and Eastern Freight Corridor, The Mumbai Elevated Rail Corridor and The High Speed Corridor. Further, the setting up of the e-biz project by DIPP, Delhi-Mumbai Industrial Corridor and Projects such as the Chennai-Bengaluru Industrial Corridor, Bengaluru-Mumabi Economic Corridor, setting up of National Industrial Corridor Authority, emphasis on small cities link to transport connectivity etc shall facilitate investment in infrastructure and other related areas that will give a boost to employment generation.</p> <p>The Government is also promoting labour-intensive manufacturing and increasing employment opportunities by promoting tourism and agro-based industries to stimulate domestic demand.</p>
43.1.2.3	Extending employment guarantee from 100 days to 200 days as recommended by ILO	<p>MGNREGS Division, Ministry of Rural Development has informed that The objective of the MGNREG Act is to enhance livelihood security in rural areas. Section 4(1) of MGNREG Act stipulates that State Governments shall provide to every household whose adult members volunteer to do unskilled manual work not less than 100 days of such work in a financial work in a financial year.</p> <p>Further, additional 50 days of wage employment for the FRA beneficiaries living in forest areas has been provided beyond the stipulated 100 days, provided that these households have no other private property except for the land rights provided under the Forests Rights Act, 2006.</p>

		At present there is no move to consider the recommendation to increase 100 days to 200 days of employment.
43.1.3	Further, the Committee was of the view that the stimulate and financial assistance packages should continue and provide more focus on employment generation to compensate their loss in wages or job losses due to economic slowdown	The global economic crisis had impacted India but economy largely held up well due to less reliance on exports. Government had initiated several measures to combat economic slowdown. Instead of injecting money directly in the market through bailout packages, India reduced Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Repo and Reverse Repo rates and increased the diameter of pipes flowing money into the market through banks. The Government had announced three stimulus packages on 07.12.2008, 02.01.2009 and 24.02.2009, in the form of developmental assistance, tax concession, etc. to counter economic slowdown and promote growth which was beneficial to the entire economy including the labour force. Active labour market policies were pursued more vigorously. These measures have helped economic growth to pick up. Labour Bureau, Ministry of Labour & Employment is carrying out Quarterly Quick Employment Surveys on "Effect of Economic Slowdown on Employment in India". The results of the 22nd quarterly survey reveal that there has been a sustained increase in overall employment in these sectors with a total addition of 34.71 lakh starting from the first survey (October 2008 to June 2014).
43.1.3.1	It should be ensured that stimulate packages also percolate to micro small and medium enterprises	DIPP has been informed that a Technology Acquisition & Development Fund (TADF) is to be created under the National Manufacturing Policy, aimed at supporting adoption of green technologies and resource conservation practices specially among micro, small and medium scale industries (MSMEs) in the manufacturing sector. The fund will be used for the following specific purposes:

		<p>i) Technology Acquisition through patent pool and licensing</p> <p>ii) Technology Acquisition through Reimbursement of direct patent acquisition cost</p> <p>iii) Incentives for production of equipment for controlling pollution, reducing energy consumption and for water conservation through interest and capital subsidies</p> <p>iv) Incentives for energy & environmental audit, water conservation, waste water treatment, rain water harvesting, renewable energy and Green Buildings for NIMZ projects</p> <p>The scheme of TADF has been proposed and the same is awaiting " In-principle approval of NITI Aayog, the erstwhile Planning Commission.</p>
43.1.3.2	The ILO code on Multi-National Corporations (MNCs) should also be strictly followed in India	
43.1.3.3	The labour intensive industries can be provided with some incentives, which will enable them to create more employment	<p>Government of India is taking all necessary steps to enhance the employability and employment in the country by promoting growth of labour intensive sectors such as Construction, Real Estate and Housing, Transport, Tourism, Micro, Small and Medium Enterprises, Information Technology Enabled Services and a range of other new services.</p> <p>The According to DIPP, Ministry of Commerce & Industry, Chapter 7 of National Manufacturing Policy states that while the proposals in this policy paper are sector neutral, it is proposed to identify special focus sectors where India can be cost competitive and which would generate maximum employment. Some of these sectors would need `sector specific policy interventions and are already in place. Their efficacy would need to be</p>

		<p>examined and wherever necessary, additional measures would need to be introduced.</p> <p>Twelfth Plan has identified the following sectors that will create large employment; Textiles and Garments, Leather and Footwear, Gems and Jewellery, Food Processing Industries, Handlooms and Handicrafts.</p>
43.1.3.4	The investment should ensure job creation and job retention	As informed by Niti Aayog, generation of productive and gainful employment with decent working condition on a sufficient scale to absorb the growing labour force is cornerstone for achieving inclusive growth. The twelfth Plan growth strategy focuses on labour intensive activities within manufacturing sector to ensure accelerating growth in employment opportunities. The twelfth Plan has therefore targeted generation of 5 Crore additional jobs in the non-farm sector, including 1 Crore jobs in the manufacturing sector.
43.1.3.5	There is need to provide adequate funding to the unorganized workers Social Security Fund so that the social security schemes can be implemented	The fund currently has a corpus of Rs.1500 crores which is adequate
43.1.3.6	To extend social protection to all workers in the informal sectors as well as for migrant workers	It has been decided that, as provided in the Unorganised Workers' Social Security Act 2008, all unorganised workers will be registered and issued identity cards which shall be a smart card with a unique identification number and shall also be portable. These will be issued by the State Labour Departments through the District Administration. The card will contain the worker's and their dependent family members' Aadhar number, bank account number, mobile number and details regarding their eligibility for Aam Admi Bima Yojana (AABY), Rashtriya

		<p>Swasthya Bima Yojana (RSBY) and Indira Gandhi Old Age Pension Scheme (IGNOAPS).</p> <p>At the time of issue of cards the states are also being advised to get all unorganised workers registered for Aadhar and Jan Dhan Yojana. The issue of identity cards to all unorganised workers will create a data base of the workers, make it possible for them to access to social security schemes to which they are eligible and facilitate monitoring of the performance of the schemes which provide social security for unorganised workers.</p>
43.1.3.7	To take appropriate measures on “Jobless Recovery” and “Unequal Development” in order to curtail the number of working poor	
43.1.3.8	The recommendations of the Tripartite Expert Committee Report given on 30th June, 2009 constituted by ILO, Delhi may also be followed up.	
43.1.3.9	The adequate steps to be taken for investment in Education, health care in rural area	<p>Niti Aayog has informed that investment in education would improve the education level of labour force entrants and enhance their employability. The investment in health care would make available, affordable health facilities and improve the health indicator of population. Therefore, these investments both in education and health would have a positive impact on labour productivity as well as on GDP.</p>
43.1.3.10	Comprehensive package for workers who lost jobs on account of economic crisis	

43.1.3.11	All steps to be taken in order to strengthen the Tripartite Social Dialogue for alleviating the difficulties caused on account of the crisis	
43.1.3.12	The Standing Tripartite mechanism to be devised to implement and monitor periodically the recommendations of the various conference committees due to economic slowdown as well as ongoing global financial crisis	
43.1.3.13	Due to the effects of economic slowdown in construction industry, welfare schemes devised for Construction Workers Fund should be implemented so as to benefit the construction workers to provide benefits such as housing, scholarships, maternity benefit etc. to construction workers	Erstwhile Directorate General of Employment & Training, Ministry of Labour & Employment, has started a scheme Recognition of Prior Learning of Construction Workers. Beneficiaries of the scheme will be the construction workers registered with State Labour Welfare Department. Expenses incurred towards training, assessment and wage compensation of the workers would be met from the Building and Other Construction Worker's (BOCWs) cess. The training will be provided at the Construction site and Training Providers will set up training infrastructure at the construction site. Workers will be pre-assessed at the pre-determined criteria and based on the outcome of the pre-assessment, workers would be provided skill gap training. The training providers will be reimbursed training cost at the rate of Rs. 27.50 /- per hour per persons and it will increase by Rs. 2.50 /- from every financial year started from 1st April. Wage allowance at the rate of Rs. 35/- per hour per person to worker to compensate wages during training will be paid by Welfare Board from Cess fund. The scheme is being implemented in the states of Haryana, Telengana, Odisha, Chhattisgarh, Himachal Pradesh and Delhi. 09 Training Provider and 09

		Assessing Bodies have been empanelled. Total 7058 workers have been pre-assessed out of which 2031 workers have been recommended for skill gap training. 3115 workers are undergoing final assessment.
43.1.3.14	The workers/employees who return from home from other countries on account of job loss due to recession should be protected by appropriate measures	

43.2 PROBLEMS OF CONTRACT LABOUR – SOCIAL SECURITY, WAGES, ETC., AMENDMENTS IN THE CONTRACT LABOUR LEGISLATIONS.

Sl.No.	Conclusion	Action Taken Report
43.2.1	The Group recognized the pressing need to protect the interests of contract workers. A Tripartite Group had been constituted by the 42 nd Indian Labour Conference to suggest amendments to the Act. The report of the Tripartite Group was considered by the Group. After deliberating upon a variety of issues relating to contract labour the following resolutions were passed unanimously	--
43.2.1.1	All efforts should be made to ensure that the existing provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and Rules made there under are implemented in letter and spirit	As part of the on-going labour reforms, the registration of principal employers who intend to employ contract labour, as per Section 7 of the Contract Labour (R&A) Act 1970 will be part of the common registration planned for all establishments. The information provided by the establishment will include the list of employees, both regular and contractual, as well as the LIN of the contractors employed by them. This will ensure that the social security payments for all contractual staff employed directly

		<p>by the employer can be tracked using the Universal Account Number (UAN) of the employers and the LIN of the establishment. The social security payments to the labourers employed by the contractor can also be tracked using the LIN of the contractor and the UAN of the employees. The reports under the Contract Labour (R&A) Act are to be filed through the portal established by the Ministry of Labour & Employment. The names of the contractors and the maximum number of workers employed by the contractor are part of the Annual Return submitted by the establishment. When these are tallied with the online social security returns filed by the principal employer and contractor it will be possible to identify whether all employees have been covered. This will considerably improve the efficiency of the labour enforcement machinery in implementation of existing provisions.</p>
43.2.1.2	<p>The labour enforcement machinery in the Centre and the States should be strengthened by providing requisite manpower and other logistic facilities so as to ensure effective implementation of labour related legislations</p>	<p>The Ministry of Labour & Employment has developed a unified Web Portal 'Shram Suvidha Portal'. The Web Portal caters to four major Organisations under the Ministry of Labour, namely Office of Chief Labour Commissioner (Central), Directorate General of Mines Safety, Employees' Provident Fund Organization and Employees' State Insurance Corporation.</p> <p>There are 4 main features of this Portal:</p> <ol style="list-style-type: none"> 1. Unique labour identification number (LIN) is allotted to Units to facilitate online registration 2. Filing of self-certified and simplified Single Online Return by the industry. Units will only file a single consolidated Return online instead of filing separate Returns. Amendments to 10 Rules has also been taken up.

		<p>3. Transparent Labour inspection scheme through computerized system based on risk based criteria and uploading the inspection reports within 72 hours by the Labour inspectors.</p> <p>4. Timely redressal of grievances will be ensured with the help of the portal.</p> <p>The unique Labour Identification Number (LIN) has been issued to 7,43,054 Units as on 27.01.2015.</p>
43.2.1.3	States are mandated to constitute Tripartite State Advisory Boards under the Act. However, it was pointed out that a number of States do not have such Boards constituted. It was unanimously resolved that such States should be asked to constitute such Boards under the Act at the earliest	The states that have not constituted State Advisory Contract Labour Boards have been asked to do so.
43.2.1.4	Payments should be made to the contract workers through banks. Necessary amendments should be made in the Act/ Rules	Currently the UAN number is linked to bank accounts and UID nos. In time this will lead to payment of all employees through banks.
43.2.2	The following proposals were also considered by the Group:	--
43.2.2.1	In case where the contract labour perform the same or similar kind of work as the workmen, directly appointed by the Principal Employer, the wage rates, holidays, hours of work, social security and other conditions of service of contract labour shall be the same as are available to the workmen on the rolls of the Principal Employer. This provision exists substantially	Proposed amendment for incorporating the provision to equate the wages of workmen employed by the contractor and the principal employer for the same and similar kind of work into the Act instead of the rules is under consideration of an Inter-Ministerial Group. The Inter-Ministerial Group hold discussions with employer organizations and central trade unions. Further steps will be taken based on the recommendations of the Inter-Ministerial Group.

	under the existing Rules. This needs to be incorporated in the principal Act	
43.2.2.2	The threshold limit of 20 workers for applicability of the Act should be dispensed with	
43.2.3	<p>The aforementioned proposals were supported by the workers' representatives as well as those from the State Governments. However, the representatives of the Employers did not agree with regard to both the aforementioned proposals on the basis of the documents submitted by them.</p> <p>A suggestion was also given by the Workers' Group that in the event of abolition of contract labour under section 10(2) of the Act, the workers should be absorbed/regularized. This was agreed to by the State Governments but disagreed by the Employers' Group</p>	--
43.2.4	Apart from the above, the Workers' Group endorsed the views of its representatives contained in the Report of the Tripartite Group. The Employers' Group endorsed the views as given by their representatives in the Tripartite Group	--

43.3 EMPLOYMENT GENERATION AND SKILL DEVELOPMENT

Sl.No.	Conclusion	Action Taken Report
43.3.1	<p>Employment generation should be at the top of agenda of Government. Each programme/scheme/economic activity of the Government may look at aspect of employment generation</p>	<p>As informed by Niti Aayog, generation of productive and gainful employment with decent working condition on a sufficient scale to absorb the growing labour force is cornerstone for achieving inclusive growth. The twelfth Plan growth strategy focuses on labour intensive activities within manufacturing sector to ensure accelerating growth in employment opportunities. The twelfth Plan has therefore targeted generation of 5 Crore additional jobs in the non-farm sector, including 1 Crore jobs in the manufacturing sector.</p>
43.3.2	<p>Agriculture is still major sector providing employment and is also an area where there is immense scope of generating employment through agro-based activities and food processing. Since there is movement of labour from rural to urban areas looking for employment, the Committee strongly felt that all round development of agriculture sector should be taken up by facilitating conducive environment to develop economic activities/industries suitable to rural areas and comprehensive infrastructure development. It was felt that investments in agriculture should be substantially increased.</p>	<p>Ministry of Agriculture has informed that agricultural and allied activities sector accounts for about 54.6% of total employment in the country (Census 2011) . However, there has been a decline in the work force in the agriculture and allied sector by over 36 million between 2004-05 and 2011-12. (Economic Survey 2013-14). Decline in the share of employment in agriculture has been observed in most of the countries in their development process. Also, more-efficient methods of cultivation and increased mechanisation of farm operations may result in reduction in employment. According to Economic Survey 2013-14, the largest increase in private Gross Capital Formation in agriculture was in labour saving machines such as irrigation and water saving equipments. The above factors add to the productivity of the sector even though they may not enhance its employment potential. However, increased mechanisation of farm operation has also resulted in</p>

