# NITI Aayog on Labour reforms

## Why in news?

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NITI Aayog pitches for labour reforms in its 'Strategy for New India @75' document.

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## What does it recommend?

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- **Codifying labour laws** - In 2016, there were 44 labour laws under the statute of the Central government.
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- More than 100 laws fall under the jurisdiction of state governments.
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- Thus, the government should quickly finish codifying India’s labour laws, while simplifying or modifying those that apply to the formal sector.
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- The National Policy for Domestic Workers should also be brought in at the earliest.
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- **Keeping women in the workforce** - The government should ensure that employers adhere to the Maternity Benefit (Amendment) Act, 2017, and the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act.
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- It is also important to implement these legislations in the informal sector, and make sure that skills training programmes and apprenticeships include women.
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- **Employment data** - Data collection for the Periodic Labour Force Survey (PFLS) of households must be completed on schedule and data is disseminated by 2019.
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- The government should conduct an annual enterprise survey using the GST Network (GSTN) as the sample frame for this.

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- Along with it, administrative data from EPFO, ESIC and the NPS could be used, to track regularly the state of employment while adjusting for the formalisation of the workforce.
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- **Workers' welfare** - The government must mandatorily comply with the national floor-level minimum wage.
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- Also, the Minimum Wages Act, 1948 should be expanded to cover all jobs, besides enforcing the payment of wages through cheque or Aadhaar-enabled payments for all.
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- **Social security and working conditions** – There must be a compulsory registration of all establishments to ensure better monitoring of occupational safety.
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- A comprehensive occupational health and safety legislation based on risk assessment and employer-worker cooperation should be enacted.
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- Labour inspection system should be made transparent by allowing online complaints and putting in place a standardised mechanism.
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- Also, labour dispute resolution system should be overhauled, by strengthening labour courts or tribunals to help resolve disputes quickly and fairly.
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- **Skills and apprenticeships** - According to the India Skill Report 2018, only 47% of those coming out of higher educational institutions are employable.
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- Thus, forming the Labour Market Information System (LMIS) is important for identifying skill shortages, training needs and new employment opportunities.
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- Through LMIS, the government should ensure the wider use of apprenticeship programmes by all enterprises, which may require enhancing the government stipend.
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## What are the concerns?

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- NITI Aayog is stuck on a misguided notion that labour flexibility will boost

investment, thereby ignoring skilling and other factors.
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- The mere amendments in labour laws have neither succeeded in attracting big investments, boost to industrialisation or to job creation.
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- According to the Ease of Doing Business Index (2014), only a little over one-tenth of the respondent firms in India perceived labour regulations as a major constraint.
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- Hence, rapid industrialisation, growth in investments and job creation would ultimately depend on –
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1. Development of infrastructure
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2. Stable law and order
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3. Availability of skilled manpower
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4.
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1. Boost in skill upgradation
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- Also, extension of maternity benefit to 26 weeks under the amended Maternity Benefit Act has adversely affected employment prospects.
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- This is because the employers hesitate to hire female workforce, especially in the case of start-ups.
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- To overcome this, the government has recently proposed to subsidise wages of female workers earning less than Rs. 15,000.
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- However, it has little to say on the gender composition of committees and institutions created under the labour laws to enforce the measure.

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- Also, trade union recognition law is still absent in most States and at the national level.
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- Thus, the NITI Aayog needs to really retool itself to be able to come up with a balanced and conceptually consistent labour market and industrial relations strategy, to deliver quality jobs and inclusive growth.
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**Source: Business Line, The Wire**

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