

SPEECH OF THE
MINISTER FOR LABOUR & EMPLOYMENT
GOVERNMENT OF ANDHRA PRADESH

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I deem it a privilege to address this august body and to share few of my thoughts with this elite gathering.

As all of us know, one of the Components of the Common Minimum Programme of the UPA Government is to provide for Social Security and Welfare of Workers especially those in the Unorganised Sector. The Prime Minister's Office has listed the Operationalisation of such Schemes in their Six Months Agenda set by them for the Government. I am extremely happy that 37 Crores of Unorganised Workers constituting about 92% have become the core issue of the Agenda of this 40th Session of the Indian Labour Conference. We all have to be fair enough to admit that their Social Security aspect has not been given enough attention, if not neglected, all along. This is the time we finalise the matters and swing into action to operationalise our thoughts into actions as set by the Prime Minister's Office.

Before dwelling on the core subject of this Session i.e., social security for unorganized workers; I would like to throw light on the reforms initiated by the Andhra Pradesh Government in the area of Labour Laws. We are the first State to amend the Contract Labour (Regulation & Abolition) Act, 1972 identifying the activities as core and non-core activities and permitting engagement of contract labour only in core activities. We have delegated the powers of the Labour Department Officers to the Development Commissioners of Special

Economic Zones and Export Processing Zones as they will have a "feel" of the real situation in case of labour problems and solve the problems in an amicable and justifiable manner. We have relaxed the curbs on women employment during late hours in the Andhra Pradesh Shops & Establishments Act, 1988 and permitted working upto 10.30 PM subject to certain conditions. We have also simplified the returns under various labour laws like Minimum Wages Act, Gratuity Act, and National & Festival Holidays Act. We have allowed self-certification facility for IT establishments and declared 100% Export Oriented Units as Public Utility Services. A Bill is under way in the current ongoing session of the Legislature Assembly to do away with the six months period of declaration of Public Utility Services and renewing thereafter for every six months. This will facilitate declaration of an Industry as a Public Utility Service for a specified period like three years. We are in the process of amending Trade Unions Act, to restrict outside leadership.

The Government of Andhra Pradesh is, for quite some time, working very seriously on the Social Security and Welfare of Unorganised Workers and prepared a Draft Bill. Confronted with Three Bills on the same subject, we made an in depth analysis of all the Bills vis-à-vis our State Draft Bill and presenting now our views to the Ministry of Labour.

Briefly stated, we concur with the Bill proposed by the National Commission on Enterprises in Unorganised Sector for two reasons. One, it is our considered opinion that the Central Government should be a Policy Body and create a National Fund and the State Governments should be Implementing Agencies.

Secondly, there shall be a provision for sector-specific Cess or Tax, like Cess on Motor Vehicles Tax for Schemes intended for Transport Workers right from Rikshaw Pullers to Truck Drivers including Self employed, to supplement the Contributions of Workers.

Moreover, we have few suggestions to make. Firstly, the Two Bills proposed by National Commission on Enterprises in Unorganised Sector should be codified into one; and secondly there shall be Fifth element under National Minimum Social Security providing for some Sustenance Allowance for a very limited period in case the unorganized worker is forced to be out of employment due to circumstances beyond his control, like Fire Accidents, Tsunami etc.,

Similarly, though it may appear attractive to say that the worker's contribution should be Rupee One per day, in practice it is very difficulty to collect and to account for. Further, the contributions of workers, employers and the State Government may be permitted to be received and accounted for by the State Governments themselves and the National Board may direct the State Government or the State Board, whatever it is, to pay the proportionate amount of premium etc., towards National Minimum Social Security Benefits. This will put the things straight and result in operational convenience.

The two key contents of the Second Bill proposed by the National Commission on Enterprises in Unorganised Sector, viz., Conditions of Work and the Protection and Promotion of Livelihood of Self-employed Persons may straight-away be incorporated in the

Schemes framed under the First Bill. This is more suitable and relevant for the Service Conditions of Unorganised Workers depending upon their nature of employment and sector of employment. The second part is the Government's responsibility in the nature of Guiding Principles and hence can better be a part of the Scheme.

It gives me immense pleasure to note that the time has come for Major Review of the Minimum Wages Act by this august body after 57 years of its enactment. It is one of the Acts our State Government is giving lot of thrust, for it provides the much required solace to the cash starved unorganized workers and on the other hand empowers our Machinery to put in their soul and heart as they are the Inspectors, Prosecutors and Adjudicators. At our State Level we are contemplating a serious review of the Functioning of the Act to make it more beneficial to the workers, more realistic and feasible for the Employers, and attaching more accountability to the Inspectorate. Our effort is more on operational details.

Coming to the Amendments proposed to the Wages Laws now, we broadly agree with the proposals while making a few suggestions to make the Law more comprehensive and useful to the workers. One suggestion is that "All other Employments" shall be added as an "Employment" under Part I (Non Agriculture) and Part II (Agriculture) so that wages can be fixed and implemented. Secondly, it is the experience of the Inspectorate that most of the Employers do not show the names of the recently joined workers in the Wage Registers on the pretext that they are Trainees. Hence, the Minimum Wage fixation may be restricted to Two Categories viz.,

Workers and the Apprentices (Other than those covered by Apprenticeship Act, 1961). Thirdly, basing on a decision of the Andhra Pradesh High Court, our Officers functioning as Authorities under Section 20 started imposing a Condition that the Claim Amount shall be deposited as a Condition Precedent for Restoration of Petitions where Exparte Orders are given. This reduces the burden of the Recovery of Awarded amounts, which is a very difficult process in practice. Similarly, to hasten the Recovery Process, we may make it mandatory to launch Prosecution under Section 22-B 1(a) if the Awarded amount under Section 20 is not deposited by the Employer within 30 days and may also provide for more rigorous punishment.

Before taking leave of you, I would like to reiterate that ensuring payment of Minimum Wages to Unorganised Workers should be the first priority and equally important is the delivery of Minimum Social Security and Welfare measures to them. I urge upon all of you to contribute your views, deliberate on the issues in these two days and finalise the Road Map for finalization of the Unorganised Workers Social Security Bill by making it as an Act of Parliament, setting a time bound action plan. I profusely thank one and all for this great opportunity.