

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:2489

ANSWERED ON:09.05.2016

Revamp of Labour Laws

Adsul Shri Anandrao ;Chavan Shri Ashok Shankarrao;Galla Shri Jayadev;Gopal Dr. K.;Jayavardhan Dr. Jayakumar;Nagar Shri Rodmal;Ramachandran Shri Krishnan Narayanasamy;Raut Shri Vinayak Bhaurao;S.R. Shri Vijay Kumar;Shinde Dr. Shrikant Eknath;Shrirang Shri Chandu Barne;Vanaroja Smt. R.;Venugopal Dr. Ponnusamy

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government has revamped/proposes to revamp the Labour Laws including Factories Act, 1948 and if so, the details and the current status thereof;
- (b) whether the Government has held discussion with various stakeholders in this regard;
- (c) if so, the details and the outcome thereof; and
- (d) whether the Government proposes to double the wage ceiling to calculate bonus and proceed towards the Universal Wage System and if so, the details thereof?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a): Reforms in labour laws are an ongoing process to update legislative system to address the need of the hour and to make them more effective and contemporary to the emerging economic and

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industrial scenario. The Second National Commission on Labour has recommended that the existing Labour Laws should be broadly grouped into four or five Labour Codes on functional basis. Accordingly, the Ministry has taken steps for drafting four Labour Codes on Wages; Industrial Relations; Social Security & Welfare; and Safety and Working Conditions respectively, by simplifying, amalgamating and rationalizing the relevant provisions of the existing Central Labour Laws. Similarly, the Ministry has taken steps to draft Small Factories Bill, regulating the working and service condition in the small manufacturing units employing less than 40 workers. Ministry has also taken steps for amendment of individual Labour legislations including the Factories Act, 1948. All these proposals are at various stages of consideration.

(b) & (c): The process of Legislative reforms includes consultation with stakeholders including Central Trade Unions, Employers' Association and State Governments in the form of tripartite consultation. During recent months, several such tripartite meetings have been held for considering suggestions on various legislative reform proposals where the representatives of the stakeholders participated and gave their suggestions. The suggestions received on the legislative proposals are considered by the Government appropriately.

(d): The Government has carried out amendments in the Payment of Bonus Act 1965 and the calculation ceiling of Bonus has been increased from Rs. 3500 per mensem to Rs. 7000/- per mensem or the minimum wage for the scheduled employment, as fixed by the appropriate Government whichever is higher. With regards to Universal Wages System, the provisions of the Code on Wages Bill are still under consideration.