		<p>generating employment to rural youth and artisans for the production, operation and maintenance of machines.</p> <p>The all-round development of the Agriculture Sector is manifested in improved production, productivity and investment. Increase in investment in the sector is reflected in the increase in Gross Capital formation, both private and public , from 16.01%of the GDP in 2007-08 to 21.2 percent in 2012-13.</p> <p>Various schemes taken up under the Agricultural extension programmes like District –level Agriculture Technology Management Agencies (ATMAs), Mass Media and Kisan Call Centers, Establishment of Agri-Clinics and Agri-Business Centers etc. have potential for creating off -farm employment in the country.</p> <p>According to Economic Survey, 2013-14, the agro-processing industries sector in the country has been growing at an average annual growth rate of around 8.4% in the last five years ending 2012-13. The Ministry of Food Processing looks into the development of this sector and can provide information about the investments and employment creation in the sector.</p>
43.3.3	<p>Committee felt that provision to provide work for 100 days in MGNREGA may be increased to 200 days. This will provide more sustainability to employment being generated under the programme in the rural areas. The increase in scope of work is also suggested. Efforts may be made to ensure that MGNREGA workers are paid minimum wages as prescribed</p>	<p>MGNREGS Division, Ministry of Rural Development has informed that The objective of the MGNREG Act is to enhance livelihood security in rural areas. Section 4(1) of MGNREG Act stipulates that State Governments shall provide to every household whose adult members volunteer to do unskilled manual work not less than 100 days of such work in a financial work in a financial year.</p>

	<p>by the respective States. Skill development may also be given adequate focus so that assets created are sustainable in nature.</p>	<p>Further, additional 50 days of wage employment for the FRA beneficiaries living in forest areas has been provided beyond the stipulated 100 days, provided that these households have no other private property except for the land rights provided under the Forests Rights Act, 2006.</p> <p>At present there is no move to consider the recommendation to increase 100 days to 200 days of employment.</p>
43.3.4	<p>Committee strongly felt the need to broaden the definition of economic activities to include number of women-centric work and also activities such as own account workers like street vendors, hawkers, road-side mechanics, cobblers, etc.</p>	<p>NSSO, Ministry of Statistics & Programme Implementation has informed that Ministry of Statistics & Programme Implementation has constituted a Standing Committee on Labour Force Statistics (SCLFS) under the chairmanship of Prof. S.P. Mukharjee, to inter-alia oversee the conduct of surveys including Employment-Unemployment Surveys of NSSO.</p> <p>The first meeting of the SCLFS has been held on 30.01.2015. The recommendation made during the 43rd Session of the ILC regarding the need to broaden the definition of economic activities to include number of women-centric work and activities such as own account workers like street vendors, hawkers, road-side mechanics, cobblers etc. have been placed before the SCLFS for consideration. It has been informed by NSSO that in the second meeting of SCLFS which was held on 20.02.2015 Detailed discussion was held on the structure and content of the Schedules of enquiry for first visit and re-visits proposed for the Periodic Labour Force Survey which is likely to commence in July, 2015. The following decision has been taken:</p>

		<p>“Separate add-on modules for topics on contract labour, skill development, earnings of self-employed, etc., will be taken up one in each year periodically, instead of overburdening the core labour force module.”</p>
43.3.5	<p>Micro and small industries are the major source of employment generation. There is need to support and sustain these industries.</p>	<p>Ministry of MSME has informed that they have taken many initiatives over the years to develop an institutional support structure for Micro and Small Industries and nurture their growth. The role of the M/o MSME and its organisations is to assist the States in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario. The schemes/programmes undertaken by the Ministry and its organizations seek to facilitate/provide: i) adequate flow of credit from financial institutions/banks• ii) support for technology upgradation and modernization• iii) integrated infrastructural facilities iv) modern testing facilities and quality certification v) access to modern management practices• vi) support for product development, design intervention and packaging• ix) assistance for better access to domestic and export markets and x) clusterwise measures to promote capacity building and empowerment of the units.</p>
43.3.6	<p>Committee recommends that ban on recruitment in public sector may be lifted.</p>	<p>Ministry of Personnel, Public Grievances & Pensions, Department of Personnel Training has informed on 13.12.2013 that as on date there is no ban on recruitment in Central Government. The respective Ministries/Departments concerned are required to fill up the vacancies within the framework of existing instructions/rules keeping in view functional requirement of the posts.</p>

43.3.7	Self-employment is contributing most in employment generation. Conducive environment, suitable financial concessions and technical and marketing support are required for promoting self employment	<p>Ministry of MSME has informed that Skill Development is important for employment and self employment purposes, to cater to the needs of the different type of people as well as different type of MSMEs. Skill Developmental Activities under the Ministry are carried out with an objective of promoting self employment and to provide employable skill in Youth through:</p> <ul style="list-style-type: none"> • Training programmes through office of DC (MSME)• • Training programme through autonomous National level autonomous institutes (NIMSME, NIESBUD, IIE) and NSIC• • Training Programmes through KVIC and Coir Board for cottage industry, artisans and other programmes etc. <p>The Ministry of Housing and Urban Poverty Alleviation has launched the “National Urban Livelihoods Mission (NULM)” in the 12th Five Year Plan w.e.f 24th September, 2013 by replacing the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY). The NULM will focus on organizing urban poor in self help groups, creating opportunities for skill development leading to market-based employment and helping them to set up self-employment venture by ensuring easy access to credit.</p>
43.3.8	Wages being paid to anganwadi workers should be increased and they should also be provided adequate social security benefits.	These workers are not covered under the MW Act.
43.3.9	Assessment of Training needs in Agro-based industries for introduction of training programmes for benefit of people living in rural areas. Training programmes could be offered under various	Regarding assessment of training needs, Agriculture Ministry has been requested to provide information on skill need in Agro-based industries. Accordingly, training courses could be included under various skill development schemes of DGE&T.

	schemes of Central Government and State Government	
43.3.10	<p>Keeping in view the target of training 500 million persons by year 2022, there is a need for expansion of the skill development infrastructure in country. Expansion is required both in terms of increasing seating capacity and also coverage in terms of sectors including new and emerging areas</p>	<p>i. 'Skill Development in 34 Districts Affected by Left Wing Extremism'</p> <p>The scheme is being implemented from year 2011 to create Skill Development infrastructure in 34 districts closer to the people of left wing extremism (LWE) affected districts. The objective of the scheme is to establish one ITI & two Skill Development Centers (SDCs) in each of 34 districts and to run demand driven vocational training courses both long term and short term to meet the requirement of skilled manpower of various sectors of economy in and around these areas, on the one hand and on the other, provide youth opportunities of decent livelihood. The cost of the scheme is Rs. 241.65 crore.</p> <p>The scheme facilitates Skill training programmes for 1000 youth in Long Term Training @ 30 per district, 4000 youth in Short Term Training @ 120 per district and 340 youth in Instructor Training @ 10 per district.</p> <p>In addition to that, infrastructure will be created for 34 Industrial Training Institutes (ITIs) @ one ITI per district and 68 Skill Development Centres (SDCs) @ two SDCs per district.</p> <p>An amount of Rs. 114.47 crore has been released to 09 states to establish 34 ITIs and 68 SDCs alongwith Skill Training to 3268 youth in 9 States.</p> <p>ii. "Enhancing Skill Development Infrastructure in NE States & Sikkim"</p> <p>The scheme is being implemented from year 2011 at a total cost of Rs. 57.39 crore to enhance the existing</p>

		<p>infrastructure of skill development in North Eastern States. The scheme is aimed for Upgradation of 20 ITIs by introducing three new trades per ITI and Supplementing infrastructure deficiencies in 28 ITIs by constructing new hostel, boundary wall and supplementing old and obsolete tools and equipment.</p> <p>The scheme has been continued upto 31.03.2017 at a revised cost of Rs. 149.80 crore with an additional component for establishment of 14 new ITIs in 7 North eastern States.</p> <p>A total of Rs. 80.95 crore has been released to eight States of Assam, Arunachal Pradesh, Nagaland, Meghalaya, Mizoram, Manipur, Tripura & Sikkim.</p> <p>The Scheme has been further enhanced to set up 22 new ITIs.</p> <p>iii. 2500 ITIs are proposed in unserved blocks under Public Private Partnership (PPP) mode. Ministry of Skill Development and Entrepreneurship has been requested to provide latest status.</p>
43.3.11	There is need to strengthening Central and State government/NCVT/SCVT, etc. offices dealing with skill development activities	<p>1. National Council for Vocational Training-Management Information System Portal</p> <ul style="list-style-type: none"> The MoL&E has initiated the development of NCVT-MIS portal to streamline the functioning of ITIs, Apprenticeship Scheme, Central Funded Institutes, State Directorates and assessment/certification of all NCVT training courses. This will streamline the examination process, whereby all certificates (current academic year onwards) will be issued online as e-certificates, drastically reducing the time for trainees to receive certificates.

		<ul style="list-style-type: none"> • The MIS portal will act as a single-window, self-service platform delivering services to current and prospective trainees, employers/establishments, ITIs, State Directorates and DGET. The hall tickets and mark sheets for the first semester of the current academic year will be generated via the portal. <p>2. The existing setup of trade testing cell under NCVT is not adequately equipped to take care of needs for assessment and certifications of 10 crore persons targeted to be trained by DGE&T. Hence, it is proposed to set up National Board for Vocational Certification (NBVC). 1st EFC meeting for setting up of NBVC has been held and the Board is under process of Government approval.</p>
43.3.12	Skill development activities have been increased manifold at state level and presently being handled by different organisations. For effective coordination, there should be mechanism at State and Central level.	<p>A new Ministry, Ministry of Skill Development & Entrepreneurship (MSDE) has been created in order to coordinate with all concerned for evolving an appropriate skill development framework, removal of disconnected between the demand for and supply of skilled manpower through vocational and technical training skill up-gradation building of new skills. Innovative and talents not only for the existing jobs but also the jobs that created.</p> <p>MSDE also coordinates the State Skill Development Missions.</p>
43.3.13	In order to maintain the quality along with expansion of skill training, there is a need for continuous monitoring and timely course correction	<p>1. National Council for Vocational Training-Management Information System Portal</p> <ul style="list-style-type: none"> • NCVT-MIS portal was launched on 6th April, 2015 to streamline the functioning of ITIs, Apprenticeship Scheme, Central Funded Institutes, State Directorates and

		<p>assessment/certification of all NCVT training courses. This will streamline the examination process, whereby all certificates (current academic year onwards) will be issued online as e-certificates, drastically reducing the time for trainees to receive certificates.</p> <ul style="list-style-type: none"> • The MIS portal will act as a single-window, self-service platform delivering services to current and prospective trainees, employers/establishments, ITIs, State Directorates and DGET. The hall tickets and mark sheets for the first semester of the current academic year is being generated via the portal <p>2. Skill Development Initiative SDI portal has been launched with the objective of timely assessment, timely issue of certificates to trainees, timely payment to assessing bodies & Vocational Training Providers (VTPs) and placement tracking.</p>
43.3.14	Country is facing acute shortage of trainers in various sectors. There is need for expansion of trainers training infrastructure in the country	<p>At present trainers training programme is being run in 16 Advanced Training Institutes (ATIs) and 11 NVTI / RVTIs of DGE&T. under the Craft Instructor Training Scheme (CITS).</p> <p>Also 12 Private Institutes of Training of Trainers (ITOTs) have been approved by the Government to run trainers training programmes under CITS.</p> <p>To meet the additional requirement of trainers, Government has given in-principle approval for setting up of 12 ATIs in Public Private Partnership (PPP) in first phase in 12 states.</p> <p>Also 8 new Regional Vocational Training Institutes (RVTIs) for Women have been approved under the Central Sector Scheme.</p>

43.3.15	Available infrastructure of senior secondary schools and other institutions of learning could be utilized for imparting skill development training programmes by providing additional infrastructure, if required.	Provision already exists and Government and Private ITIs can be set up using infrastructure of schools and other institutions of training. Ministry of HRD has been requested to provide further information.
43.3.16	In order to facilitate match demand and supply, it is essential to carry out skill mapping starting from district level culminating to national level. This will help in assessing the need of skill development at various levels and will help in better planning; identification of existing/new trades and facilitates infrastructure development.	This responsibility has been assigned to newly created Ministry of Skill Development & Entrepreneurship (MSDE). Further information has been sought from Ministry of Skill Development and Entrepreneurship.
43.3.17	Stress may be given on finishing/last mile training like soft skills and articulation	1. Employability Skills with focus on soft skills is being taught in all the Government and Private ITIs. 2. Soft Skills is also being taught in Modular Employable Skill (MES) courses under SDI scheme.
43.3.18	Training may be given in vernacular language and the examination may also be conducted in this language, however, they should also be given training in English language which will help them at the time of placement	NCVT is providing question papers to ITIs in Hindi, English, Bangla, Oriya, Tamil, Telugu, Kannada, Gujarati, and Malayalam. Question paper in Marathi language will also be provided from August, 2015. Employability Skills with focus on soft skills is being taught in all the Government and Private ITIs.
43.3.19	In states like J&K and North East, PPP mode may not work as industry is not coming	1. One existing ITI per State situated in a prominent industry cluster is being identified to upgrade it as Model ITI

	<p>forward so they may be allowed to operate through government funding</p>	<p>which will be evolved as an institution showcasing best practices, efficient and high quality training delivery and sustainable and effective industry relationship.</p> <p>2. “Enhancing Skill Development Infrastructure in NE States & Sikkim” The scheme is being implemented from year 2011 at a total cost of Rs. 57.39 crore to enhance the existing infrastructure of skill development in North Eastern States. The scheme is aimed for Upgradation of 20 ITIs by introducing three new trades per ITI and Supplementing infrastructure deficiencies in 28 ITIs by constructing new hostel, boundary wall and supplementing old and obsolete tools and equipment. The scheme has been continued upto 31.03.2017 at a revised cost of Rs. 149.80 crore with an additional component for establishment of 14 new ITIs in 7 North-eastern States. A total of Rs. 80.95 crore has been released to eight States of Assam, Arunachal Pradesh, Nagaland, Meghalaya, Mizoram, Manipur, Tripura & Sikkim. The scheme has been further expanded set up 22 new ITIs.</p> <p>3. Vocational Training Improvement Project (VTIP) was taken up with the assistance of World Bank with a total cost of Rs. 1581 crores, which inter alia, envisages up-gradation of 400 ITIs. For this project, Central Government shares 75% of the expenditure and states put in the remaining 25%. However for North Eastern States, Central Government provides 90% NE State put in only 10% from their side. An amount of Rs. 1314 crore has been released till March 2013 (including equivalent State share).</p>
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43.3.20	Though, there is lot of investment in skill training, but research is getting low priority. Therefore, this area should also be given priority	<p>1. DGE&T has set up Central Staff Training and Research Institute (CSTARI) at Kolkata, for carrying out research activities in the field of vocational training.</p> <p>2. It is also proposed to set up National Workers Vocational University to undertake high-end research in the field of vocational training</p>
43.3.21	Action may be taken for providing horizontal and vertical mobility to ITI pass out through national vocational qualification framework	<p>Till now 16 courses under Craftsmen Training Scheme (CTS) and 22 courses based MES format under Skill Development Initiative Scheme have been approved by National Skills Qualifications Committee (NSQC) as NSQF compliant. Alignment/mapping of remaining NCVT courses with National Skills Qualification Framework (NSQF) is being done and the same will be achieved by the target date (December, 2016) as notified by NSDA.</p> <p>A working Group has been constituted by MHRD for the development of bridge courses for ITI Qualification in Welder and Electrician trade.</p> <p>The first meeting of working group was held on 23rd April, 2015 wherein it was decided that Bridge course will have in following two papers:</p> <ul style="list-style-type: none"> i. Functional Language ii. Foundation course. <p>Second meeting of Working group was held on 21st May 2015, to develop the Bridge course for ITI Welder and Electrician. Following curricula are under development:</p> <ul style="list-style-type: none"> i. Bridge course for secondary level. ii. Bridge course for Sr. Secondary Level

		It has also been agreed in the above meeting that that Equivalence of NCVT courses of Welder and Electrician with class X and class XII respectively would be completed with stakeholders consultation.
43.3.22	There is a continuous need for inclusion/updation of emerging skills under MES for gainful employment. A fast track mechanism may be adopted	A Working Group to revamp all schemes of DGE&T has recommended rationalizing modules under SDI scheme. Subsequently, new courses have been developed through sector mentor councils. Training on module of Soft & Entrepreneurship Skill has been made compulsory for all modules having duration more than 300 hours. Presently, 558 course modules covering sectors of economy are operational.
43.3.23	Special focus including marketing skills is required for artisans working in clusters e.g. handloom, handicraft etc.	‘Entrepreneurship Skills’ is being taught in all the Government and Private ITIs across the country. Further information has been sought from Ministry of MSME.

