

Business Standard

Delhi board recommends direct contract hiring of workers

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The Delhi government has something good to offer for contractual workers: an advisory board on Thursday recommended direct work contract with workers who are currently hired through outsourcing agencies. This will result in benefits directly reaching the workers rather than through outsourcing agencies.

The Delhi Contract Labour Advisory Board in its fifth meeting chaired by Labour Minister Gopal Rai found that the present system of outsourcing leads to non-payment of full provident fund (PF) to the contract staff and also funds' outgo to agencies as charges and taxes.

"Workers deployed through various outsourcing agencies will be hired directly and their wages and entitlement under various labour laws will be compiled with by the department itself," Rai said.

"To ensure effective supervision, management and compliance, the board has also proposed appointment of a labour welfare officer by various departments. This will relieve officers putting in extra work," he said.

The switch will result in savings for the government in respect of monthly agency charges being paid to contractors by departments and also GST on bills.

The step will also streamline the process of releasing wages and payments made in EPF and ESI.

Based on the recommendations of the Board, the Labour Department will finalise the modalities. A note will then be placed before the Cabinet for its consideration.

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