

# Centre eyes smooth passage of three labour codes in Parliament

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- **The codes will offer flexibility to firms in hiring and also increase the threshold for layoffs by three times.**
- **Codes are centred on occupational safety and health, industrial relations, and social security.**

The Union government is looking for a smooth passage of the three labour codes which will be tabled in the monsoon session of Parliament, beginning Monday. The codes on industrial relations (IR), occupational safety and health (OSH), and social security will allow industries to adopt flexible options in hiring, and help bring new sunrise sector employees, including platform and gig workers under the social security net. The codes are likely to be passed quickly, and will open the doors for states to manoeuvre them as per their needs, two government officials said requesting anonymity.

While Code on Wages was passed by the Parliament in 2019, the government have not finalized the detailed rules including a national mandatory wage floor yet, halting its implementation.

"The push for such codes has three messages—an unfinished agenda will be finished to improve ease of doing business, the current session of the Parliament is likely to see less resistance due to limited attendance amid the pandemic and, third, states' labour reforms can take off thereafter," said the first government official.

"The codes have been vetted by the parliamentary standing committee on labour, and have been freshly approved by the Union cabinet last week, but the details are in a wrap till they are tabled in the Parliament," a second official said, adding that while the initial plan was to push the IR and OSH codes, the Centre recently decided to go for all three before the labour secretary retires next month.

The codes will offer flexibility to firms in hiring, based on demand elasticity, help increase fixed-term employment, allow factories with up to 300 employees to close units or departments, and sack workers without prior government nod, increasing the threshold for layoffs by three times. In April, the standing committee had advised the government to make this relaxation explicit in the IR Code bill and not leave it open-ended during the rule-making process through executive orders. However, the IR code is unlikely to make it explicit in the Act and leave it to the states to tinker around if they wished to, the second official added. "Whether explicit or implicit, the move once passed will be seen as a big reform in the labour sector."

However, the IR code and its provisions will be seen by trade unions and employees as a promotion of contract work and a move that will have implications on job and social security of employees.

This may also invite criticism from civil society and workers, as the last five months have recorded 21 million job losses due to the pandemic. According to Centre for Monitoring Indian Economy, salaried jobs were down from 86 million in FY20 to 65 million in August. However, a labour ministry spokesperson said there was no official information on it.

The first official said, while the IR Code will boost ease of doing business, industrial production and employment generation, the social security code will benefit the gig economy. However, the official

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did not say whether the code will ensure universal social security for all in a country where 90% of the labour force is self-employed or in low-paid informal jobs. The official also did not say whether the government is allocating a certain fund to offer the proposed disability and old age protection, or education and housing benefit for informal workers.

“For the government, workers and jobs are not part of its larger policy-making process. The talk and action on labour welfare are not matching. There are enough indications that the labour codes are for the business community and for ease of doing business,” said Amarjeet Kaur, general secretary, All India Trade Union Congress. “The sweeping changes that Uttar Pradesh, Gujarat, Madhya Pradesh and a few others are pursuing will get a boost at the cost of labour welfare and curb trade union movement for collective bargaining.”