**46TH SESSION OF
INDIAN LABOUR CONFERENCE**

Item-2 : Social security for the workers in organized, sector, unorganized sector and international migrant workers.

(A) SOCIAL SECURITY FOR UNORGANIZED WORKERS

Unorganised Workers are of two categories – (1) workers in the hazardous industries covered by Cess Fund Acts and (2) all others.

Beedi workers, mica mining workers, limestone & dolomite mining workers, iron ore manganese, chrome ore mining workers, cine workers - come under the first category. Even Building and other construction workers enjoy cess fund benefits through the State Welfare Boards. These workers (except Building & Other Construction Workers) get social security covers such as (i) Health and maternity benefit, (ii) Life and disability cover through LIC (Rs.10000 for natural death, 25000 Accidental Death or Full disablement and 12500 for partial disability (iii) Scholarship assistance to children of workers, (iv) Housing assistance (v) Recreational facilities and (vi) Assistance for Water Supply in case of Mine Workers.

All other workers including MGNREGA workers, street hawkers, rickshaw pullers, domestic workers, sanitation workers, rag pickers, taxi/auto drivers, agricultural labourers, railway porters, airport/seaport operation workers, etc. do not get similar range of social security covers as the cess fund beneficiaries; but are broadly covered by the schemes listed under the UWSS Act 2008 which are implemented by five Ministries of Government of India. (MoHFW, MoRD, MoTextiles, MoAgri and MoF). The prominent schemes are RSBY, AABY, IGNOAPS, and the newly introduced APY, PMSBY and PMJJBY.

In a recent initiative, MoLE has initiated a national campaign code-named 'Shram Shakti Pehchaan' for registration of unorganised workers and issuance of portable smart cards by the district administration. The campaign is scheduled to continue till 30th September 2015 and may be extended further. This exercise targets to register about 40 crores of unorganised workers and the smart cards issued to them will provide the social security platform for convergence of all social security schemes by facilitating both online and off-line transactions through the smart card.

(B) SOCIAL SECURITY FOR WORKERS IN ORGANISED SECTOR

EMPLOYEES' PROVIDENT FUND ORGANISATION

1. INTRODUCTION

- 1.1 The Employees' Provident Fund Organisation (EPFO) is a statutory body under the Ministry of Labour & Employment (MOL&E), Government of India.
- 1.2 The organization administers the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 enacted with an objective of instituting a compulsory savings by way of provident fund to employees as part of the social security system.
- 1.3 EPFO is administered by a tripartite body called the Central Board of Trustees (CBT) comprising of representatives of
 - i) Central Government (5)
 - ii) State Government (15),
 - iii) Employers (10), and
 - iv) Employees (10)
- 1.4 Hon'ble Union Minister of Labour and Employment is the Chairman of the CBT. Hon'ble Minister of State for Labour and Employment is the Vice Chairman.
- 1.5 Entrusted with the implementation of three schemes *viz.*
 - i) Employees' Provident Funds (EPF) Scheme, 1952;
 - ii) Employees' Deposit-Linked Insurance (EDLI) Scheme, 1976; and,
 - iii) Employees' Pension Scheme (EPS), 1995.

2. Employees' Provident Funds Scheme, 1952

- 2.1 Came into force with effect from 1.11.1952 and aims at providing financial security to the employees in an establishment by way of compulsory savings.
- 2.2 Covers establishments which is a factory engaged in any industry specified in schedule 1 to the Act and employing 20 or more persons.
- 2.3 The Act applies to other establishments employing 20 or more persons or class of such establishments, the Central Government notifies in the official gazette.
- 2.4 The employees with wages up to Rs.6500/- per month only, are eligible for the membership from the date of their joining.

2.5 Funded by contributions received from the members @ 12% of the wages and 3.67% of employers' contribution.

2.6 Lump sum payment of accumulations plus interest upon retirement or resignation or death.

2.7 Partial withdrawals allowed for specific expenses such as house construction, higher education, marriage, illness, strike, lock out, natural calamity etc.

2.8 During the year 2013-14, approx. 3.11 Cr persons contributed to PF Scheme. The average was 3.09 Cr during the financial year 2012-13.

2.9 During the year 2013-14, an average of 3.38 Lacs establishments contributed to EPF Scheme. The average was 3.24 Lacs during the financial year 2012-13.

2.10 The total contribution under EPF as on 31.03.2013 was Rs. 60256.80 Cr and the same as on 30.09.2013 is Rs. 32689.07 Cr.

2.11 Total number of PF account holders as on 01.04.2013 is 3.49 Cr. It means that approx. 5.38 (8.87 – 3.49) Cr members are non-active.

3. Employees' Pension Scheme, 1995

3.1 The Employees' Pension Scheme, 1995 (EPS) was introduced with effect from 16th November, 1995.

3.2 The EPS replaced the erstwhile Employees' Family Pension Scheme, 1971 (EFPS) which provided only for pension benefits to family of members on the event of death of the member while in harness.

3.3 The EPS provides a comprehensive set of pension benefits to members and their families covering economic sustenance for old age and contingencies of death and disablement. The benefits under EPS include –

- i. **Pension on superannuation (58 years)** provided 10 years pensionable service is rendered.
- ii. **Pension on cessation of employment (50 - 58 years)** provided 10 years pensionable service is rendered.
- iii. **Pension on the event of death of member** to spouse (for life) and children (2 child at a time up to 25 years).
- iv. **Orphan pension** for 2 children at a time (up to 25 years) in the event of death of member without a living spouse.
- v. **Lifelong pension for disabled children** on death of member.
- vi. **Nominee and Parent pension** in the event of death of member without a family.
- vii. **Withdrawal benefit** to member on cessation of employment without rendering pensionable service of 10 years.

3.4 EPS is funded by diversion of 8.33% of the employer's contribution and 1.16% contribution from the Central Government (subject to a wage ceiling of Rs. 6,500/- per month).

3.5 Membership:

- i) Applies compulsorily to all existing members of EFPS, 1971 as on 16th November, 1995.
- ii) Applies mandatorily to all new members joining after 16th November, 1995.
- iii) Option for joining with retrospective effect provided in certain instances-
 - a) Employees Provident Fund (EPF) members as on 16th November 1995 who had not opted for membership of the EFPS, 1971 earlier
 - b) EFPS members who had retired / superannuated or deceased during the period 01st April, 1993 to 15th November, 1995.

3.6 The total contributions, including Government share, collected under the EPS during 2012-13 was Rs. 16,124.01 crores. The collections during 2013-14 (upto 30.9.2013) is Rs. 7165.64 Cr.

3.7 The total payments made under EPS, including the monthly pension and withdrawal benefits, for the period 2012-13 was Rs. 9,038.52 crores. The payments during 2011-12 were Rs. 7,858.85 crores.

3.8 The total corpus of the Pension Fund as on 31-03-2013 was Rs. 1,83,405.36 crores.

3.9 As on 01-Apr-2013 the total number of Pension beneficiaries was 44 lakhs.

3.10 Out of the total 44 lakh pensioners, the categories of pensioners include the following-

- i) 29.71 lakh member pensioners
- ii) 8.24 lakh spouse (widow/widower) pensioners
- iii) 5.65 lakh Children pensioner
- iv) 16 thousand orphan pensioners

3.11 The overall average monthly pension is Rs 838 per month.

3.12 The pensioners receiving pension amounting to less than Rs. 1,000/- per month are as under-

- i) 21.38 lakh member pensioners with an average monthly pension of Rs. 625/- per month.
- ii) 4.38 lakh spouse (widow/widower) pensioners with an average monthly pension of Rs. 561/- per month.

- iii) 2.16 lakh children pensioners are drawing monthly pension of less than Rs. 250/- with an average pension of Rs. 172/-.
- iv) 10,171 orphan pensioners are drawing less than Rs. 750/- per month with an average pension of Rs. 447/-.

3.13 A professional actuary values the Pension Fund every year. In the actuarial valuation report of the Fund as on 31-Mar-09 the overall deficit in the Fund has been reported at Rs 61,608 crore.

3.14 There has been a continuous deficit in the Fund since 2001 but all these reports were based on highly inadequate sample data ranging from 4-7%.

3.15 In the current valuation for the period ending 31-03-2012 a special effort was made to collect data of members using web based electronic upload from employers and data of 58% active members was collected. As per the latest report that is yet to be tabled before the CBT the deficit in the Fund has been assessed at -Rs. 10,855 crore based on this data which is more reliable.

4. Employees' Deposit Linked Insurance Scheme, 1976

4.1 The Employees' Deposit Linked Insurance (EDLI) Scheme, 1976, was introduced w.e.f. 1st August, 1976.

4.2 Employers' contribution @ 0.5% of the pay of the members to the insurance fund.

4.3 Lump-sum insurance benefit upon death of EPF member while in service is paid, which is higher of

4.4 Either

- i) Equal to average balance in the EPF account during the preceding 12 months of death, if average PF balance is less than Rs.50,000/-
- ii) Rs. 50,000/- plus 40% of average PF balance in excess of Rs. 50,000/- up to Rs.1,00,000/-, in case average balance exceeding Rs.50,000/-

Or

- iii) average monthly wages drawn during the preceding twelve months multiplied by 20 times

4.5 Total number of EDLI claims settled during the year 2012-13 were 26,000 and amount disbursed was Rs. 123.88 Cr. Average amount per claim is Rs. 47,646.15

4.6 Total number of EDLI claims settled during the year 2013-14 (upto September 2013) is 13,580 and amount disbursed is Rs. 73.60 Cr. Average amount per claim is Rs. 54,197.35

4.7 The total EDLI contribution received from employers during the year 2012-13 was Rs. 620.13 Cr. During the year 2013-14 (upto 30.09.2013) the EDLI contribution received from employers is Rs. 321.48 Cr.

5. EPFO as liaison agency for International Workers

5.1 With a view to safeguarding the interest of Indian workers deputed to foreign countries by their respective employers, the Government of India has signed Social Security Agreements (SSAs) with seventeen countries so that the Indian migrant workers are exempted from the mandatory social security contributions in those countries.

5.2 SSAs with nine countries namely Belgium (01.09.2009) Germany (01.10.2009) Switzerland (29.01.2011) Denmark (01.05.2011) Luxembourg (01.06.2011) France (01.07.2011) Korea (01.11.2011) Netherlands (01.12.2011) and Hungary (01.04.2013) are operative and SSAs with eight countries namely Norway, Czech Republic, Finland, Canada, Japan, Sweden, Austria and Portugal are yet to be notified.

5.3 A social Security Agreement is a bilateral instrument to protect the social security interests of employees and it covers three important provisions:

- i) Detachment – Indian employees deputed to SSA countries by their respective employers are exempted from contributing to their Social Security System, provided they are complying with the Indian Social Security System. This exemption is available for a specified period stipulated in the agreement.
- ii) Totalization of benefits – The period of contributory service rendered in SSA country is counted for determining eligibility for pension. The actual pensionary benefits, however, are payable only for the period of contributory service on pro-rata basis.
- iii) Portability of Pension – Pension benefits are payable without reduction, direct to the beneficiaries choosing to reside in the home country or in any other country.

5.4 The Ministry of Overseas Indian Affairs, Government of India, is the Nodal Ministry for initiating negotiations for Social Security Agreement.

5.5 To accommodate the provisions of bilateral SSAs, enabling provisions in respect of International Workers were introduced in the EPF Scheme' 1952 and Employees' Pension Scheme 1995 effective from 01.10.2008.

5.6 EPFO has been entrusted the work of liaison agency in India as regards International Workers.

5.7 EPFO liaises with the Liaison Agency of the other SSA country.

5.8 EPFO issues the Certificate of Coverage (COC) to the Indian workers deputed to the SSA countries by their respective employers. As on date 29606 COCs have been issued by the EPFO.

6. Service Delivery

6.1 Service delivery such as claim settlement, pension distribution, complaint resolution, account updation etc. are important functions of Employees' Provident Fund Organisation (EPFO).

6.2 On complaint resolution, EPFiGMS portal has been activated and the number of complaints has come down to about 5000 from the earlier 25,000. Further more than 100 offices have no complaint pending for more than 15 days. Even on CPGRAM, the number of complaints has come down to less than 75. More than 80% of complaints are getting resolved within 10 days.

6.3 Special software has been launched for account updation. As a result, more than 85% account updation work is complete as on 31.12.2013.

6.4 More than 90% of claims are getting settled within 20 days. More than 30% of claims are even got settled within 10 days. In total, 28.96 lac Provident Fund claims, 25.68 lac pension claims and 13580 EDLI claims have been settled in the first six months of the financial year, 2013-14.

6.5 Most of the complaints used to pertain to transfer claims. EPFO launched Online Transfer Claim Portal (OTCP) on 02.10.2013 which has stabilized and expedited the process of settlement of transfer claims.

6.6 On pension side, all 44 lac pensioners have been brought on core banking account system and pension gets credited to their accounts on 1st/2nd of every month.

7. Compliance/Coverage

7.1 The extension of social security safety net to an employee under the Act has two dimensions; firstly, it requires coverage of establishments under the Act on meeting the eligibility criteria and secondly, the entitlement of employee to become the member of the schemes.

7.2 The Act applies to the whole country except the State of Jammu & Kashmir, of its own vigour, on:

- i) every factory establishment, which is engaged in, any one or more of the industries specified in Schedule-I of the Act and employing 20 or more persons.
- ii) to any other establishment employing 20 or more persons or class of such establishments as notified by the Central Government in the Official Gazette.

7.3 The Act also provides for voluntary coverage by such establishments which do not satisfy the above criteria.

7.4 Specific exclusion exists for the co-operative Societies/ establishments, which are employing less than 50 persons and working without the aid of power, and other establishments belonging to or under the control of the Central Government or a State Government and whose employees are entitled to the benefits of contributory provident fund or old age pension in accordance with any Scheme or Rule framed by the Central Government or the State Government governing such benefits.

