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## **Main Recommendations of the National Commission on Labour**

### **SECOND NATIONAL COMMISSION ON LABOUR**

#### **The Report of the Second Indian National Labour Commission-2002: - - An Overview**

*The first National Labour Commission 1929, had promised lot in the direction of social security, social welfare, wages, social insurance, industrial relations, industrial adjudication, collective bargaining etc.,. In sequel to the recommendations made in the report of the first national commission on labour series of labour enactments were passed.*

After the gap of almost 72 years the **Second National Labour Commission** has been constituted and submitted its report in the year 2002 to the Government of India.

#### **Recommendations**

#### **Main Recommendations of the National Commission on Labour**

1. We recommend that the Central Government and the State Government should have a uniform policy on holidays, only 3 national holidays be gazetted - namely Independence Day, Republic Day and Gandhi Jayanti Day, two more days may be added to be determined by each State according to its own tradition and apart from these each person must be allowed to avail of 10 restricted holidays in the year, Government holidays should be delinked from holidays under the Negotiable Instruments Act.
2. Flexibility in the hours of work per week and compensation for overtime.
3. Attempt to change the basis of tenure in all jobs (permanent as well as non-permanent) to contractual and for stipulated periods, involves a basic change in attitude and notion. If transforming the basis of all employment is a social necessity because it has become economic necessity for industrial and commercial enterprises, then, it is equally necessary to create social acceptability for the change and the social institutions that can take care of the consequences.
4. The commission recommends that government may laid down list of highly paid jobs who are presently deemed as workman category as being outside the purview of the laws relating to workman and included in the proposed law for protection of non-workmen. Another

alternative is that the Govt. fix a cut off limit of remuneration which is substantially high enough, in the present context such as Rs.25,000/- p.m. beyond which employee will not be treated as ordinary "workman".

6. Existing set of labour laws should be broadly grouped into four or five groups of laws pertaining to:

i) Industrial relations

ii) Wages

iii) Social security

iv) Safety

v) Welfare and working conditions and so on

7. It is necessary to provide minimum level of protection to managerial and other (excluded) employees too against unfair dismissal or removal. This has to be through adjudication by labour court or Labour Relations Commission or arbitration.

8. Central laws relating to the subject of labour relations are currently the ID Act, 1947, The TU Act, 1926, Industrial Employment (SO) Act, 1946, Sales Promotion Employees (Conditions of Service) Act, 1976. There is State level legislation too on the subject. We recommend that the provisions of all these laws be judiciously consolidated into a single law called "The Labour Management Relations Law" or "Law on Labour Management Relations".

10. Commission has recommended to the withdrawal of essential services maintenance Act

11. The Commission has suggested to identify a bargaining agent on the basis of check-off system, with 66% entitling the Union to be accepted as a single negotiating agent and if no union has 66% support, then Unions that have the support of more than 25% should be given proportionate representation on the college.

12. Check-off system in an establishment employing 300 or more workers must be made compulsory for members of all registered trade unions.

13. Commission also recommended that recognition once granted, should be valid for a period of 4 years to be co-terminus with the period of settlement. No claim by any other Trade Union / Federation / Center for recognition should be entertain till at least 4 years have elapsed from the date of earlier recognition.

15. Every establishment shall establish a grievance redressal committee consisting of equal number of workers and employers representatives. The said committee is the body to which all grievance of a worker in respect of his employment will be referred for decision within a given time frame.

18. The commission has recommended for maintenance of panel of arbitrators by the LRC concern, to settle the disputes.

19. The matters pertaining to individual workers, be it termination of employment or transfer or any other matter be determined by recourse to the Grievance Redressal Committee, conciliation and arbitration / adjudication by the Labour Court. Accordingly, Sec.2 a of the ID Act may be amended.

20. The system of legal aid to workers and trade unions from Public Fund be worked out to ensure that workers and their organisations are not unduly handicapped as a result of their inability to hire legal counsel.

21. Strike should be called only by the recognised negotiating agent and that too only after it had conducted a strike ballot among all the workers, of whom at least 51% of support the strike.

22. Workers participation in management - the legislative teeth should be provided.

23. The Commission urges that these recommendations are taken up as a whole and not in a piece-meal manner that may destroy the context of inter-relation and holistic approach.

24. The provisions in respect of small establishments can be in the form of a separate law name Small Enterprises (Employment Relations Act) or be included in the general law as a separate chapter to ensure that the interest of the workers are fully protected, even while lessening burden on the management and providing them with vigilance in exercising managerial functions.

26. The Commission would recommend that no worker should be kept continuously as a Casual or temporary worker against a permanent job for more than 2 years.

27. The Commission recommends that every employer must pay each worker his one-month's wage, as bonus before an appropriate festival, be it Diwali or Onam or Puja or Ramzan or Christmas. Any demand for bonus in excess of this upto a maximum of 20% of the wages will be subject to negotiation. The Commission also recommend that the present system of two wage ceilings for reckoning entitlement and for calculation of bonus should be suitably enhanced to Rs.7500/- and Rs.3500/- for entitlement and calculation respectively.

28. There should be a national minimum wage that the Central Government may notify. This minimum must be revised from time to time. It should, in addition, have a component of dearness allowance to be declared six monthly linked to the consumer price index and the minimum wage may be revised once in five years. The Commission also recommends the abolition of the present system of notifying scheduled employments and of fixing/revising the minimum rates of wages periodically for each scheduled employment, since it feels that all workers in all employments should have the benefit of a minimum wage.

29. There is no need for any wage board, statutory or otherwise, for fixing wage rates for workers in any industry.

30. The Commission recommended enactment of a general law relating to hours of work, leave and working conditions, at the work place. For ensuring safety at the work place and in different activities, one omnibus law may be enacted, providing for different rules and regulations on safety applicable to different activities.

