

Bill No. XXXIII of 2023

THE PARTICIPATION OF WORKERS IN MANAGEMENT
BILL, 2023

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to ensure the participation of workers in the management of all industrial establishments in the country and for matters connected therewith or incidental thereto.

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

1. (1) This Act may be called the Participation of Workers in Management Act, 2023. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. (1) In this Act, unless the context otherwise requires,— Definitions.

(a) “Board of Directors” means the collective body of the directors of an industrial establishment;

(b) “prescribed” means prescribed by rules made under this Act;

(c) “representatives of registered trade union(s)” means representatives of the trade union(s) registered under the Industrial Relations Code, 2020.

(2) The words and expressions used but not defined in this Act and defined in the Industrial Relations Code, 2020, as the case may be, shall be deemed to have the meanings respectively as assigned to them in that Code. 35 of 2020.

Participation of workers in the management of industrial establishments.

3. (1) Notwithstanding anything contained in any other law for the time being in force, the Board of Directors of every industrial establishment shall include at least two representatives of the registered trade union(s) of that establishment to ensure the participation of workers in the management of the establishment. 5

(2) The representatives of the registered trade union(s) in the Board of Directors of the industrial establishment, shall be elected from amongst the workers of that industrial establishment, by secret ballot, in such manner as may be prescribed. 10

(3) It shall be mandatory, for such elected representatives of the registered trade union(s), to be present in every meeting of the Board of Directors.

(4) In every industrial establishment, the elected representatives of the registered trade union(s) shall enjoy equal rights and privileges as enjoyed by the other members of the Board of Directors. 15

(5) Any decision that directly or indirectly affects the interest of the workers of an industrial establishment shall be implemented only after discussing the same with the elected representatives of the registered trade union(s) on the Board of Directors.

Power to remove difficulties.

4. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may make such order or give such directions, not inconsistent with the provisions of this Act, as may appear to be necessary or expedient for removing the difficulty: 20

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

Act to have an overriding effect.

5. The provisions of this Act and rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force. 25

Power to make rules.

6. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) Every rule made under this Act 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 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. 30 35

STATEMENT OF OBJECTS AND REASONS

Article 43A of the Constitution of India, under the Directive Principles of State Policy, states that 'the State shall take steps, by suitable legislation or in any other way, to secure the participation of workers in the management of undertakings, establishments or other organisations engaged in any industry'. This article was inserted by the Constitution (Forty-second Amendment) Act, 1976. The High-powered Expert Committee on Companies and the Monopolistic and Restrictive Trade Practices Act, 1969 headed by Justice Rajinder Sachar of the Delhi High Court also made certain recommendations about provisions to be made for workers' participation in the management of companies.

According to the International Labour Organization, workers' participation in management implies the participation of workers and their representatives in the decision-making process, ranging from exchange of information, consultations, decisions and negotiations. Besides, it also implies the representation of workers in institutionalized forms such as the presence of workers on the board of management.

The workers' participation in management can certainly improve the conditions of workers and industrial relations. In effect, workers' participation in the board of directors can end the era of industrial bonded labour as rightly envisaged by Justice V.R.Krishna Iyer. It reflects the spirit of industrial democracy. It is envisioned that the management of the industrial establishment should not be left entirely in the hands of suppliers of capital, but the workers should also be entitled to participate in it. The workers are the real producers of wealth. Collective decision-making at the apex level can also ensure less industrial conflict. Therefore, equal partnership in the management of industrial establishments is critically important.

Hence the Bill.

SANDOSH KUMAR P.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 6 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

RAJYA SABHA

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to ensure the participation of workers in the management of all industrial establishments in the country and for matters connected therewith or incidental thereto.

(Shri Sandosh Kumar P., M.P.)