7.5 Presently approximately 3.42 lakh establishments are contributing to the EPF Scheme for approximately 3.33 crore employees. The major areas of compliance under the Act are as follows:

- i. Maximum coverage is from manpower supply companies, electrical, mechanical & general engineering companies and trading & commercial establishments.
- ii. Approximately 75% of the subscribers contribute @ wage level of Rs 6500 or less.
- iii. 3221 exempted establishments need to be audited at least once a year. They have 56.48 lac employees. Final exemption is yet to be decided in approximately 300 cases.
- iv. Prosecution cases filed and pending finalisation under Section 14 of the Act are 63,000 approximately.
- v. Prosecution cases filed under Section 406/409 of IPC – 6900 (police) + 1200 (courts)
- vi. Action under Section 7A: Assessment cases finalised during 2012-13 - 18,732; pending as on 01-04-2013 – 17,147
- vii. Action under Section 14B: Assessment cases finalised – 35,402; pending as on 01.04.2013- 9368
- viii. More than 16,000 cases pending in Supreme Court, High Courts, EPFAT, District Courts, National/ State/District Consumer Courts, CAT etc.

8. Recovery of Arrears

8.1 Recovery of PF arrears and arrears under other schemes is an ongoing process. The Act has already been made more stringent to enable PF offices to recover the amount thought lately EPFAT and Courts have liberally granted stay on the recovery of the dues.

8.2 As on 01.04.2013 the recovery due was Rs.3559.02 crore. Out of this Rs.2526.78 crore is stuck up due to stay by Court, Liquidation and BIFR.

8.3 The details of amount outstanding, amount recovered and balance amount outstanding for last three years are as under:

Year	Amount outstanding at the beginning of the year (Rs. in crore)	Work load added during the year	Amount recovered during the year (Rs. in crore)	Balance amount outstanding at the close of the year (Rs. in crore)
2010-11	2272.09	1390.88	1279.49	2383.48
2011-12	2383.48	2180.13	1585.57	2978.04
2012-13	2978.04	1844.38	1263.40	3559.02
2013-14 Up to Sep 2013	3559.02	1403.81	854.46	4107.36

8.4 Action taken to arrest default:

- i) Regular monitoring and issue of instructions for expediting recovery by field formations and allocation of specific jurisdiction.
- ii) Instructions issued for setting up of special courts/benches for expeditious disposal of dues stuck up in courts.

8.5 Statutory Provisions against Defaulters: The following actions are provided under Section 8B of the EPF & MP Act, 1952 that can be taken against defaulters to ensure recovery:

- i) attachment and sale of movable or immovable property of the establishment or the employer, as the case may be.
- ii) arrest of the employer and his detention in prison ; and
- iii) appointing receiver for the management of the movable or immovable properties of the establishment or the employer, as the case may be.

9. Computerisation

9.1 EPFO has taken Information Technology initiatives that encapsulate the finer points of Governance such as citizen centricity, service orientation and transparency.

9.2 Various e-governance initiatives to transform the service delivery to the citizens and facilitate access to reliable information.

9.3 With the technical assistance of the National Informatics Centre (NIC), first phase of the project has been implemented in all Regional / Sub-Regional offices.

9.4 The primary achievement of the first phase has been the creation of a uniform office level distributed database of member and establishment records and the introduction of system based member-oriented services like claim settlement and annual accounts preparation.

9.5 A few important initiatives, which have been taken by EPFO using Information and Communication Technology, are as follows:

- (i) **Electronic ChallanCum Return**: This facility has enabled the employer to upload the return in the employer portal and generate challan for the payment to EPF authorities. The requisite changes in the application software was carried out. The employer may make the payment by using internet banking of SBI or by visiting the designated branch of SBI. After the confirmation of the payment return, challan and bank statement are forwarded to field offices of EPFO. The field offices download these files and upload them on the application software where the information gets entered automatically in the respected tables. This system has reduced the human intervention thus reducing mistakes in filling the data.
- (ii) **Employer portal**: A facility was launched for the employers to (a) upload the Electronic Return (b) Making the payment online (c) Viewing the annual accounts slips for his employees
- (iii) **Member Portal**: A facility was launched for the members to see their statement of accounts.
- (iv) **SMS facilities**:
 - a. Employer gets the confirmation of the payment of dues instantly.
 - b. Members who have provided their mobile number during registration in member portal are informed about the status of their claim, payment of their amount.
- (v) **Payment through National Electronic Fund Transfer (NEFT)** has been integrated in the Application for payment of PF benefits. This has resulted in the reduction in time of credit to member's account and increase in transparency/robustness in reconciliation apart from saving money and manpower on cheque preparation and stationery, despatch and mailing expenses. As on now nearly 75% of payment cases are made through this mode saving approximately 60 Lakhs rupees are being saved every month
- (vi) **Annexure –II (Missing Member Details)** : An online return to collect the members' details has been launched during March 2013. The details so populated in the database of EPFO application software will help in actuarial evaluation of Pension Fund.
- (vii) **Provision for Members'NameCorrection** : There were many grievances from the members that there is a mistake in their name. The mistake has occurred due to the wrong entry by the employer while filing up the return for the new member. Therefore, a provision has been provided in the Application Software to correct the name of member.

- (viii) **Auto annual interest crediting**: After the launch of ECR system it is now possible to credit the annual interest in members account on basis of the monthly returns submitted during the payment.
- (ix) **Certificate of Coverage**: A Centralised software for generation of "Certificate of Coverage" to the EPF members migrating to countries having Social Security Agreement (SSA) with India has been launched in August 2013.
- (x) **Online Transfers of Account**: To smoothen the process of transfer of accounts, a revised transfer claim settlement process has been launched in the month of October 2013, which has following features:-
 - i. The claim can be submitted through previous or present employer.
 - ii. An additional facility has been provided to submit the claim in the online mode.
 - iii. There would be no paper movement between two offices.

10. Issues confronting EPFO

10.1 In view of the strict eligibility criteria for coverage of an establishment under the Act and then for entitlement of the membership under the schemes, the extension of social security net to a larger portion of the workforce has been suffering adversely

10.2 The Parliamentary Standing Committee in its 39th Report (Feb, 2009) considered the issues in details and recommended:

- i) to abolish the threshold limit and requirement of a scheduled head for the purposes of coverage under the Act (**paragraph 80**), and
- ii) to increase the wage-ceiling to Rs 15,000/- without any further delay (**paragraph 75**).

10.3 Wage Ceiling:

- (i) The last revision of the wages took place in June 2001 and indexing the same wages in to inflations for the year 2013 will give a monthly wages of Rs.15,740/-
- (ii) During the same period (since 2001) the minimum wages has been revised by different States from time to time and in many of the States, the minimum wages is already more than Rs.6,500/- p.m.
- (iii) This has reduced EPF Act to a non-mandatory Scheme and hence the Act is fast losing its basic characteristics.
- (iv) Further, the universalisation of social security benefits has been a constant demand of the trade unions. This has also been a recognised area of the

Working Group on Labour Laws for 12th Five year Plan (2012-17) constituted by the Planning Commission, Govt. of India. In its report, the Working Group has recommended to enhance eligibility criteria and indexing of benefits for EPF Act and other Labour Laws. As per the recommendations,

- I. **“... in a number of Acts such as those relating to payment of wages, ESI, EPF, Employees' Compensation, etc. there is a well defined eligibility criteria in terms of wage ceiling. This also gets eroded with inflation reducing the number of workers who are entitled to benefits under these Acts. The eligibility criteria should be reviewed at a given periodicity, say 3-5 years to take into account the erosion in the wage ceiling limits through amending the rules rather than amendment of Act.”**

10.4 The Standing Committee of Parliament on Labour in its 39th Report has strongly recommend for raising the basic wages to Rs.15,000/-. Accordingly a proposal for enhancing wage ceiling to Rs 10,000/ to Rs. 15,000/- has been initiated. The Secretary, Labour has written a D.O. letter to Secretary Expenditure on 5.4.2013 on this issue but reply from Ministry of Finance has not been received as yet. Moreover, the Department of Public Enterprises has already communicated its no objection to the proposal for increasing the wage ceiling from present Rs. 6,500/- to the proposed amount of Rs. 15,000/- p.m. The Hon'ble Minister, Labour & Employment has addressed a separate letter to the Hon'ble Minister, Finance on 12.7.2013 which also remains unanswered till date.

10.5 Revision of Threshold Limit and Abolition of Schedule Head:

- i. The issue of revising threshold limit is under consideration since long time.
- ii. The CBT, EPF in its 183rd Meeting held on 05-07-2008 approved a proposal for reducing the threshold limit for coverage from 50 to 20 in respect of Co-operative Institutions working without the aid of power and from 20 to 10 in respect of other establishments.
- iii. Accordingly, a draft Cabinet Note was submitted by the Ministry of Labour & Employment (MoLE) for soliciting the approval of Union Cabinet for initiating the legislative process for amending the Act for reducing the threshold of coverage from 20 to 10 on the basis of:
 - a. The need for reducing the threshold for coverage as recommended by the Central Trade Unions, Second National Commission on Labour and Standing Committee on Labour.
 - b. The proposal has a approval of the Central Board of EPF.

- c. The Parliament is considering the Unorganised Workers Social Security Bill, which proposes to extend the social security coverage to workers of establishments having employment strength of less than 10.
- d. **Employees of establishments having employment strength between 10 and 19 have no social security coverage.**
- e. As per the Economic Census – All India Report (2005) 41.198 lac persons are employed in 3.18 lac establishments (having size class of total employment between 10 to 19).
- f. The additional Government contribution (1.16% in the Employees' Pension Scheme) was projected to be Rs 109.78 crores per year, if the threshold is reduced to 10.

10.6 A proposal has already been moved for comprehensive amendment to the Act which, inter alia proposed for abolition of scheduled head for the purposes of coverage under the Act and includes the recommendation for extending the provisions of the Act on all establishment employing 10 or more persons.

10.7 Enhancement of minimum pension to Rs. 1000/-

- (i) The Expert Committee on the Employees' Pension Scheme, 1995 (EPS) constituted by the Central Government had submitted its report on 05-Aug-10. The recommendations of the Expert Committee was considered by the Pension Implementation Committee, a sub-committee of the Central Board of Trustees, EPF (CBT), which made an interim recommendation for increasing the minimum pension under EPS to Rs. 1,000/- per month. These recommendations were considered by the CBT over several meeting and finally in its 199th meeting held on 25-May-12. The proposal required an additional contribution of 0.63% to fund the additional requirement. In spite of deliberation with Employer's and Employee's representative by the then Secretary and Hon'ble Minister for Labour & Employment no consensus could emerge on who should bear the additional burden.
- (ii) A proposal was sent from EPFO to the Central Government on 27-03-12 to enhance the minimum pension to Rs. 1000/- by either enhancing the Government's contribution from 1.16% to 1.79% or by withdrawing two year's bonus under Para 10(2) of the EPS. The matter was subsequently referred to the Cabinet after inter-ministerial consultation. The Cabinet desired that the matter be considered by the Committee of Secretaries. The CoS discussed the matter in its meeting held on 09-May-13 and based on its recommendation the Hon'ble Minister of Labour & Employment sent a DO letter to the Hon'ble Finance Minister seeking their concurrence to enhance the Government contribution to EPS to ensure the minimum pension.

- (iii) Subsequently, the matter was discussed in the meeting of the Group of Ministers held on 09-Dec-13 and a letter giving certain additional information required by the Ministry of Finance was sent by the CPFC to the JS, DFS on the same day. Subsequently, the Secretary (Labour & Employment) has had a meeting with the Hon'ble Finance Minister and Secretary (Expenditure) and Secretary (DFS) on 16-Dec-13 and further additional information was sent through DO letters from Secretary (L&E) on 17-Dec-13 to Finance Ministry. A final decision in the matter is awaited.

EMPLOYEES STATE INSURANCE CORPORATION

The Employees' State insurance Act, 1948 is a social Security legislation that provides for medical care and cash benefits in the contingencies of sickness, maternity, disablement and death due to employment injury to I.Ps. Medical care is also provided to families of the insured persons. Details of benefits provided under the Scheme are as under:-

- (i) Medical Benefit: The Scheme provides for full and comprehensive medical treatment to the IPs and their families including hospitalization, referral treatment and supply of artificial limbs, dentures etc. This benefit is available to the IPs from the date they enter insurable employment and is continued thereafter subject to fulfillment of condition of contribution for 78 days in a contribution period of 6 months.
- (ii) Sickness Benefit: Under the Scheme the IP is entitled to sickness Benefit for 91 days in a year to the extent of 70% of his wages. This is extended up to 2 years in the case of chronic illness and rate of payment of benefit is about 80% of his wages. For this benefit the IPs is required to have contributed to the Scheme at least for 78 days in a 6 monthly contribution period.
- (iii) Maternity Benefit: The Scheme provides for payment of maternity benefit equal to full wages for 12 weeks plus additional one month in the case of illness arising out of pregnancy, delivery etc. The insured woman is required to have contributed for 70 days in proceeding two contribution periods for entitlement to maternity benefit.
- (iv) Disablement Benefit: In the case of disablement due to employment injury including occupational diseases the IP is entitled to payment of periodical benefit at about 90% of his wages during the period the IP abstains from work for treatment. There is no contributory condition for this benefit. After the treatment is over, if there is any residuary permanent disablement, a Medical Board decides the daily rate of compensation as a percentage of the full rate.

- (v) Dependant Benefit: In the case of death due to employment injury the family is entitled to payment of dependant benefit at the rate about 90% of his wages. There is no contributory condition for this benefit.
- (vi) Funeral Expenses: In the case of the death of the IP a sum of Rs. 10.000/- is paid for meeting the funeral expenses.
- (vii) Rajiv Gandhi ShramikKalyan Yojana (Unemployment Allowance Scheme): The Rajiv Gandhi ShramikKalyan Yojana was introduced w.e.f. 01.04.2005, Under the Scheme, employees covered under the Scheme who lose their employment due to closure of factories/ establishments, retrenchment or permanent invalidity are entitled to Unemployment Allowance equal to 50% of their wage for upto one year.

About 2.7 lakh cash benefit payments are processed monthly and payments are made through ECS.

1.1. Applicability:

The ESI Act applies, to factories employing 10 or more persons. The provisions of the Act are being brought into force area-wise by stages. The Act contains an enabling provision under which the “appropriate government” is empowered to extend the provisions of the Act to other class of establishments, industrial, commercial, agricultural or otherwise. Under these provisions, the State Governments have extended the provisions of the Act to shops, hotels, restaurants, cinemas including preview theatres, road motor transport undertakings, newspaper establishments, educational and medical institutions employing 20 or more employees. Twenty four State Governments have reduced the threshold for coverage of shops and establishments to 10 or more persons. Employees of factories and establishments drawing wages upto Rs. 15000/- per month are covered under the Act. As on 31.3.2015, the scheme applies to 7.2 lakhs employer employing 2.03 crores insured persons at 815 centres.

1.2 Financing & Administrative Responsibility:-

Under the Act, the employers are required to pay contribution at the rate of 4.75 percent of wages of the covered employees. The rate of contribution for the employees is 1.75 percent of their wages. Low paid workers drawing wages upto Rs.100/- per day are exempted from paying their share of contribution. However, the employers are required to pay their share of contribution. The State Governments bear 1/8th of the expenditure on medical care.

