

6. Industrial Relations Code Bill, 2019

Prelims level: Economics - Industries

Mains level: GS-II Government Policies and Interventions for development in Various Sectors and issues arising out of their design and Implementation.

Context:

- The Industrial Relations Code Bill, 2019 bill has been recently introduced in the Lok Sabha.

Background:

- As a part of its ease of doing business initiative, the government has decided subsuming a total of 44 labour laws into four codes — on wages, social security, industrial safety and welfare and industrial relations.
- The Four codes of Labour laws are as:
 1. Code on Wages Bill
 2. Code of Occupational, Safety, Health and Working Conditions Bill, 2019
 3. Code on Industrial Relations
 4. Code on Social Security
- As part of its commitment to simplify and consolidate labour rules and laws under four codes, the Union Cabinet has already cleared the Occupational, Safety, Health and Working Conditions Code and the Code on Wages Bill.

About the Industrial Relations Code Bill, 2019:

- The Industrial Relations Code proposes to amalgamate the following laws into a single code:
 1. The Trade Unions Act, 1926
 2. The Industrial Employment (Standing Orders) Act, 1946
 3. and The Industrial Disputes Act, 1947.
- It is the **Third out of Four Labour Codes** that have got approval from the cabinet.

Key Features of the Bill:

- Seeks to allow companies to hire workers on fixed-term contract of any duration.
- Has retained the threshold on the worker count at 100 for prior government approval before retrenchment, but it has a provision for changing 'such number of employees' through notification.

- Provides setting up of a two-member tribunal (in place of one member) wherein important cases will be adjudicated jointly and the rest by a single member, resulting speedier disposal of cases.
- Has vested powers with the government officers for adjudication of disputes involving penalty as fines.
- Introduces a feature of 'recognition of negotiating union' under which a trade union will be recognized as sole 'negotiating union' if it has the support of 75% or more of the workers on the rolls of an establishment.
- As several trade unions are active in companies, it will be tough for any one group to manage 75% support, hence taking away their negotiating rights. In such a case, a negotiating council will be constituted for negotiation.
- Underlines that fixed-term employees will get all statutory benefits on a par with the regular employees who are doing work of the same or similar nature.
- Under the code, termination of service of a worker on completion of tenure in a fixed-term employment will not be considered as retrenchment.
- Proposes setting up of a "re-skilling fund" for training of retrenched employees. The retrenched employee would be paid 15 days' wages from the fund within 45 days of retrenchment.

