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Centre to resume discussions on labour law reforms

• SPECIAL CORRESPONDENT



Bandaru Dattatreya. File photo: Sushil Kumar Verma

A group of central ministers led by Finance Minister Arun Jaitley will meet on Thursday to discuss the proposed labour code on wages and the Small Factories Bill, barely two weeks after trade unions led a nationwide strike to express opposition to proposed labour reforms.

“The group of ministers will meet on Thursday to discuss the proposed code on wages,” Labour Minister Bandaru Dattatreya said here on the sidelines of an event organised by Federation of Indian Chambers of Commerce and Industry (Ficci). “When we had sent the proposed amendments to the Cabinet, it had referred the labour code to the group of ministers. After reviewing the proposals, we will send it to the Cabinet soon,” the minister said. Mr. Dattatreya said the code on wages will be taken up for discussion in the winter session of Parliament to be held later this year.

The central trade unions went on a one-day nationwide strike on September 2 to press for their charter of demands that include higher minimum wages, pensions, social security for unorganised workers, and to oppose labour reforms.

“The nationwide strike had nothing to do with the labour reforms,” Mr. Dattatreya said. “Labour reforms are an ongoing process and State governments are also coming forward and we cannot stop them.”

The proposed labour code on wages empowers the Centre to fix a minimum wage applicable across all sectors in all states. At present, while the Centre can fix a minimum wage level only for central public sector units, States can fix their own minimum wage for workers in private factories. The draft code, which combines four Central laws – the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976, also streamlines the definition of wages.

The Small Factories Bill has been proposed as a separate set of labour laws for factories with less than 40 workers.

Mr. Dattatreya also said the Industrial Relations Bill, which makes it easier for companies to retrench workers, has been sent to the Union Cabinet for its consideration. It will allow companies with staff of 300 to retrench workers without government permission, up from the present requirement of up to 100 workers.

Apart from Mr. Jaitley and Mr. Dattatreya, other members of the ministerial panel include Union Petroleum Minister Dharmendra Pradhan, Union Power Minister Piyush Goyal and Minister of State for Prime Minister’s Office Jitendra Singh.
