

Recommendations of Parliamentary Panel on Labor

August 3, 2020

The parliamentary panel on labour has batted for universal social protection for unorganized sector workers and has proposed a blueprint for the Centre to include gig-economy workers, while **acknowledging rapid changes in the labour market.**

Recommendations of the Panel

- There should be a **framework of a model composite scheme to bring about greater uniformity among states.** This should include issues and concerns of education, health, social security, and old age and disability pension, which are necessary for living a life of dignity.
- A **social security fund for unorganized sector workers** and others should be set up and clearly defined in the Bill stipulating contributions from the employees, employers, central government, state governments. For better focus and efficiency, the social security fund for the unorganized sector should be spent on the important categories of social protection, hospitalization, health insurance, life insurance, and old age pension.
- The panel took note of the recent migration of workers against the backdrop of the lockdown to contain the spread of coronavirus and said there was a **need for a national level database for all unorganized sector workers and the schemes they are registered in, to ensure that in case of migration from one state to another, the benefits are extended to them.**
- Stress has been laid on definitions of certain terms, as the committee felt that the **definition of gig workers needs to be more specific and that of platform workers**

needs to be expanded.

- The **time limit for payment of gratuity to an employee after termination** of employment should be reduced from the current five years of continuous service to just one year.
- The parliamentary panel came down heavily on states for **under-utilisation and misuse of the Building and Construction Workers Welfare Fund**. The latest audit findings on underutilisation of BOCW funds by as many as 24 states and misutilisation of such funds by one state is a matter of serious concern as the states are sitting on thousands of crores of rupees collected towards the welfare of construction workers, even as labourers have been left to fend for themselves amid the prolonged lockdown period arising out of the Covid-19 pandemic.

[The Building and Construction Workers Welfare Fund is raised by levying a cess of 1% of the construction cost. It is part of the Building and Other Construction Workers (BOCW) Act, 1996, which regulates employment and working conditions of construction workers and also provides for their safety and welfare measures].

The Code on Social Security, 2019 was introduced in the Lok Sabha last December, but concerns were raised over some key provisions, which led to the Bill being sent to a standing committee. The Code **replaces nine laws related to social security and is focused to 'amend and consolidate the laws relating to social security** of the employees' and related issues.