The contribution income and expenditure on cash benefits, medical benefits and administrative expenditure during the last three years was as under:-

	Income (Rs. in crore)	Expenditure (Rs. in crore)		
Year	Contribution Income	Cash Benefits	Medical Benefit	Administrative expenses
2012-13	8181.45	763.78	4058.13	826.12
2013-14	9632.54	601.35	4781.57	1028.02
2014-15	11,770.00	803.26	6640.40	1310.88

1.3 Details of Medical benefits and Medical Infrastructure under the ESI Scheme:-

The Employees' State Insurance Scheme provides comprehensive medical care in the form of medical attendance, treatment, drugs and injections, specialist consultation and hospitalization to Insured Persons and also to their dependants. Medical care to beneficiaries is provided through a large infrastructure comprising Hospitals, Dispensaries, annexes, Specialist centers, Model Dispensaries-cum-Diagnostic Centers (MDDC), IMP clinics and arrangements with other health institutions as detailed hereunder:-

Total No. of ESI Hospitals	151
Hospitals run by ESI Corporation	36
Hospitals run by State Government	115
Total number of Dispensaries	1384
Total number of ISM unit	127
Total number of hospital beds (Including annexes/reserved beds)	22600
Total number of Doctors	7958
Total number of IMP clinics	1224

Insured Persons and their families are being provided medical care which includes outpatient care/ inpatient care, specialized/super specialty medical care, besides medical facilities under AYUSH i.e. Ayurveda, Yoga, Unani, Siddha and Homeopathy.

1.3.1 Out Patient medical care

INSURANCE MEDICAL PRACTITIONER – Private Medical Practitioners are appointed as panel doctors. A panel doctor is expected to have his own consulting room and dispensary. Each panel doctor is allowed to register upto 1000 IP family units. Under the panel system, the doctor is expected to issue medicines to the beneficiary, from his own dispensary. Special and costly medicines are dispensed through approved chemists as well as State Government Medical Stores. As on date, there are 1224 IMPs all over the country.

SERVICE DISPENSARY – The out-patient medical care under the ESI Scheme is provided through the service system i.e. through dispensaries established under the Scheme for the exclusive use of the Insured Persons and their families, manned by full-time Medical Officers. There are 1384 service dispensaries under ESI scheme all over the country. The State Governments have been requested to examine the feasibility of providing primary medical care to IPs under the general health system. This would help in expanding coverage of the ESI Scheme.

HOSPITAL OPD – Out patient services under various specialties and super specialties like medicine, surgery, pediatrics, gyne&obst., ENT, eye, cardiology, nephrology, neurology, urology, CTVS etc. are being provided through ESI hospital OPDs all over the country.

1.3.2 In Patient medical care

In patient services are provided through a chain of 151 ESI hospitals spread across the country which includes 36 directly run ESIC hospitals & 115 State ESI hospitals with a total bed strength of 22600 (including annexes and reserved beds). The provision for Super specialty services for beneficiaries is mainly through tie-up arrangements with reputed corporate hospitals. Tie – up arrangement for super specialty treatment has been made with more than 1000 hospitals across India.

1.3.3 Provision of drugs, dressings & equipments

ESIC prepares its own rate contract for allopathy and Ayurvedic drugs, called as DG ESIC Rate Contract. All drugs & dressings and vaccines are procured through DG, ESIC Rate Contract. Insured person and their dependants are also provided artificial limbs, aids and appliances. The Corporation has enhanced the ceiling on the cost of frames of the Spectacles from Rs.100/- to Rs.500/- per frame. The Insured Persons and Family Members are provided with Artificial limbs, Hearing Aids, IOL (Intra Ocular Lens), Spinal Supports, Cervical Collar, Walking Calipers, Clutches, Wheel Chair, Cardiac Pacemaker, Cochlear implants. Other medical equipments considered essential are also provided to the beneficiaries.

1.3.4 Immunization & family welfare services

ESIC follow National Immunization Policy. Selective immunization during the epidemic breakout is also carried out along with the immunization programme. ESIC participates in all national health programmes under the aegis of Health Schemes of Govt. of India, which are extended to the beneficiaries through our hospitals & dispensaries.

ESIC also promotes National Family Welfare Programme. Facilities for all temporary & permanent methods of family welfare services are provided. Such facilities are also provided to non ESI beneficiaries. Apart from cash benefit as per CGHS, the ESI Corporation has also extended additional cash incentive to Insured Persons to promote acceptance of sterilization method by providing sickness cash

benefit equal to full wage for a period of 7 days for vasectomy and 14 days for Tubectomy.

1.4 Expenditure on Medical Care:

Detail of Expenditure on medical care is as under:

a. Sharing of expenditure between ESIC and various state govt. upto a ceiling

Expenditure on medical care is shared between ESI Corporation and the State Government in the ratio of 7:1 within the prescribed ceiling which is revised from time to time. The ceiling w.e.f. 01.04.2012 was Rs.1500 per IP family unit per annum. For improvement of medical services under ESI scheme this ceiling has been revised with effect from 01.04.2014 from Rs. 1500/- per IP per year to Rs. 2000/- per IP per year.

b. Expenditure fully borne by ESIC {outside the ceiling}

Construction/repair/maintenance of buildings for hospitals and dispensaries, Purchase of computers for hospitals, expenditure on newly implemented areas for first three years(5 years in NE area and for new AYUSH units) five years, equipment for hospital with bed occupancy more than 70%, Model Hospitals and Occupational Disease Centers, MDDC (Model Dispensaries cum Diagnostic Center) and Super specialty treatment are borne by ESIC.

1.5 Setting up of Model Hospitals & Esic Hospital

On 16th February, 2002, the ESI Corporation agreed in principle to set up one Model Hospital in each State. A number of Hospitals were taken over by Corporation with consent of the concerned State Governments and are aimed to provide state of art secondary care/super specialty medical facilities. The entire expenditure on these hospitals is being borne by the ESI Corporation itself. At present, under the ESI Scheme 115 hospitals are being run by the State Governments and 36 are running by the ESIC directly as under:-

Sl.No.	State	Place	Beds
1.	Telangana	Nacharam, Hyderabad*	250
2.	Assam	Beltola*	50
3.	Jharkhand	Ranchi*	50
4.	Karnataka	Rajajinagar , Bangalore*	500
5.	Kerala	Asarmam, Kollam*	200
6.	Orissa	Rourkela*	50
7.	Punjab	Ludhiana*	262
8.	Rajasthan	Jaipur*	300
9.	Uttar Pradesh	Noida*	300
10.	Bihar	Phulwarisharif*	50

11	Gujarat	Bapu Nagar, Ahmedabad*	300
12	Jammu	Bari Brahma*	50
13	NCT Delhi	Basaidarapur*	600
14	Maharashtra	Andheri, Mumbai*	350
15	West Bengal	Joka, Kolkata*	350
16	Tamil Nadu	KK Nagar, Chennai*	400
17	Madhya Pradesh	Indore*	300
18	Chandigarh (UT)	Chandigarh	70
19	NCT of Delhi	Jhilmil	300
20	NCT of Delhi	Okhla	216
21	NCT of Delhi	Rohini	300
22	Jharkhand	Adityapur	100
23	Kerala	Udyogmandal	100
24.	Kerala	Ezhukone	148
25.	Kerala	Peripally	300
26.	Haryana	Gurgaon*	150
27.	Gujarat	Naroda	100
28.	Haryana	Manesar	100
29.	Himachal Pradesh	Baddi*	100
30.	Rajasthan	Bhiwadi	50
31.	Telangana	S.S. Sanath Nagar	100
32.	Gujarat	Vapi	100
33.	Karnataka	Peenya	100
34.	Tamil Nadu	Tirunelveli	50
35	Haryana	Faridabad	300
36.	Tamil Nadu	Coimbatore	

The Corporation has also decided to set up following new hospitals:-

SI.No.	Name of Hospital/ Location	Bed Strength
1.	Tirupur (Tamil Nadu)	100
2.	Dehradun (Uttrakhand)	100
3.	Ankleshwar (Gujarat)	100
4.	Sidkul area Haridwar (Uttrakhand)	100
5.	Sidkul area Udham Singh Nagar (Uttrakhand)	100
6.	Udaipur (Rajasthan)	100
7.	Dubri, Jajpur (Orissa)	100
8.	Angul (Orissa)	100
9.	Bhilai (Chhattisgarh)	100
10.	Korba (Chhattisgarh)	100
11.	Lalru, SAS Nagar (Punjab)	100
12.	Doddaballapur (Karnataka)	100
13.	Tuticorin (Tamil Nadu)	100
14.	Siliguri (West Bengal)	100
15.	Kashipur (Uttrakhand)	100

16.	Haldia (West Bengal)	100
17.	Bommasandra (Karnataka)	200
18.	Raipur (Chhattisgarh)	100
19.	Kanyakumari (Tamil Nadu)	100
20.	Vizianagaram (Andhra Pradesh)	100
21.	Sriperumbudur (Tamil Nadu)	100
22.	Perumbavoor (Kerala)	100
23.	Firozabad (U.P)	100
24.	Butibori (Maharashtra)	100
25.	North Goa	100

***- Model Hospitals being run by ESIC**

1.5.1 ESI Corporation during its 163rd meeting held on 04.12.2014 has approved new norms for setting up of ESI Hospitals based on No. of IP Family units as under:-

Sl. No.	No. of beds	Pre- revised Norms	Revised Norms
1.	50 bedded hospital	25,000 IP family units	No 50 bedded hospital will be setup by ESI Corporation.
2.	100 bedded hospital	1,00,000 IP family units	50,000 IP family units
3.	150 bedded hospital	1,50,000 IP family units	1,00,000 IP family units
4.	200 bedded hospital	2,00,000 IP family units	1,50,000 IP family units
5.	250 bedded hospital	2,50,000 IP family units	2,00,000 IP family units
6.	300 bedded hospital	3,00,000 IP family units	2,50,000 IP family units
7.	350 bedded hospital	-----	3,00,000 IP family units
8.	400 bedded hospital	4,00,000 IP family units	3,50,000 IP family units
9.	500 bedded hospital	5,00,000 IP family units	4,00,000 IP family units
10.	600 bedded hospital	6,00,000 IP family units	5,00,000 IP family units

ESI Corporation has approved adoption of following norms for the North Eastern States & other Hilly Areas of the Country for creating infrastructure for augmenting the implementation of ESI Scheme in these areas as under:-

Sl. No.	Facilities/Infrastructure	No. of IPs required
1.	Setting up of one Doctor Dispensary	1000 or more
2.	Setting up of Two Doctor Dispensary	2000 or more
3.	Setting up of diagnostic centres	5000 or more
4.	Setting up of 100 bedded hospital	15000 or more

1.6 Medical Care Under Indian System of Medicine

ESIC has also been providing full medical care to its beneficiaries under Indian System of Medicine i.e. through AYUSH(Ayurveda, Yoga, Unani, Siddha, Homeopathy). The ESI Corporation has taken several steps for strengthening of AYUSH/ISM services, as follows:-

1. It has been approved to bear the entire expenditure on setting up of ISM units in all states for the first five years by ESIC Corporation instead of three years.
2. For providing timely and good quality medicines, the ESIC has formulated Central Ayurvedic Rate Contract.
3. For popularization of AYUSH facilities, ESIC has been participating in exhibitions/health melas.
4. Approval has been granted for commencement of 10 bed Ayurveda unit in ESIC Hospital Ezhukone.

1.7 Coverage:

To bring more number of employees under the umbrella of social security protection available under the ESI Scheme, surveys are being conducted regularly in the implemented areas as well as non-implemented areas. This is an ongoing process by which coverable factories and establishments are being detected and the employees of such establishment are covered under the ESI Act.. Details of coverage of employees, insured person's, beneficiaries and employers during the last 3 years are as under-

	2012-13	2013-14	2014-15
No. of Centres	810	815	815
No of Employees	1.65 crores	1.74 crores	1.96 crores
No. of Insured Persons	1.86 crores	1.95 crores	2.03 crores
No. of total Beneficiaries	7.21 crores	7.58 crores	7.89 crores
No. of Employers covered	6.66 lakhs	6.70 lakhs	7.2 lakhs

The Scheme is implemented area-wise in stages. For implementation of the Scheme in new areas, a Phased Programme is drawn-up every year in consultation with the concerned State Governments for two years at a time-the current year and the next financial year. As the insured persons and their family members become entitled to full medical care from the day the Scheme is implemented in a new area and as per the provisions of Sec.58 of the Act, the concerned state Governments are required to make necessary arrangements for providing medical care. The position of implementation/extension of ESI Scheme in new areas during the last 3 years is shown below:-

Year	Target		Achievement	
	New areas for implementation	Employees (in lakhs)	New areas where scheme implemented	No. of employees covered
2012-13	60	2.15 lakh	67	1.96 lakh
2013-14	78	2.84 lakh	81	2.35 lakh
2014-15	70	2.00 lakh	83	1.28 lakh

During current year 64 new areas have been covered.

1.8 Recovery of Arrears

The details of total arrears, arrears recoverable as well as non-recoverable for the present and recovery made during the last three years are as under:

(Rs. In Crores)

Year	Total dues	Dues not recoverable for the present	Dues recoverable	Target for recovery	Total recovery effected
2012-13	1655.42	1126.14	529.28	149.71	173.15
2013-14	1754.14	1123.35	630.79	175.00	186.07
2014-15	2013.12	1203.02	810.10	192.00	198.13

It is noteworthy that out of the total outstanding arrears substantial amount is not recoverable for the present due to the following reasons:-

- (i) Factories/Establishments having gone into liquidation.
- (ii) Stay granted by courts.
- (iii) Factories/Establishments closed and whereabouts of the employers not known.
- (iv) Factories/Establishment registered with BIFR.

1.9 Medical Education Projects

The issue of shortage of medical and para-medical personnel being reason for deficient services was discussed by the Corporation, in its 139th meeting held on 14.7.2007 and decided that the Corporation should have its own Medical Colleges / PG Medical Institutes / Training schools for training Para-medical staff to ensure sufficient availability of these personnel.

