

Bill No. 36 of 2020

THE LABOUR (WELFARE AND REHABILITATION) BILL, 2020

By

SHRI SHYAM SINGH YADAV, M.P.

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BILL

to constitute a Labour Welfare and Rehabilitation Authority to look into the dynamic trends in the labour market, provide for schemes to give interest free loans to workers unemployed for certain periods, issue guidelines for social sector schemes including universal basic income for all working in private and public sector, provide for wages during non-work time for seasonally employed workers, provide for hardship bonus for plantation workers, formulate schemes for rehabilitation of workers of closed industries and for all matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventy-first Year of the Republic of India as follows:—

- 1.** (1) This Act may be called the Labour (Welfare and Rehabilitation) Act, 2020.
(2) It extends to the whole of India.
5 (3) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

Short title,
extent and
commencement.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "Annual Report" means a report giving the details of developmental activities taken up over the year by the Authority and detailing about targets set and achieved;

(b) "appropriate Government" means in the case of a State or a Union territory having legislature, the concerned State Government or the Union territory Government, as the case may be, and in all other cases, the Central Government;

(c) "Authority" means the Labour Welfare and Rehabilitation Authority constituted under section 3; 5

(d) "health certificate" means a document signed by a competent health authority providing proof that person is healthy and competent to work; and

(e) "prescribed" means prescribed by the rules made under this Act.

Constitution
of Labour
Welfare and
Rehabilitation
Authority.

3. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be constituted, for the purposes of this Act, an Authority to be known as the Labour Welfare and Rehabilitation Authority. 10

(2) The Authority shall consist of—

(a) the Union Minister of Ministry of Labour and Employment—*ex officio* Chairperson;

(b) the Secretaries of the Union Ministries of Labour and Employment, Heavy Industries and Statistics and Programme Implementation—*ex officio* Members; 15

(c) the Director General V.V. Giri National Labour Institute—*ex officio* Member;

(d) the Director, Central Board for Workers Education, Union Ministry of Labour and Employment—*ex officio* Member; and 20

(e) the Director, Directorate General of Employment, Union Ministry of Labour and Employment—*ex officio* Member.

(3) The Central Government shall appoint such number of officers and staff as it considers necessary for the efficient functioning of the Authority.

(4) the salary and allowances payable to and other terms of conditions of services of officers and staff of the Authority shall be such, as may be prescribed, from time to time. 25

(5) the head office of the Authority shall be at New Delhi and the Authority may establish offices at other places in the country as it may deem necessary for carrying out the purposes of this Act.

Meetings of
the Authority.

4. (1) The Authority shall meet at such interval and place and shall determine its own procedure in regard to transaction of business at its meetings as may be prescribed. 30

(2) The expenditure incurred to attend meetings by the Members referred to in sub-clauses (a) to (e) of section 3 shall be borne by their concerned controlling authorities.

Functions of
the Authority.

5. (1) The Authority shall discharge such functions as it may deem necessary to ensure welfare and rehabilitation of workers in the country and formulate a comprehensive policy within one year of its constitution for carrying out the purposes of the Act. 35

(2) Without prejudice to the provisions contained in sub-section (1), the Authority shall perform the following functions:—

(a) to undertake a baseline study to collect comprehensive data about the existing minimum working standards in all industries and necessary data on the labour industry which shall be completed within one year of setting up of the Authority; 40

(b) to formulate a scheme for giving interest free loans for workers who are unemployed upto a certain period till they get employment;

(c) to recommend to the appropriate Government to formulate social security schemes including a universal basic income for all workers in private and public enterprises; 45

(d) to formulate scheme for providing wages all through the year for those employed seasonally;

(e) to study and recommend schemes including hardships bonus for workers in the plantation sector and other heavy industry sector;

5 (f) to study existing safety guidelines for workers and formulate a comprehensive set of common guidelines for workers keeping in line with international standards;

(g) to undertake organisation of labour fairs and labour awards region-wise and sector-wise for creating greater awareness on importance of a high quality labour force;

10 (h) to create an establishment to maintain data of workers of closed sick industries and to formulate schemes for the welfare of such workers;

(i) to undertake, promote and publish studies relating to the importance of labour safety standards and welfare; and

15 (j) to undertake such other activities as may be prescribed by the Central Government.

