

Ministry of Labour & Employment

Three Labour Codes passed by both House of the Parliament

September 23, 2020

Relevant to HR team of All Mahindra Businesses

Background

- These bills would safeguard the interest of workers and provide universal social security to workers by expanding the ambit of Employees' Provident Fund Organisation and Employees' State Corporation of India
- There would be a social security fund to cover around 40 crore unorganised sector workers. Commenting on the Social Security Code, the minister said, Employee Provident Fund Organisation benefits can now be availed by all firms with 20 or more employees as the existing Schedule defining establishments has been done away with
- According to the Indian Staffing Federation, the larger impact of these legislations will be easier, faster and compliant management of the workforce in India in coming years

Industrial Relations Code Bill 2020

- With the Industrial Relations Code Bill, the government has sought to amend the definition of 'strike' to bring 'mass casual leave' under its ambit. Under the IR code, if over 50 per cent of a company's workers take concerted casual leave, it will be treated as a strike
- More importantly though, the code also seeks to restrict the rights of workers to strike. As per its reading, a worker cannot go on strike without providing, at least, a 60-day notice, and not while proceedings before a Tribunal or a National Industrial Tribunal are taking place
- Following the conclusion of these proceedings, workers are disallowed from going on strike for a period of 60 days. The code has been expanded to cover all industrial establishments

- The IR code also allows companies with up to 300 workers to fire workers without having to gain government approval. Currently, only industrial establishments with under 100 workers are allowed to do so
- It also raises the threshold for the requirement of a standing order to 300 workers. Industrial establishments with 300 or fewer workers will no longer be required to furnish a standing order

The Social Security Bill, 2020

- The Social Security Code proposes the creation of a National Social Security Board which will take on the responsibility of formulating suitable schemes for unorganised workers, gig workers and platform workers
- It also brings these sections of workers under the ambit of social security schemes that include life and disability insurance, provident funds, health and maternity benefits and skill upgradation
- The code also proposes the formation of a social security fund to provide social security sums to the three classes of workers.

The Occupational Safety Code Bill, 2020

- Under the Occupational Safety Code, women employees will be permitted to work at night, subject to certain conditions that relate to safety, holidays, working hours, and their consent. Moreover, it also seeks to subsume the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 along with 13 other Acts
- The code defines a migrant worker as someone who has come from his/her own state to seek employment in another state, and who earns up to Rs 18,000 per month
- The proposed definition is an expansion of the current definition, adding those workers who are directly employed to those contractually employed
- It also seeks to withdraw the previous provision for temporary accommodation for workers at or near their worksites. But it proposes a journey allowance to be paid by the employer that enables a worker to travel between his native place and the site of employment

For Further Study

1. <https://pib.gov.in/PressReleasePage.aspx?PRID=1658197>
2. <https://www.timesnownews.com/india/article/lok-sabha-passes-three-labour-code-bills-what-do-they-mean-for-indias-employers-and-workers/656759>
3. <https://economictimes.indiatimes.com/news/economy/policy/rajya-sabha-passes-labour-bills-making-it-easier-for-employers-to-hire-and-fire-workers/articleshow/78271875.cms>
4. <https://currentaffairs.gktoday.in/three-bills-in-lok-sabha-for-labour-sector-reforms-092020342556.html>
5. <https://currentaffairs.gktoday.in/union-cabinet-approves-amendment-to-three-labour-codes-092020341890.html>