

Industrial Relations Code Bill-2019

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Source: *PIB & Economic Times*

Recently the Labour Minister introduced the Labour Code on Industrial Relations, 2019 bill in the Lok Sabha.

The bill aims to streamline industrial relations and help India improve on the ease of doing business index.

Background:

The draft code on Industrial Relations has been prepared after amalgamating, simplifying and rationalizing the relevant provisions of following three Central Labour Acts:

1. The Trade Unions Act, 1926
2. The Industrial Employment (Standing Orders) Act, 1946
3. The Industrial Disputes Act, 1947

As part of labour reform initiatives, the labour ministry has decided to amalgamate 44 labour laws into four codes—on wages, industrial relations, social security and safety, health and working conditions.

The industrial relations code is the third of four labour codes that have got approval from the Cabinet.

Key features of the bill

- **Termination of service:** Under the code, termination of service of a worker on completion of tenure in fixed-term employment will not be considered as retrenchment.
- **Statutory benefits:** The bill also says that **fixed-term employees will get all statutory benefits** like social security, wages, etc. at par with the regular employees

who are doing work of same or similar nature.

- Under the proposed code **the ministry has amended the definition of “strike” to bring “mass casual leave” within its ambit** while suggesting that a union will be recognised only if it has support of 75 per cent or more workers. Besides, the requirement of a **notice period of 14 days** has been incorporated for strikes and lockouts in any establishment.
- The Code has **retained the employee threshold at 100**, it has given powers to the government to reduce or increase the threshold through notification.
- **Flexibility with respect to threshold: Flexibility has been provided to reduce or increase the threshold by the appropriate government, for the purpose of seeking permission before closure, retrenchment and lay-off.**
- **Varied threshold in some states:** States like Andhra Pradesh, Assam, Haryana, Jharkhand, Madhya Pradesh, Rajasthan, Uttarakhand and Uttar Pradesh, where the threshold has been enhanced from 100 to 300 by state amendments, have been protected in the Code.
- **Re-Skilling fund: The Code also proposes setting up of a “re-skilling fund” for training of retrenched employees. The retrenched employee would be paid 15 days’ wages from the fund within 45 days of retrenchment.**
- **Contribution from Industrial establishment:** An industrial establishment will have to contribute an amount equal to 15 days’ wages or such other days as may be notified by the central government, to this fund for every worker retrenched.

Significance:

- The labour ministry is of the view that the proposed amendments will make it easier for an employer to engage/disengage workers based on requirement.
- On the other hand, it is also being ensured that the retrenched worker is provided an opportunity of

acquiring new skills through the re-skilling fund to enhance employability.

- The ease of compliance of labour laws will promote setting up of more enterprises, thus catalysing the creation of employment opportunities in the country