

Labour reform gets a leg up, Lok Sabha passes three labour codes

written by iaseexam.com | 23/09/2020



The Lok Sabha Tuesday passed three important labour codes that shall cheer industries and allow them flexibility in hiring and retrenchment, make industrial strikes difficult besides, facilitate ease of doing business and help expand the social security net for informal workers.

Labour Minister Santosh Gangwar said the changes in the labour Codes have been made keeping in mind the transformation India has undergone in past decades in terms of technology, work methodologies, work-sphere facilities and the nature of works. He said changes in labour laws have been envisaged by recognizing the changes global scenario and for meeting future work requirements.

Key Highlights

- While initiating discussion on the three bills – Code on Industrial Relation, Social Security, and Occupational Safety and Health (OSH), the labour minister said industries and workers are two sides of the same coin and the three bills have tried to balance their rights.
- Opposition political parties including Congress, which had opposed the bills last week when it was introduced, had walked out of the lower House and did not participate in the discussion.
- In the Industrial Relation Code, the government has allowed companies having up to 300 workers to fire people or close units without prior approval of the government. And

companies having more than 300 workers need to apply for approval, but if authorities do not respond to their request then it will be deemed approved.

- Besides, the IR Code introduces more conditions restricting the rights of workers to strike. As per the code, 60 days strike notice and during the pendency of proceedings before a Tribunal or National Industrial Tribunal, 60 days after the conclusion of such proceedings workers can-not go on a legal strike. Strike conditions have been applied to all industries. Currently it's between two weeks and six weeks. It also discourages flash strikes.
- The three codes will also allow states to roll on labour reforms and empower them to exempt any company or companies from complying with one or more labour laws. A move that industries believe will boost investment.
- But some experts and labor economists said the blanket exemptions to industries through various provisions will lead to social and economic unrest and take away both job security and wage security.
- Gangwar, however, said that fixed term workers and regular workers will enjoy equal benefits. He said in the Social security Code talks about universalizing social security by bringing informal workers, gig and platform workers under its ambit.
- He said companies having less than 20 workers can voluntarily join EPFO to get social security benefits and internal workers will be free to voluntarily join employee state insurance schemes for getting healthcare benefits.
- The code also talks about platform companies employing gig and making provision of one to two percent of their profits for social security needs of their workers.

SOURCE: *Livemint*