(3) The Authority shall disseminate the necessary knowledge and information collected, to the respective department of the Central Government and the State Governments.

20 **6.** (1) The Authority shall prepare once every year in such form and at such time as may be prescribed, an Annual Report giving the summary of its activities including schemes it has undertaken and recommended to the Government during the previous year and it shall contain statements of Annual Accounts of the Authority. Annual Report and its laying before Parliament.

(2) A copy of the Annual Report shall be forwarded to the Central Government, and the Central Government shall cause the Annual Report to be laid as soon as may be after it is received, before each House of Parliament.

25 **7. The Central Government shall, from time to time, after due appropriation made by Parliament by law in this behalf, provide requisite funds for carrying out the purposes of this Act.** Central Government to provide funds.

30 **8.** If any difficulty arises in giving effect to the provisions of this Act, the Central Government in consultation with the State Governments, may make such order or give such direction, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for the removal of any difficulty. Power to remove difficulty.

Provided that no such orders shall be made after the expiry of the period of three years from the date of commencement of this Act.

35 **9.** (1) The appropriate Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act. Power to make rules.

40 (2) Every rule made under this Act by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

45 (3) Every rule made by the State Government under this Act shall be laid, as soon as may be after it is made, before the State Legislature.

STATEMENT OF OBJECTS AND REASONS

India is being termed as the next big economic powerhouse and recently we surpassed China to become the fastest growing economy in the world. The challenge that we as a country face though is to ensure better labour market conditions to couple with this high growth rate. Vast majority of workers in our country still work in the informal sector. Though there has been a shift of workforce from agriculture to the manufacturing sector, still majority of the workforce are out of the social security net provided by existing legislations.

Data shows that between 2004-05 and 2011-12, the share of workers in unorganised sector fell from 86% to 82%. At the same time though, the informal workers in the organised sector (contract and other forms of casual labour) increased. These workers do not have access to proper social security. As of 2011-12, 79% of the non-agricultural wage workers had no written contract. Unemployment rates among skilled workforce is also high. Favourable policy needs to be put in place to capitalise on the demographic dividend of the country and to keep up with the changing trends in the labour market.

This Bill aims at creating a Labour Welfare and Rehabilitation Authority, to study the dynamic trends in the labour market and provide inputs for actionable schemes. The Authority shall formulate a scheme to give interest free loans for those unemployed upto a certain period until they get a job. This Authority will issue guidelines for a social security scheme applicable to all private and Government workers. The scheme shall include a minimum basic income. Those who have seasonal employment will be given the same wages for the other months when they don't have work. The Authority will also make a study of plantation workers and other heavy factory workers and provide for a scheme to give hardships bonuses for labourers in these sectors. This will also include framing uniform safety guidelines relating to working conditions in these sectors. It will also be responsible for conducting labour fairs and also constitute labour awards sector-wise to enthuse the worker community. A body to rehabilitate workers from closed or sick industries will be formed by this Authority.

The economic growth is sustainable only as long as the quality of the labour force is maintained. A well-nourished labour market is the fuel which drives this growth engine. Since, a large number of workers are not covered within the ambit of existing laws, this Bill provides for the necessary safety net. By providing for these measures, it will be the much needed antidote required for a faster and more inclusive growth within the country.

Hence this Bill.

NEW DELHI;
January 16, 2020.

SHYAM SINGH YADAV

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for constitution of the Labour Welfare and Rehabilitation Authority. It also provides for appointment of officers and staff for efficient functioning of the Authority. Clause 7 makes it obligatory for the Central Government to provide requisite funds for carrying out the purposes of this Bill. The Bill, therefore, if enacted, will involve recurring expenditure of three thousand crore rupees per annum from the Consolidated Fund of India.

A non-recurring expenditure to the tune of rupees one hundred crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 9 of the Bill empowers the appropriate Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of details only, the delegation of legislative power is of normal character.

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