

## **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**