Proposed Medical Colleges / Dental College/PGIMSRs / Nursing College & Para-Medical Training Institutions (State wise) are given below:-

Sl. No.	States	INSTITUTIONS				
		PGIMSR	MEDICAL COLLEGE	DENTAL COLLEGE	NURSING COLLEGE	PARA-MED. TRAINING INSTT.
1.	Andhra Pradesh		Sanath Nagar, Hyderabad	Nacharam, Hyderabad		
2.	Bihar		Bihta , Patna			
3.	Haryana		Faridabad			
4.	Himachal Pradesh		Mandi			
5.	Karnataka	Rajaji Nagar, Bangalore	Rajaji Nagar, Bangalore	Gulbarga	Indira Nagar Bangalore	Gulbarga
			Gulbarga		Gulbarga	
6.	Kerala		Paripally Kollam			Ezhukone, Kollam
7.	Maharashtra	Andheri (E) Mumbai				
		MGM Parel, Mumbai				
8.	New Delhi	Basaidarapur New Delhi	Basaidarapu, New Delhi	Rohini, Delhi		
9.	Orissa		Bhubaneswar			
10.	Rajasthan		Alwar			
11.	Tamil Nadu	K.K. Nagar, Chennai	K.K. Nagar, Chennai			
			Coimbatore			
12.	Uttar Pradesh					Pandu Nagar, Kanpur
13.	West Bengal	Joka, Kolkata	Joka, Kolkata			
		Manicktala, Kolkata				

The details of Post-Graduate ME Institutions commissioned as on date is as under:-

ESI-PGIMSR	Year of grant of Letter of permission (LOP)	Total Number of seats		
		2012-13	2013-14	2014-15
1. Rajajinagar, Bangalore	2010-11	22	30	37
2. K. K. Nagar, Chennai	2011-12	11	14	14

3. Andheri, Mumbai	2011-12	8	14	14
4. MGM – Parel, Mumbai	2011-12	6	6	Nil
5. Basaidarapur, New Delhi	2011-12	10	12	18
6. Joka, Kolkata	2011-12	2	2	2
7. Manicktala, Kolkata	2013-14	-	3	3
TOTAL		59	81	88

Details of Under-graduate ME Institutions commissioned as on date is as under:-

- a. Bachelor of Dental Surgery (BDS) course has been started at ESIC Dental College, Rohini Delhi from academic session 2010-11 with intake of 50 students annually. The fifth batch of students was admitted in 2014-15 session.
- b. Bachelor of Medicine & Bachelor of Surgery (MBBS) course with intake of 100 students annually has been started from
 - i. Academic Session 2012-13 at ESIC Medical College & PGIMSR Rajaji Nagar, Bangalore.
 - ii. Academic Session 2013-14 at ESIC Medical College- Gulbarga, Karnataka.
 - iii. Academic Session 2013-14 at ESIC Medical College- Joka, Kolkata.
 - iv. Academic Session 2013-14 at ESIC Medical College- K. K. Nagar, Chennai.

The ESIC has, however, reviewed its policy on medical education projects and decided that ESIC shall not set up any new medical college. It will, however, continue to run ESIC Medical Colleges in Rajaji Nagar (Karnataka), Joka (West Bengal) and K.K. Nagar (Tamil Nadu) and a Dental College at Rohini(Delhi). For other medical colleges, the ESIC is exploring transfer of these colleges to respective States.

RECENT INITIATIVES/DECISIONS TAKEN TO IMPROVE THE SCHEME

- Daily rate of Sickness Benefit has been enhanced from 60% to 70% of average daily wage from 1.7.2011. The daily rate of permanent disablement benefit and dependants benefit was enhanced from 75% of wages to 90% of wages from 1.7.2011.
- Treating commuting accidents as employment injury;
- Making an enabling provision for extending medical care to other beneficiaries against payment of user charges to facilitate providing of medical care from under-utilized ESI Hospitals to the BPL families covered under the Rashtriya Swasthaya Bima Yojana and other Schemes framed by Central Government

- The Corporation has decided to enhance the rates of permanent disablement benefit and dependants benefit to protect the value of these benefits against rise in the cost of living index w.e.f. 1.7.2011.
- The confinement expenses under rule 56-A of the ESI (Central) Rules, 1950 has been enhanced from Rs.2500/- to Rs. 5000/- w.e.f 1/10/2013.
- In order to encourage employment of disabled persons, the employers' share of contribution in respect of such disabled employees will be paid by the Central Government initially for three years.
- Infrastructure facilities in all the offices of ESIC are being upgraded to provide proper work environment so that the efficiency level of workers may increase. In the first phase, 71 Branch Offices have been upgraded.
- Heavy dispensaries with average daily attendance of 200 patients or more should be provided with minimum investigation facilities. General Duty Medical Officers may be engaged on part time basis where there is a shortage of doctors, following the prescribed procedure.
- It has been decided to increase the fee to be paid to Insured Medical Practitioners (IMP) from existing Rs.150/- per IP family per year to Rs.300/- per IP family per year, which will also include cost of basic lab investigation facilities. Each IMP can now enroll up to 2000 IP from the earlier figure of 1,000 IPs. The IMPs would supply specified medicines to IPs and the IMPs would get their medicines from the nearest ESI dispensary. Each IMP shall be given an additional amount of Rs.10,000/- per year to have a computer system with internet facility for eligibility verification of IPs and other online transactions.
- In order to ensure availability of manpower annual recruitment calendar is to be prepared and followed. The Medical Superintendents should be authorized to engage part time contractual specialists under certain circumstances. Similarly, specific guidelines were decided for engagement of Senior Residents. It was also been decided that wherever regular or contractual specialist/super-specialists are not available, they could be hired from the private sector on market rate basis for which ESIC is to develop policy.
- The Corporation decided on improved procedure for testing of drugs to maintain the quality of drugs and ensuring regular supply; amendment of Rate Contract (RC) permitting acceptance of drugs (having total shelf life of 2 years or less) older than 1/6th to 1/4th of its shelf life from the date of manufacturing was decided. Separate DG-ESIC Rate Contract for costly/anti cancer drugs is to be finalized.
- Super Specialty Treatment (SST) referral on the basis of specified clinical pathways/guidelines including option of specialist consultation online prior to

SST referral, revision of MoU for tie-up with private hospitals, establishment of SST Cell for faster bill clearance, parity of package rates with CGHS rates, audit of referral and bills were decided in order to improve efficiency of expenditure on SST.

- To make the ISM/AYUSH services up to the satisfaction of ESI beneficiaries, specific norms based on OPD attendance for setting up an ISM unit in hospitals and dispensaries have been decided. Norms for setting up of additional units in the same system or in different system have also been decided. With a view to ensure quality of Ayurvedic drugs, it has been decided that annual turnover of participating pharmaceutical units for Ayurvedic Rate Contract should be increased from existing Rs.1 Crore to Rs.5 Crore.
- With a view to improve financial discipline, almost all expenditure is to be counted towards the amount admissible under the ceiling to the States and per IP ceiling has been increased to Rs. 2000/- from existing ceiling of Rs. 1500/-. Also, the ceiling shall be increased by Rs.150/- per IP every year for 5 years starting from 2015-16.
- It has also been decided that about 30% training budget should be utilized for training of paramedical and nursing staff and 15% of the training time should be on soft skills.
- The Corporation decided to have the ESIC Residency Scheme, largely based on Central residency scheme, for utilizing the services of PG pass-outs as Senior Residents under Bond.
- State Executive Committee has been/is being constituted in all State which will have delegated powers to improve the medical infrastructure at primary level. The State Executive Committee have been delegated financial powers and shall have the following functions :
 - i. To ensure availability of medical and paramedical man power.
 - ii. To ensure availability of drugs.
 - iii. To monitor functioning of IMPs. through periodic review of the reports of the Local Committees as well as independent inspections.
 - iv. Monitoring of Super Specialty treatment bills. Empanelment, de-empanelment, blacklisting etc. of tie-up hospitals for secondary care
 - v. To monitor payment of bills of hospitals having tie-up for secondary treatment. To monitor infrastructural issues and execution of repair work; i.e. monitoring the timely survey of all the ESIS building and getting proposals for repair, reviewing of rented premises of ESIS dispensaries.
- The ESI Corporation has also approved additional funds to the North-Eastern States for setting up ESI Dispensaries with regular medical and para medical manpower.

- Telemedicine: ESIC has decided to initiate telemedicine project on pilot basis. One Mentoring Hospital, two General Hospital one dispensary has been proposed to take up initially.
- SuvidhaSamagamfor redressal of grievances/ complaints, Suvidha Samagam is being held regularly in RO/SRO/ESIC Hospitals on 2nd Wednesday of every month and at Branch Office on 2nd Friday of every month.

OTHER INITIATIVES

Digital India/e-kranti

- ⊕ **e-Biz Platform:** ESI Corporation has become the first organization to integrate its services i.e. Registration of Employers through e-Biz portal of Department of Industrial Policy and Promotion (DIPP) for creating ease of business and for reducing the cost of transaction. Registration of factories/establishments and their employees is now online and employers are able to generate code number for their establishment and temporary identity cards for their employees online.
- ⊕ **Online payment of ESI Contribution** by the Employer via the payment gateway of State Bank of India (SBI) and 58 other banks was launched on ^{1st} April, 2015.
- ⊕ **Improving services using e-governance projects - Project Panchdeep** is one of the largest e-governance projects in India till date. It has leveraged Information Technology for the effective implementation of ESI Act, 1948 and bringing in efficiency, transparency, accountability and e-governance in the functioning of Employees' State Insurance Corporation. The features in software have been refined and fine tuned based on functional feedback of the end users/stakeholders. Biometric details and photograph of employees are captured and Pehchan cards are issued by designated offices of ESIC. As on date, 1.5 cores of IPs have been issued card under Project Panchdeep and all employees covered upto 31.3.2015 would be issued by 31.3.2016 .
- ⊕ A **New Inspection Scheme** has come into force. It aims to achieve the objective of simplifying business regulations and bring in transparency and accountability in labour inspections. Apart from the above to watch over and dispose off complaints of non-compliance by employers, ESIC has set up a Central Analysis and Intelligence Unit (**CAIU**) at Hqrs. Office which is functioning from 01.09.2014. All complaints received in any office of ESIC relating to default in compliance by factories/establishments (requiring regular inspection) are being examined, action proposed and monitored by CAIU.

**46TH SESSION OF
INDIAN LABOUR CONFERENCE**

Item-3 : Amendment of Bonus Act – Removal of conditions on payment ceiling, eligibility limits, decisions to pay minimum bonus without linking to loss when the performance indicator satisfy grant of bonus

1. **Background:-** The Payment of Bonus Act, 1965 provides for payment of bonus to the employees of 'factories' and 'establishments' employing 20 or more persons, excluding some categories of employees as contained in Section 32 of the Act (i.e. employees in Life Insurance Corporation, Seamen, Dock Workers, University employees, etc). **At present, employees drawing salary or wage not exceeding Rs. 10,000/- per month** in any industry who do any skilled or unskilled, manual, supervisory, managerial, administrative, technical or clerical work for hire or reward are eligible for payment of Bonus.

In the 46th Session of the Standing Labour Committee (SLC) held on 31.1.2014, based on the general consensus, the following agenda item on the Payment of Bonus Act, 1965 has been selected for discussion in the forthcoming 46th Indian Labour Conference (ILC):- "Amendment of Bonus Act- removal of conditions on payment ceiling, eligibility limit, decision to pay minimum bonus without linking to loss when the performance indicator satisfy grant of bonus".

2. **Eligibility Limit and Calculation Ceilings:-** Two ceilings are available under the said Act generally known as eligibility limit and calculation ceiling respectively.

2.1: **Eligibility Limit:** "Employee" means any person (other than an apprentice) employed on a salary or wage not exceeding ten thousand per mensem in any industry to do any skilled or unskilled manual, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied. [Section 2(13)]

2.2: **Calculation Ceiling:** Where the salary or wage of an employee exceeds three thousand and five hundred rupees per mensem, the bonus payable to such employee under section 10 (minimum bonus) or, as the case may be, under section 11 (maximum bonus), shall be calculated as if his salary or wage were three thousand and five hundred rupees per mensem. [Section 12]

2.3 **The two ceilings are revised from time to time to keep pace with the price rise and increase in the salary structure.** The details of revision made in the two ceilings over the years are as follows:

Sl. No.	Year	Eligibility limit (Rs. Per Month)	Calculation ceiling (Rs. Per Month)
1.	1965	Rs. 1600	Rs. 750
2.	1985	Rs. 2500	Rs. 1600
3.	1995	Rs. 3500	Rs. 2500
4.	2007 (w.e.f. 1.4.2006)	Rs. 10000	Rs. 3500

3. The maximum and minimum bonus payable under the Payment of Bonus Act, 1965:-

(i) Minimum Bonus: Subject to other provisions of this Act, every employer shall be bound to pay to every employee in respect of the accounting year commencing on any day in the year 1979 and in respect of every subsequent accounting year, a minimum bonus which shall be **8.33%** of the salary earned by the employee during the accounting year or one hundred rupees whichever is higher., whether or not the employer has any allocable surplus in the accounting year.

Provided that where an employee has not completed fifteen years of age at the beginning of the accounting year, the provisions of this section shall have effect in relation to such employees as if for the words "one hundred rupees", the words "sixty rupees" were substituted- (Section 10).

(ii) Maximum Bonus: Where in respect of any accounting year referred to in section 10, the allocable surplus exceeds the amount of minimum bonus, payable to the employees under that section, the employer shall, in lieu of such minimum bonus, be bound to pay every employee in respect of that accounting year bonus which shall be an amount in proportion to the salary or wages earned by the employee during the accounting year subject to a **maximum of twenty per cent**, of such salary or wages. [Section 11(1)]

The maximum bonus including productivity linked bonus that can be paid in any accounting year shall not exceed 20% of the salary/wage of an employee under the Section 31 A of the Act.

4. **Procedure of revision:-** The present eligibility limit and calculation ceiling are the result of the recommendation of the 41st Session of the ILC held in April, 2007, attended by the representatives of the employees and employers as well as representatives of the Centre and the State Governments. Thereafter, the calculation ceiling and eligibility limit were revised from Rs. 2500/- to Rs.3500/- per month and Rs.3500/- to Rs.10,000/- per month respectively vide the Payment of Bonus (Amendment) Act, 2007 notified on 13th Dec., 2007.

5. **Revision of limit on the basis of Price Index:** As compared with the Consumer Price Index (Industrial Worker) base 2001=100, over the period (Nov. 2007

to Nov. 2013) the index rose to 243 points from the level of 134 points. The equivalent amount of Rs. 3500/-p.m. (Calculation Ceiling) accordingly works out to Rs. 6347/-p.m. (approx.) hence proposed to Rs. 6000/-p.m. Similarly equivalent amount of Rs. 10000/-p.m. (Eligibility Limit) to Rs. 18134/-p.m. (approx.) and hence proposed to Rs. 18000/-p.m. The matter was discussed in the 46th Session of the Standing Labour Committee (SLC) held on 31.1.2014 where the item was selected for discussion in the forthcoming 46 session of the Indian Labour Conference with the title “Amendment of Bonus Act-removal of conditions on payment ceiling, eligibility limits, decision to pay minimum bonus, without linking to loss when the performance indicator satisfy grant of bonus.” However, for the month of October, 2014, the CPI(IW) figure is 253. Therefore, the calculation ceiling works out to Rs. 6608/- (approx.) say Rs.6600/-p.m. and the eligibility limit works out to Rs.18,880/- (approx.) say Rs. 19000/-p.m. Details of calculation are given below:

INCREASE IN THE CONSUMER PRICE INDEX FOR INDUSTRIAL WORKERS ON BASE: 2001=100

Month & Year	Index	Calculation Ceiling (Rs.)	Eligibility Limit (Rs.)
November, 2007	134	3500	10000
November, 2013	243	6347 (3500/134X243)	18134 (10000/134X243)
(i) Rounded off based on index 243 as on November 2013		6000	18000
October, 2014	253	6608 (3500/134X253)	18880 (10000/134X253)
(ii) Rounded off based on index 253 as on October, 2014		6600	19000

6. **Tripartite Consultation Meeting:** The Tripartite Consultation meeting was held under the Chairmanship of the Hon’ble Minister for Labour & Employment on 20.10.2014 where a detailed discussion took place with the representatives of CTUOs, employer organisations and selected State Governments and Central Ministries/ Departments. During the meeting, CTUOs had submitted a **Joint Representation** on the demand for removal of all the ceilings for payment of bonus. As there was no complete consensus on the issue, the participants were requested to discuss the matter in their organisations and reconsider their views.

