New Labour Codes

Why in news?

The government has introduced new versions of labour codes in Lok Sabha.

What are the three labour codes?

- Industrial Relations (IR) Code Bill, 2020 - Proposed to introduce more conditions restricting the workers' rights to strike.
- Code on Social Security Bill, 2020 - Proposed changes for expanding social security and
- Occupational Safety, Health and Working Conditions Code Bill, 2020 – Proposed to include inter-state migrant workers in the definition of workers.

What are the key proposals in IR Code?

- In industrial establishments having 300 or more workers, the IR Code Bill has proposed to,
    a. Introduce more conditions restricting the workers' rights to strike,
    b. Increase the threshold relating to layoffs and retrenchment.
- This number is increased from 100 workers or more at present.
- These steps are likely to provide more flexibility to employers for hiring and firing workers without government permission.

What is the proposal regarding strike?

- The IR Code proposes that no employee of a company shall go on strike without a 60-day notice.
- It also proposes that no employee during the pendency of proceedings before a Tribunal or a National Industrial Tribunal and 60 days after the conclusion of such proceedings.

What is the proposal regarding standing order?

- The Standing orders are the rules of conduct for workmen employed in industrial establishments.
- The IR Code has raised the threshold for requirement of a standing order to over 300 workers.
- This implies industrial establishments with up to 300 workers will not be

required to furnish a standing order.
- This is a move which experts say would enable companies to introduce arbitrary service conditions for workers.

What did the Standing Committee on Labour suggest?

- The Standing Committee on Labour, in its report submitted in April, had also suggested hiking the threshold to 300 workers.
- According to the Labour Ministry, this will result in an increase in employment and decrease in retrenchment.
- The Committee desires that the threshold be increased accordingly in the Code itself.
- It said that the words "as may be notified by the Appropriate Government" be removed because reform of labour laws through the executive route is undesirable and should be avoided.

What are the concerns raised over the new labour codes?

- The increase in the threshold for standing orders will water down the labour rights for workers in companies having less than 300 workers.
- The IR Code introduces new conditions for carrying out a legal strike.
- Elongating the legally permissible time frame before the workers can go on a legal strike has made a legal strike well-nigh impossible.
- The IR code has expanded to cover all industrial establishments for the required notice period and other conditions for a legal strike.
- The Standing Committee had recommended against the expansion of the required notice period for strike beyond the public utility services like water, electricity, and other essential services.

What are the other proposals?

- The IR Code Bill has also proposed a **worker re-skilling fund**.
- The contributions for the fund are only detailed from the employer of a company along with the contribution from such other sources.
- The employer contribution will amount to 15 days wages last drawn by the worker before the retrenchment.
- The mention of 'other sources' for funding the re-skilling fund is vague.

What does the Social Security Code propose?

- It proposes a **National Social Security Board**.
- This Board shall recommend to the central government for formulating

suitable schemes for different sections of unorganised workers, gig workers and platform workers.

- Aggregators employing gig workers will have to contribute 1-2% of their annual turnover for social security.
- The total contribution should not exceed 5% of the amount payable by the aggregator to gig and platform workers.

What do the Occupational Safety, Health and Working Conditions Code propose?

- It has defined **inter-state migrant workers**.
- They are the workers who have come on his own from one state and obtained employment in another state, earning up to Rs 18,000 a month.
- The proposed definition makes a distinction from the present definition of only contractual employment.
- It has proposed **a journey allowance** to be paid by the employer for to and fro journey of the worker to his/her native from the place of his/her employment.
- However, the Code has dropped the earlier provision for temporary accommodation for workers near the worksites.

Source: The Indian Express

SHANKAR IAS PARLIAMENT
Information is Empowering