32. The National Employment Service has to be strengthened to help efficient utilisation of manpower and particularly critical skills required for planned economic growth. The national character of the service should be fostered and strengthened for this purpose.

33. Provision of gainful employment to physically handicapped/disabled persons should form part of an enlightened social policy. To the extent possible, employers should accept it as a matter of industrial ethics to rehabilitate persons disabled because of industrial accidents. Rehabilitation Homes for the physically handicapped should be provided jointly by employers and Government.

34. A solution to the problem of "sons of the soil" has to be sought in terms of the primacy of common citizenship, geographic mobility and economic feasibility of locating industrial units on the one hand and local aspirations on the other.

35. Young persons from families whose lands are acquired for industrial use should be provided training opportunities for employments likely to be created in new units set up on these lands.

36. The steps recommended above should apply equally to recruitment in the private sector, though the mechanism to regulate recruitment in the private sector will necessarily differ from that in the public sector.

37. (a) The Training and Employment Organisations in the State should be under the State Labour Department, (b) There should be uniform minimum qualifications and comparable enhancement prospects for instructional staff and uniform vocational standards of training in all States, (c) A sustained publicity of the programmes and achievements of the employment and training services should be organised in order to convey their full importance to employers/ trainees and the public.

39. The main burden of training of workers should necessarily fall upon industry. The States should supplement rather than supplant the activities of employers in this matter. It should step in only in such fields and areas where employers cannot undertake training programmes. The State Apprenticeship Adviser should be appointed as the Authority for registering the training schemes organised by employers.

40. Introduction of new machines renders traditional skills obsolete and possibly creates shortages in new ones. Facilities should be provided by the plant authority for retraining of employees. A system of granting study leave to a worker to equip himself for senior levels of responsibility should be introduced; this will facilitate internal promotion and make for better industrial relations.

41. Induction will add to the satisfaction of a new worker if relevant facts about his place of work, management and its policies are communicated to him through the management itself.

42. (a) Where promotions are not based on known standards, the management should evolve a promotion policy in consultation with the recognised union where it exists, (b) As a general rule, particularly among the operative and clerical categories in the lower rungs, seniority should be the basis for promotion. In respect of middle-management, technical, supervisory and administrative personnel, seniority-cum-merit should be the criterion. For higher managerial, technical and administrative positions, merit alone should be the guiding factor.

43. (a) The present scheme of workers' education, like any other scheme, is not altogether perfect and there is need for improving and strengthening it. (b) The programme for production of literature by the Central Board of Workers' Education should be not only intensified but improved. (c) As an aid to the workers' education programme the Government should undertake an extensive adult literacy programme for eradicating illiteracy among workers.

44. (a) The Central Board of Worker's Education should, as early as possible, allow the programme of workers' education to be formulated and implemented by trade unions, For this purpose, current procedures and rules for giving aid to unions for workers' education should be simplified and adapted to the structure and needs of unions consistent with accountability of public funds, (c) Employers should cooperate with unions by giving workers such facilities as are made available by them for the programme under the Board.

45. National trade union centres should draw up a suitable programme for union officials and union organisers in collaboration with universities and research institutions. It should cover practical field work and education in the fundamentals of trade unionism, industrial relations, labour laws and evolution of the country's economy. The Government should encourage universities to provide extension courses for the benefit of union leaders and organisers.

46. (a) The Board of Governors of the Central Board of Workers' Education should be presided over by a nominee of the trade unions. The Director of the Scheme should also be a trade union nominee, (b) The Central Board should have on it a representative of the public sector; in granting this representation, the present arrangement by which the largest single representation on the Board is ensured for workers should not be disturbed, (c) Subject to the changes in the constitution and functions of the Board as proposed, the Board should be put on a continuing basis in respect of its tenure.

49. The workers should be compensated for loss of wages suffered by them during closures of mines on account of violation of safety standards.

50. A fully qualified Safety Officer should be appointed at each port. The Dock Workers' (Safety, Health and Welfare) Scheme, 1961 and the Indian Dock Labourers' Regulations, 1948 should be merged into one enactment covering all workers.

52. (a) The current requirements of the economy do not permit immediate reduction in working hours. As conditions improve, working hours should be brought down to 40 a week but in two stages; in the first they "should be brought down to 45. (b) Working hours during the night shift should be reduced. A credit of ten minutes should be given for each hour of

work in the night shift. Six hours' work should thus entitle a worker to extra payment for one hour. (c) It is not necessary to relax restrictions on the duration or nature of overtime work.

53. The Plantations Labour Act, 1951 should be amended to reduce the prescribed hours of work from 54 to 48

54. The Railway Administration should examine once in five years all cases of classification of railway servants under the Hours of Employment Rules in Railways.

55. Uniformity in the number of paid national and festival holidays is desirable. Every employee should be allowed in a calendar year 3 national and 5 festival holidays.

56. The penal provisions should be made stringent so that their deterrent effect is felt. Serious offences should be made cognizable.

57. The concept of labour welfare is dynamic; its content will be different from region to region even within a country.

58. Contract labour should be entitled to use the welfare facilities which are meant for direct workers under the existing legislation. The standard of facilities for direct workers should not suffer on this account.

59. Inspection of welfare aspects of the law does not require any technical knowledge or engineering qualifications. This can be best handled with the assistance of the recognised union or with the help of a works committee where it operates.

60. The welfare officer has to be a maintenance engineer on the human side; he does not have job satisfaction at present, since welfare is not accorded adequate importance in an industrial unit. His presence is treated more as a statutory requirement to be tolerated. The officer should not be made to handle, on behalf of management, disputes between management and workers.