7. **Inter-Ministerial Group (IMG):** Since no consensus could be arrived at, an Inter-Ministerial Group (IMG) was constituted on 21.11.2014 to discuss the issue. The meeting of IMG with the representatives of Employers’ Organisations was held on 3.12.2014 and with the representatives of the Central trade Union Organisations was held on 10.12.2014. During the meeting, CTUOs again reiterated their earlier demand for removal of all ceilings for payment of bonus.

7.1. **Recommendation of IMG:** In the final meeting of the IMG held on 13th April, 2015, after detailed deliberations, the IMG recommended upward revision of the eligibility limit as well as calculation ceiling

7.2. **Action taken on the recommendation of IMG:** Based on above, a draft Cabinet note has been circulated to the concerned Ministries / Departments on 3rd July, 2015 with the request to furnish comments.

**46TH SESSION OF
INDIAN LABOUR CONFERENCE**

Item-4 : Labour Laws Amendments proposed / done either by Central or State Governments

I. Labour Law Amendments by the Central Government

Background of Labour Law Reform:

- At present, there are 44 Central Labour Acts – Multiplicity of forms, registration, authorities; varying definitions
- Many laws enacted in pre-independence period - Need to align these laws with the present economic scenario and technological advancements.
- Bring transparency and accountability leading to better enforcement of the Labour Laws.
- The reform initiatives will reduce the complexity in compliance due to multiplicity of Labour Laws
- Bring uniformity in definitions, authorities, appellate bodies
- It will facilitate ease of doing business/setting up of enterprises and catalyze creation of employment opportunities while ensuring safety, health and social security of every worker.
- Improve the grievance redressal mechanism

A. Labour Law Amendments recently approved by Parliament

(1) Amendments in the Labour Laws (exemption from furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988.

The amendment to Labour Laws (exemption from furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988 has been notified by the Government in December, 2014. The major amendments made in the Act include:-

- (i) The Principal Act of 1988 provides for simplified procedure for returns and registers under 9 Labour Acts for the establishments employing up to 19 workers. The Amendment Act provides to include 7 more Labour Acts thus extending the coverage of the Principal Act from 9 Scheduled Acts to 16 Scheduled Acts.

- (ii) Continuing with the existing method of defining establishments as 'very small' and 'small' with the change that the 'small' establishments would now cover the establishments employing between 10 to 40 workers as against the earlier provision of 10 to 19 workers.
- (iii) The Amendment Act gives an option to maintain the registers electronically and to file the returns electronically. Thus it allows maintaining of registers or records in computer, floppy, diskette or on other electronic media and submitting return through e-mail.
- (iv) The small establishments will be required to maintain two registers as against the existing provision of maintaining three registers.
- (v) These amendments will extend the benefit of simplified procedure to more number of establishments for larger number of labour acts. It will also lead to ease of compliance as well as better enforcement of labour laws.

(2) Amendments in Apprentices Act 1961:

The Apprentices Act, 1961 has been amended and brought into effect from 22.12.2014, to make it flexible and user friendly for establishment and youth. Key features are:

- (i) Trade-wise regulation of seats is to be replaced by a minimum and maximum percentage of the total strength of the workers. Within this band, apprentices can be engaged in any trade.
- (ii) Establishments can also engage apprentices in optional trades which are not designated, with the discretion of entry level qualification and syllabus.
- (iii) Scope being extended also to non-engineering occupations at diploma and degree level.
- (iv) Penalties in the form of fine only.
- (v) Permission to outsource basic training in an institute of their choice.
- (vi) Apprentices could also be from other States.

B. Labour Law Amendments under consideration of Parliament

(1) Amendment to the Child Labour (Prohibition and Regulation) Act 1986:

The Union Cabinet, has given its approval on 13.05.2015 for moving official amendments to the Child Labour (Prohibition & Regulation) Amendment Bill, 2012. The Official Amendments along with Amendment Bill proposes following major changes in the Principal Act:

- (I) Employment of children below 14 years prohibited in all occupations and processes and age of prohibition of employment linked to age under Right of Children to Free and Compulsory Education Act, 2009. However, an exception has been made:
- (a) Where the child helps his family or family enterprises, which is other than any hazardous occupations or processes set forth in the Schedule, after his school hours or during vacations•
 - (b) Where the child works as an artist in an audiovisual entertainment industry, including advertisement, films, television serials or any such other entertainment or sports activities except the circus, subject to such conditions and safety measures, as may be prescribed and provided that such work does not affect the school education of the child.

“family” in relation to a child, means his mother, father, brother, sister and father’s sister and brother and mother’s sister and brother”;

“family enterprises” means any work, profession, manufacture or business which is performed by the members of the family with the engagement of other persons;

“artist” means a child who performs or practices any work as a hobby or profession directly involving him as an actor, singer, sports person or in such other activity as may be proscribed relating to the entertainment or sports activities falling under the categories as mentioned at b) above

The exceptions have been proposed keeping in mind the country’s social fabric and socioeconomic conditions where in a large number of families, children help their parents in their occupations like agriculture, artisanship etc. and while helping the parents, children also learn the basics of occupations and therefore striking a balance between the need for education for a child and the reality of the socioeconomic condition and social fabric in the country, the Cabinet has approved that a child can help his family or family enterprise, which is other than any hazardous occupation or process, after his school hours or during vacation. Also it is important to note that the word used is “help” and this doesn’t include “engagement in employment” or the situation where a relationship of “employer-employee” exists. Also, an exception has been made for a child working as artist in an audiovisual entertainment industry, except the circus, provided that the school education of the child is not affected.

- (II) A new definition of adolescent has been introduced in the CLPR Act and employment of adolescents (14 to 18 years of age) has been prohibited in hazardous occupations and processes. These provisions would go a long way in protecting adolescents from the employment not suitable to their age.
- (III) Stricter punishment for employers for violation of the Act has been proposed to act as a deterrent:

- (a) In case of first offence of employing any child or adolescent in contravention of the Act, penalty would be imprisonment for a term not less than six months but which may extend to two years or with fine not less than Rs.20,000/, but which may extend to Rs.50,000/- or with both. Earlier penalty for employing any child in contravention of the Act, was imprisonment for term not less than three months but which may extend to one year, or with fine not less than Rs.10,000/, but which may extend to Rs.20,000 /- or with both.
- (b) In case of a second or subsequent offence of employing any child or adolescent in contravention of the Act, the minimum imprisonment would be one year which may extend to three years. Earlier penalty for second or subsequent offence of employing any child in contravention of the Act was imprisonment for a minimum term of six months which may extend to two years.
- (IV) Offence of employing any child or adolescent in contravention of the Act by an employer has been made cognizable. This provision would act as a deterrent against the offence of employing a child or adolescent in contravention of the Act.

(2) Amendment in the Mines Act, 1952

- The Mines Amendment Bill, 2011 was introduced in the Rajya Sabha on 23.03.2011 and was referred to the Standing Committee for examination. After examining the report of the Standing Committee for Labor's the draft Cabinet Note was submitted to the Cabinet for seeking concurrence. The matter was deliberated in the Cabinet Meeting held on 06.09.2012 where Ministry of Mines raised certain objections. After completing all the process as directed by the Cabinet, the Cabinet Note was again sent to the Cabinet Secretariat.
- The Cabinet considered the proposal in its meeting held on 09.05.2013 and decided that "matter relating to definition of owner, continuation of liability and other related provisions be appropriately reformulated by the Minister of Labour and Employment in consultation with the Minister of Law & Justice, the Minister of Coal and the Minister of Mines and the proposal may, thereafter be brought for consideration of the Cabinet." The meeting of concerned Ministers was held on 26.02.2015. The matter is still under examination.
- The major amendments proposed in the Mines Act 1952, as per Mines (Amendment) Bill, 2011, include:
 - The existing preamble of the Act reads as an act to amend and consolidate the law relating to the regulation of labour and safety in mines. However, since the existing Mines Act seeks to regulate safety, health and welfare aspects of the persons employed in mines, the preamble is

proposed to be changed on the following lines - *An Act to amend and consolidate the law relating to the regulation of conditions of work and welfare of persons employed in mines and safety in mines and to provide for matters connected therewith or incidental thereto.*

- Since there is no law on the matters related to safety & labour applicable to Mines and Oilfields lying in offshore area beyond 12 nautical miles, it has been proposed to extend the applicability of this Act from existing 12 nautical miles up to the exclusive economic zone & Maritime Zones of India.
- The definition of the 'agent' has been modified as '*every person, superior to the Manager*'. This is felt necessary mainly to ensure the superiority of the agent since he takes part in management, control, supervision or direction of the mine.
- The definition of "Owner" has been modified which means *every person or authority having ultimate control over the affairs of the mine*. This is to ensure to make the decision making person accountable under the Mines Act, 1952.
- The existing definition of owner does not take care of the issues connected with outsourcing and engagement of contractors/sub-contractors in the mines. It is therefore proposed under this clause that every person who contracts for the services or operations in a mine, including a contractor and sub-contractor, shall also be the Owner. This however, does not exempt the principal owner, as defined above, from any liability.
- The proposed new section 18A requires owner of every mine to appoint sufficient number of qualified & competent persons for supervision to ensure safety. This requirement would be mandatory on the part of the owner to ensure adequate & effective supervision through appointment of sufficient competent and qualified supervisors.
- The proposed new section 18A requires owners of every mine to appoint Agents and to specify their roles & responsibilities.
- The proposed new section 74A would require the offender to prove before the authority/court that due diligence was used. This in the long run would deter the defaulters from non-compliance of the provisions of the statute and would create a preventive safety culture.
- The existing penalties levied (fixed long back) for the contraventions of the provisions of the Mines Act, 1952 is meager and needs to be enhanced suitably so as to make the contravention of law more prohibitive and also instil a sense of discipline in the persons.

- To amend section 76 to enlarge the scope so as to cover the foreign companies and to take away the “manager” out of the scope of the said Section.
- To insert a new section 76A to provide that the person who has actual ultimate control over the affairs of the mines would continue to be liable for the contravention of the provisions of the Act or any rule or regulation or by-law or order made there under.

(3) Amendment in the Factories Act, 1948

- The Factories (amendment) Bill, 2014 has been introduced in the Lok Sabha on 07.08.2014 and the same was referred to the Standing Committee on Labour for examination and report with three months. Standing Committee on Labour has since submitted its report which has been examined in the Ministry.
- The Committee has made certain observations on various amendments. The Standing Committee had also desired that the Ministry should hold consultations with the recognized Central Trade Unions before finalizing the proposed amendments. The Ministry has since held Tripartite Consultation with Trade Unions, State Governments and concerned Departments / Ministries under Chairmanship of Minister for State (IC) for Labour and Employment on 19.02.2015. The next Tripartite Consultation is scheduled for 16th July, 2015.
- The major amendments proposed in the Factories Act 1948, as per the Factories (amendment) Bill, 2014, include:
 - The threshold limit for coverage under the Factories Act as defined in Section 2(m), is proposed to be amended to include besides the existing limits of 10 workers (for units with power) and 20 workers (for units without power), units with such number of workers as may be prescribed by the State Government with a cap of 20 workers (for units with power) and 40 workers (for units without power) respectively. This will provide flexibility to the State Governments to amend their State Law as per their requirements.
 - Amendment of Section 66 of the Act relating to permission for employment of women for night work for a factory or group or class or description of factories with adequate safeguards for safety and provision of transportation till the doorstep of their residence.
 - Amendment of Sections 64 and 65 of the Act to enhance the limit of overtime hours from the present limit of 50 hours per quarter to 100 hours per quarter. The amendment also proposes this limit to be increased to a maximum of 125 hours per quarter in public interest with the approval of State Government.

- Introduction of a new Section 35A on provision of personal protective equipment for workers exposed to various hazards and amendment of Sections 36 and 37 regarding entry into confined spaces and precautions against dangerous fumes, gases etc.
- Provision of canteen facilities in respect of factories employing 200 or more workers instead of the present stipulation of 250 workers (Section 45) and also provision of shelters or restrooms and lunchrooms in respect of factories employing 75 or more workers instead of the present stipulation of 150 workers. (Section 47).
- Amendment of Section 92 of the Act enhancing the quantum of penalty for offences.
- Presently only the State Governments are empowered to make rules under the Factories Act. It is now proposed to empower the Central Government also to make rules under the Act on some of the important provisions.

C. Labour Laws Amendment Proposals under consideration

(1) Draft Small Factory Bill

- Ministry of Labour & Employment has drafted *the Small Factories (Facilitation and Regulation of Employment and Conditions of Services) Bill, 2015* for regulating manufacturing factories employing less than 40 workers.
- The Bill mainly combines the provisions of various labour laws applicable to the small factories at one place thus facilitating ease of compliance and reporting.
- The Bill will ease the operation of small factories thus catalyze the generation of employment through small manufacturing units without compromising on the basic aspects of the provisions of social security, safety and health.
- The main features of the Bill are:
 - ✓ Payment of wages to be done through bank account except for cases where the amount in a month is less than the amount specified by State Government.
 - ✓ Provisions of social security to continue without dilution.
 - ✓ Provision for privilege leave of 15 days and sickness/casual leave of 12 days after 12 months continuous employment.

- ✓ Inspector will be replaced by Facilitator who would also guide and provide technical information to the employers.
- ✓ Inspection to be done on the basis of web based inspection schedule. Inspection beyond the inspection scheme, on matters related to health and safety, may be conducted by the Facilitator only with the approval of Chief Facilitator.
- ✓ Graded penalty for different types of violations. Before prosecution, the Facilitator will give an opportunity to comply with the provisions of the Act by way of written direction and if the employer complies with the direction within the period given, no prosecution to be initiated. However, this opportunity to be given if violation of same nature not noticed in 5 years.
- ✓ Provision of compounding of offences has been made except for the offence resulting in death and serious bodily injury.
- ✓ Very small factory employing not more than 9 workers further exempted from the compliance burden relating to (i), shift working; (ii) attendance and late coming; (iii) responsibility to issue appointment letters; and (iv) provisions on unfair labour practices.

(2) Labour Codes

Ministry of Labour & Employment is working on to rationalize the provisions of the 44 labour laws in 4-5 Labour Codes. This initiative is in line with the recommendations of the Second National Commission on Labour. At present, the Ministry is working on the following four codes:-

- Code on Wages
- Code on Industrial Relations
- Code on Social Security & Welfare
- Code on Safety & Working Conditions

(i) Labour Code on Wages

It rationalizes, amalgamates and simplifies the provisions of the following four labour laws:

- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Payment of Bonus Act, 1965
- The Equal Remuneration Act, 1976

Salient features of the draft Labour Code on Wages are:

- At present, the provisions of Minimum Wages Act, apply only to employees engaged in scheduled employment and Payment of Wages Act to employees drawing wages less than Rs. 18000/- and in notified establishments. The minimum wages will apply to all employees. Provision of payment of wages will also apply to all employees; however Government may issue notifications to include Government establishments.
- Ceiling of wage limit for the purpose of eligibility for Bonus and for the purpose of calculation of Bonus to be as notified by the Central Government from time to time.
- Power of fixation and revision of minimum wages, which at present vests both in Central and State Government, henceforth to lie exclusively with the State Government.
- Substitution of the term 'Inspector' by 'Facilitator'.
- Inspections would be carried out as per Inspection Scheme notified by appropriate Government from time to time.
- Scheme of Graded Penalties. Compounding of the offences.

