

## Press Information Bureau

Government of India

### Significant Initiatives to benefit Labour and Industry



Deepak Razdan\*



The three years of Modi Government have virtually seen revolutionary changes in the labour and employment scenario. Laws and schemes have undergone basic changes benefiting the entire working class in the organised and unorganised sectors, and employers as well. There is ease of business for entrepreneurs to set up new enterprises and employment opportunities are accessible through digital means.

Minimum wages have gone up, maternity benefits liberalised and child labour further regulated. As the President, Mr Pranab Mukherjee, in his Address to Parliament on 31st January this year emphasized that the Government is guided by the Antyodaya philosophy and its policies are for the welfare of the “garib, dalit, peedit, shoshit, vanchit, kisan, shramik and yuva.”

Among the first initiatives of the new NDA Government was the National Career Service (NCS) to transform the existing National Employment Service. Linking all employment exchanges of the country, the NCS Portal started giving a variety of employment related services like career counselling, vocational guidance, information on skill development courses and internships. The Centre partly funded the IT upgradation for this initiative.



## National Career Service

सही अवसर, सही समय  
Right Opportunities, Right Time

Labour being a concurrent subject, the Centre has taken initiatives much beyond just laying down policies. Twenty-four NCS Centres have been set up in 24 States for scheduled castes and scheduled tribes, offering pre-recruitment training programmes. Simultaneously, 21 NCS Centres have been set up in States for Persons with disabilities including one exclusively for women at Vadodara. While a consensus is being built on labour reforms, the Government has helped employers in several ways to set up and run business.

## प्रधानमंत्री रोज़गार प्रोत्साहन योजना Pradhan Mantri Rojgar Protsahan Yojana

The Pradhan Mantri Rozgar Protsahan Yojana launched in 2016-17 is helping employment generation by meeting Employees Pension Scheme (EPS) contribution of 8.33 per cent for all new employees enrolled under the EPF Scheme for the first three years of their employment. This directly benefits employers recruiting fresh unemployed persons or wanting to formalise informal employees. A substantial Budget provision of Rs 1000 crore has been made for this. The scheme is applicable to those having earnings up to Rs 15,000 per month. In the textile garments sector, which has experienced particular problems in the recent past, the Central Government is contributing complete 12 per cent (8.33 per cent EPS and 3.67 per cent EPF). Employers are registering under this scheme and even getting EPS reimbursements.



The Shram Suvidha Portal links four major offices of the Labour Ministry like EPF Organisation, Employees State Insurance Corporation (ESIC), Directorate General of Mines Safety and Chief Labour Commissioner.



It allows employers to file a self-certified and simplified, single online annual return for them. The employers are provided a Unique Labour Identification Number (LIN) for this, and more than 18 lakh units have already availed of this. Employers are expected to file returns under various Acts. Now, they have been allowed to file a single unified annual return for eight Labour Acts, increasing the ease of doing business for the entrepreneurs.

The real challenge in the labour and employment sector has been the multiplicity of labour laws which keeps away many prospective entrepreneurs from setting up businesses, and thereby curtailing growth of employment opportunities. There are 44 Central Acts on labour issues, and States add to this their own. The Government plans to group the Central Acts into four Codes and is building consensus for this. Finance Minister Arun Jaitley in his Budget Speech this year said *"We are keen on fostering a conducive labour environment wherein labour rights are protected and harmonious labour relations led to higher productivity."*

Legislative reforms are being drafted for the four Codes – Wages, Industrial Relations, Social Security and Welfare, and Safety and Working Conditions. The Code on Wages is proposed to amalgamate and simplify provisions of the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Labour Code on Industrial Relations will similarly amalgamate the Trade Unions Act, 1926, the Industrial Employment (Standing Orders), Act, 1946 and the Industrial Disputes Act, 1947. The legislation on the four Codes has become a necessity in the contemporary economic scenario where investment flows take place from foreign countries and the multiplicity of laws can put them off, despite various concessions.

The latest Economic Survey 2016-17 stated *"the multiplicity of labour laws and the difficulty in their compliance have been an impediment to the industrial development and employment generation."* The NITI Aayog's three-year Action Agenda has also supported continuance of labour reforms for faster employment generation. Trade unions have welcomed the Government move for simplification of laws but pleaded this should not curtail workers' social security or time-tested methods of collective bargaining.

The EPF Act, 1952 provides for the EPF Scheme, the Employees Pension Scheme and the Employees Deposit-Linked Insurance Scheme and there were several improvements in the delivery of benefits under them. Over nine lakh establishments are registered under the EPF Act benefiting over 16 crore employees and nearly one crore pensioners. Five million new subscribers were registered under the scheme in a recent employee enrolment campaign.

The EPFO's computerisation plans have brought benefits to both employers and employees. The employees can avail of online transfer claim portal services while changing jobs. EPF members who have activated their UAN (Universal Account Number) can get total EPF balance details on their registered mobile numbers through a new SMS service.

The ESI scheme is now being extended to all 393 districts in the country where industrial and commercial clusters are located. The Government has announced the extension of the scheme to unorganised workers like rickshaw pullers and auto rickshaw drivers. From 1st August, 2015,

construction workers have been covered under the scheme.

The ESI Scheme has 2.13 crore insured persons (subscribers) and the number of total beneficiaries is more than 8.28 crore. Through a new website, the beneficiaries can fix appointments with specialist doctors online. For pensioners getting pension under the EPS, the minimum pension has been raised to Rs 1000 per month. This has brought the enhanced pension to over 18 lakh pensioners. Elimination of child labour has been a major challenge for the country's planners.

The Child Labour (Prohibition and Regulation) Act, 1986 has been replaced by the Child and Adolescent Labour (Prohibition and Regulation) Act, 2016 from September, 2016. Earlier, the employment of children below the age of 14 years was prohibited in 18 occupations and 65 processes. After the amended Act, there is complete prohibition on employment of children below 14 years of age in all occupations and processes. The new law links the age of the prohibition of employment with the age for free and compulsory education under the Right to Education Act, 2009.

There is also prohibition on employment of adolescents from 14 to 18 years of age in hazardous occupations or processes, and the law provides for stricter punishment for employers contravening its provisions.

The 2017-18 Budget Session made significant changes in the Payment of Wages Act, providing for payment of workers wages through cheque. This is expected to ensure that the workers get their actual dues in full. Similarly the Maternity Benefit Act has been amended to provide for 26 weeks paid maternity leave for women employees in both public and private sectors, meeting a long-standing demand of women workers and unions. More initiatives for the welfare of workers are expected in near future as Shram-eva Jayate continues to be one of its guiding principles of the Government.

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## Press Information Bureau, Government of India

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**Uncategorized**

**NITI Aayog, Labour Day, INternational Labour Day, 1 May, EPF, EPS, NCS, PMRPY, Shram SUvidha, Ministry of Labour, ESIC**

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