The draft Code has been finalized by considering the suggestions given in the Tripartite Consultations and views/suggestions received from the stakeholders and ILO. Draft Cabinet Note alongwith Draft Code on Wages has been circulated for inter-ministerial consultation.

(ii) Labour Code on Industrial Relations

The draft Code rationalizes, amalgamates and simplifies the provisions of the following three labour laws:-

- (i) The Trade Unions Act, 1926
- (ii) The Industrial Employment (Standing Orders) Act, 1946
- (iii) The Industrial Disputes Act, 1947

Main features as proposed in the draft Code are:

- Enhancement of severance compensation from fifteen days of wages for every completed year of service to forty-five days before going for retrenchment, closure and transfer of undertaking etc.

- Enhancing the ceiling of number of workers from 100 to 300 for the purpose of permission of the Government before resorting to retrenchment, lay-off, closure and transfer.
- Prohibition on outsiders as office bearers in case of trade unions in the organized sector and maximum two in the unorganized sector.
- Prohibition of strike without giving the notice of 14 days and during the conciliation proceedings for all industrial establishments which presently is only for public utility services.
- Amendment in definition of 'strike' to include 'mass casual leave' within its ambit.
- A concept of "Recognition of Negotiating Agent" is being introduced.
- A "Re-skilling Fund" for training of retrenched employees is conceptualised. Employers will have to pay 30 days wage in case of retrenchment etc.

First Tripartite Consultation Meeting was held on 06.05.2015. Thereafter, a Tripartite Committee has examined the draft and gave its suggestion. Second Tripartite Consultation Meeting is scheduled to be held on 14.07.2015.

(iii) Labour Code on Social Security & Welfare: Initial drafting is in progress.

(iv) Labour Code on Safety and Working Condition: Initial drafting is in progress.

(3) Comprehensive amendment to the Employees Provident Fund & Miscellaneous Provisions Act 1952

- The Ministry is considering a proposal for comprehensive amendment to EPF & MP, 1952.
- A draft amendment proposal has been circulated to all stakeholders i.e. Ministries/Departments of the Government/ State Governments/ employer associations and employee associations, seeking their comments/suggestions.
- The same was uploaded on the Ministry's website. Tripartite Consultation Meeting under Hon'ble Labour Minister was done on 13.02.2015.
- Salient features of the proposed Amendments are as under:
 - Coverage of the Act enlarged to cover smaller factories with 10 to 19 workers also. Presently it covers factory with more than 20 workers. A large number of work force will be benefited for the first time.

- Enabling Government to waive employees' contribution. It will benefit low paid work force.
- Employees being given option to choose between NPS and EPFO. It will benefit workers and at the same time help in improving the functioning of EPFO and NPS.
- Provision for reducing the employer contribution for limited period for those small establishments which will be covered by the amended act for the first time.
- Provision for relaxation in inspections / punishments in case of a small factory (less than 40 workers)
- Definition of wage being expanded to cover other allowances including part of HRA also. This will curb the tendencies of employer to fix basic wages at very low level with high allowances. This amendment will help in getting proper and larger employees contribution.

(4) Amendment to the Minimum Wages Act, 1948

- The Ministry is considering a proposal for amendment to the Minimum Wages Act 1948. The draft proposal was placed in the public domain on the Ministry's website on 17th June 2014.
- An Inter-Ministerial Group (IMG) was set up to consider the suggestion received from the Stakeholders. The IMG held consultation meetings with the representatives of Employers' Association (03.12.2014) and Central Trade Union Organizations (10.12.2014).
- A draft Cabinet Note is under preparation. Major amendments mooted in the Minimum Wages Act 1948, include:
 - Minimum wage to be applicable to all employments.
 - Review and revision of the minimum rates of wages at intervals not exceeding five years, if the minimum wages have a component of variable dearness allowance worked out on the basis of rise in consumer price index for industrial workers, and in any other case at the interval of two years.
 - The State Government shall fix the minimum rates of wages payable to employees employed in an employment.
 - The State Government may fix factors by which the minimum wages so fixed be multiplied for different types of work. While fixing the factor, it shall take into account the skill required, the arduousness of the work

assigned to the worker, the cost of living of the worker, geographical location of the place of work and other factors which the State Government considers appropriate.

- An option to issue wage card in lieu of wage books or wage slips is being provided in the amendment.
- Accepting claims regarding minimum wages, within 12 months, instead of existing time period of six months.
- Enhancing the fine prescribed for non-payment of minimum wages under the Act from Rs.500/- to Rs.50000/- on first conviction and with imprisonment for a term which may extend to three months or with fine which may extend to Rs1,00,000/- or both in the case of second or subsequent conviction within five years from date of commission of first offence.
- Enhancement of compensation payable to the workers and measures to streamline the enforcement provisions.
- Change the definition of appropriate government so that the enforcement machinery for the Industrial Dispute Act, Contract Labour Act and Minimum Wages Act would be the same and would ensure that the provisions of the Minimum Wages Act are better enforced by the appropriate Government.
- Amendment in Section 30(2)(j) due to introduction of the concept of Wage Card.

(5) Amendment to the Payment of Bonus Act 1965

- The Ministry is considering a proposal for amendment to the Payment of Bonus Act 1965. The issue has been discussed in the Tripartite consultation Meeting chaired by the Hon'ble Minister for Labour & Employment on 20.10.2014.
- An Inter-Ministerial Group (IMG) was set up to consider the suggestion received from the Stakeholders. The IMG held the consultation meetings with the representatives of Employers' Association (03.12.2014) and Central Trade Union Organizations (10.12.2014). The draft Cabinet Note has been since prepared and circulated for Inter-Ministerial Consultation on 03.07.2015.
- The amendment proposals in the Act include:
 - Upward revision in the eligibility limit for payment of bonus by amendment to clause (13) of Section (2) of the Payment of Bonus Act, 1965.

- Amendment to Section 12 of the principal Act for upward revision in calculation ceiling.
- Amendment to clause (1) of Section 38 of the Act so as to have an enabling provision for previous publication of draft rules.

II. Labour Law Amendments by the State Governments

Labour Reform initiatives have been mainly taken up by three States, namely Rajasthan, Madhya Pradesh and Gujarat. The proposals for amendments in different Central Labour Laws have been sent by these State Governments to the Ministry of Home Affairs for the assent of the President. The comments of Ministry of Labour and Employment on the proposed amendments of Rajasthan and Madhya Pradesh were sent to the Ministry of Home Affairs.

1. RAJASTHAN:

- Government of Rajasthan sent proposals for amendments to Industrial Disputes Act 1947, Contract Labour (Regulation & Abolition) Act, 1970, Factories Act, 1948 and Apprentices Act, 1961.
- The comments of the Ministry of Labour and Employment to the proposed amendments were sent to the Ministry of Home Affairs.
- The main amendments carried out in the **Industrial Disputes Act 1947**, are:
 - For applicability of Chapter V-B regarding “pre-condition of permission from the Appropriate Government, notices, compensation for lay-off, retrenchment, closure”, the minimum number of workmen in the industrial establishment is increased from 100 to 300 workmen.
 - In case of retrenchment or closure, in addition to the prescribed compensation of 15 day’s wage for each completed year of service, an amount equivalent to his three month’s average pay shall also be paid.
 - For the purpose of recognition of the trade union, the threshold membership of the trade union has been increased from 15% to 30%.
- The main amendments carried out in the **Factories Act 1948**, are:
 - For the purpose of application of the Factories Act, the minimum number of workers has been increased from 10 to 20 in case of factories working with the aid of power; and from 20 to 40 workers for factories without the aid of power.

- For taking cognizance of any offence under the Act by the Court, previous sanction in writing by the State Government is mandatory, along with complaint by an inspector.
- Provision has been made for compounding of any offence punishable under this Act with fine only, and committed for the first time.
- The main amendment carried out in the **Contract Labour (Regulation & Abolition) Act, 1970**, is:
 - For applicability of the Act, the minimum number of workmen in establishment or with contractor is increased from 20 to 50.
- The main amendments carried out in the **Apprentices Act, 1961**, are:
 - Recurring cost incurred by an employer in connection with basic training imparted to trade apprentices shall be borne
 - ✓ by the employer and the Government in equal share, if such employer employs 250 workers or more. As per the Principal Act, the total cost is borne by the employer in such case.
 - ✓ by the Government alone, if such employer employs less than 250 workers. As per the Principal Act, the total cost is borne by the employer and the Government in equal shares, in such case.
 - The employer shall pay to every apprentice a stipend at a rate not less than minimum wages notified by the State Government for unskilled workers under the Minimum Wages Act, 1948. As per Principal Act, the stipend should be at a rate not less than prescribed minimum rate or the rate being paid by the employer on 01.01.1970 to that category of apprentices, whichever is higher.

2. MADHYA PRADESH:

- Government of Madhya Pradesh has sent proposals as Madhya Pradesh Labour Laws (Amendment) and Miscellaneous Provisions Ordinance 2014.
- There are 13 different parts in the proposed Ordinance which were sent by the State Government to Ministry of Home Affairs for the assent of the President. The Labour Laws, under which the amendments were proposed by the State Government of Madhya Pradesh, include,
 - The Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996;
 - The Building and Other Constructions Workers' Welfare Cess Act, 1996;
 - The Child Labour (Prohibition and Regulation), 1986;
 - The Contract Labour (Regulation and Abolition) Act, 1970;

- The Factories Act, 1948;
 - The Industrial Disputes Act, 1947;
 - The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
 - The Motor Transport Workers Act, 1961 (27 of 1961);
- The comments of the Ministry of Labour & employment were communicated to Ministry of Home Affairs on 15th April, 2015.

3. GUJARAT:

- Government of Gujarat has sent proposal to the Ministry of Home Affairs for the assent of the President to amendments to different Labour Laws.
- The proposed amendments were received in the Labour & Employment in the first week of April, 2015 for comments of the Ministry. The comments of the Ministry of Labour & employment were communicated to Ministry of Home Affairs.
- The Labour Laws (Gujarat Amendment) Bill, 2015 contains proposal to amend the certain provisions of following Labour Laws in their application to the State of Gujarat:-
 - The Employees' Compensation Act, 1923 (8 of 1923);
 - The Industrial Disputes Act, 1947 (14 of 1947);
 - The Minimum Wages Act, 1948 (11 of 1948);
 - The Factories Act, 1948 (63 of 1947);
 - The Motor Transport Workers Act, 1961 (27 of 1961);
 - The Payment of Bonus Act, 1965 (21 of 1965)
 - The Beedi and Cigar (Conditions of Employment) Act, 1966 (32 of 1966);
 - The Contract Labour (Regulation and Abolition) Act, 1970 (37 of 1970);
 - The Payment of Gratuity Act, 1972 (39 of 1972);
 - The Equal Remuneration Act, 1976 (25 of 1976);
 - The Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996 (27 of 1996);
 - The Unorganized Workers' Social Security Act, 2008(33 of 2008)

**46TH SESSION OF
INDIAN LABOUR CONFERENCE**

Item-5 : Employment and Employment Generation

Generation of productive and gainful employment with decent working condition on a sufficient scale to absorb the growing labour force is cornerstone for achieving inclusive growth. Government of India has assessed and initiated measures to tackle challenges. Employment in India is growing with the growth of the Indian economy. The main aim of the Government is accelerating the rate of employment growth, on the one hand, and raising productivity and income levels on the other. Government is also pushing for safe, healthy and dignified conditions of work

2. Approach Paper to the 12th Five Year Plan (2012-17) suggests focus on faster, sustainable and more inclusive growth for creating adequate livelihood opportunities. Such job opportunities could come from faster expansion in agro-processing, supply chains, steady modernization in farming, maintenance of equipment & other elements of rural infrastructure and the services sector. The twelfth Plan has therefore, targeted generation of 5 Crore additional jobs in the non-farm sector and provide skill certification to equivalent numbers including 1 Crore jobs in the manufacturing sector. The National Manufacturing Policy of the Government targets to create 10 crore jobs by the year 2022.

3. For skilling to provide employment, a new Ministry of Skill Development and Entrepreneurship has been established to coordinate the skill activities across Ministries. In order to improve the employability of youth, around 20 Ministries run skill development schemes across 70 sectors..

4. To complement the skill initiatives, Ministry of Labour and Employment is implementing National Career Service (NCS) Project for transforming the employment services in the country. A national portal www.ncs.gov.in has been developed and is functional which will bring job seekers, employers and training providers on a common platform. This would facilitate online matching of jobs and provide information about opportunities for training and re-skilling. The NCS portal is supported by a Call Centre/help desk. Within the project, a knowledge repository of available career opportunities is also available on the portal. The candidates will have access to skill assessment and psychometric tests and guided to the right opportunity whether it is for employment, skill training, apprenticeship training, on-the-job-training, finishing course (gap training) etc..

5. As on date, there is no ban on recruitment in Central Government. The respective Ministries/Departments concerned are required to fill up the vacancies within the framework of existing instructions/rules keeping in view functional requirement of the posts.

6. For generating more employment to the people including educated youth in the country, Government has taken various steps like encouraging private sector of economy, fast tracking various projects involving substantial investment and increasing public expenditure on schemes like Prime Minister's Employment Generation Programme (PMEGP), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA), Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) and National Urban Livelihoods Mission (NULM).

7. A National Employment Policy is being drafted to integrate employment into policy making and ensure that the growth process is inclusive and equitable as emphasised in the various Five Year Plans.

8. The Department of Industrial policy and Promotion (DIPP) has also taken a series of measures to improve Ease of Doing Business .The emphasis has been on simplification and rationalisation of the existing rules and introduction of technology to make governance more efficient and effective.

9. **New Initiatives/ Measures Undertaken by the New Government:**

- "Make in India" is a new national programme designed to facilitate investment, foster innovation, enhance skill development, project intellectual property and build best in class manufacturing infrastructure.
- Development of one hundred "Smart Cities" is being planned.
- "Shyama Prasad Mukherji Rurban Mission" to deliver integrated project based infrastructure in the rural areas, including development of economic activities and skill development.
- "Digital India" programme for ensuing Broadband connectivity at village level.
- Setting up "National Industrial Corridor Authority"
- Apprentice Protsahan Yojana has been launched to cover one lakh trade apprentices for training through MSME units.
- A unified web portal – Shram Suvidha Portal covering Office of Chief Labour Commissioner (Central), DGMS, EPFO and ESIC organisations.
- A scheme for Recognition of Prior Learning for the construction sector workers.
- 8 new RVTIs are being set-up for women training.
- New schemes have also been launched which includes Pradhan Mantri Jan Dhan Yojana, Swatchh Bharat Mission (Gramin) and Seekho aur

Kamao Scheme have been launched for the skill development of minority communities.

10. **SOME CONCERNS :**

- (i) Enhancing economic and industrial development for job rich growth.
- (ii) Strategies for increasing female labour force participation.
- (iii) Encouraging entrepreneurial initiatives with social securities.
- (iv) Retraining + Reskilling of workforce retrenched due to technological obsolescence.
- (v) Strategies for decent work, green jobs.
- (vi) Strategies for transition from informalities to formality with access to social security.
 - (a) Growth strategy for labour intensive activities within the manufacturing sector;
 - (b) Faster, sustainable and more inclusive growth for creating adequate livelihood opportunities.
