

Overview

Under the Constitution of India, labour is a subject on the concurrent list where both the Union and the State governments are competent to enact legislation subject to certain matters being reserved for the Union. The Industrial Disputes Act, 1947 was enacted in April 1947 to provide for the investigation and settlement of industrial disputes. Most of the States have adopted the Central Act by engrafting amendments to suit their local conditions. Both the Union and the State governments have created organizations for the enforcement of the Act, namely the Central Industrial Relations Machinery (CIRM) and the State Industrial Relations Machinery (SIRM). The Contract Labour (Regulation and Abolition) Act and the Contract Labour (Regulation and Abolition) Rules, 1971 were enacted with the objective of preventing the exploitation of contract labour, to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. These Acts are also implemented by the CIRM and the SIRM.

Performance audit of the implementation of the Industrial Disputes Act in the four metros revealed that the functioning of works committees (WC) which were envisaged as a means to settle disputes between the employer and the employee without any third party intervention was not monitored effectively either by the CIRM or the SIRM. In several cases, WCs were not formed by eligible units. There was no system of collecting data regarding the number of disputes settled by WCs and the workers who benefited out of it.

Out of 5578 disputes handled by the CIRM during the period 2001-06, only 852 (15 *per cent*) were settled in conciliation. Out of the test checked sample of 1101, only 9 *per cent* of the cases were disposed within the prescribed time period of 14 days. Approval of Chief Labour Commissioner was not taken for extension of conciliation proceedings and there was undue delay in referring cases for adjudication. In the case of SIRM, out of 64159 cases handled during the period 2001-06, only 10556 cases could be settled in conciliation. Out of the test checked sample of 6043 cases, most of the cases were not disposed within the prescribed time limit. Delays in submission of Failure of Conciliation (FOC) reports were noticed in both Central and State spheres.

The mechanisms of Board of conciliation, investigation and arbitration were not activated during the period 2001-06.

Union Government constitutes Central Government Industrial Tribunal cum Labour Courts (CGITs) for the adjudication of industrial disputes in the central sphere whereas the National Tribunals (NTs) are constituted for the adjudication of industrial disputes which involve question of national importance. In the central sphere, out of 7454 cases taken up for adjudication by two NTs and six CGITs during 2001-06, only 4286 were disposed. In the state sphere, out of 86245 cases taken up by 34 labour courts and 20 industrial tribunals, only 52374 were disposed after considerable delay. Delay in publication of awards in the official gazette were observed in the state sphere in Chennai and Delhi. Delays in disposal and failure to monitor implementation of awards were noticed in both Central and State spheres in all the four metros.

Performance audit of implementation of the Contract Labour (Regulation and Abolition) Act, 1970 showed that there was no mechanism in place for *suo moto* identification of establishments/contractors employing contract labour. In the Central sphere no survey was conducted to identify establishments/contractors engaging contract labour. In the state sphere, the situation was similar in Chennai, Delhi and Kolkata. In Mumbai, data was available but it was not being updated periodically. Shortfall in conducting inspection was noticed in the central sphere in Kolkata. In the state sphere, in Mumbai and Delhi, there was no uniformity in the number of inspections conducted. Shortages of inspecting staff were observed in the central sphere in Kolkata and in Delhi in the state sphere. In the Ministry of Labour, there were delays in referring of proposals to the concerned administrative Ministries for the prosecution of government officials who had violated the Act. There were delays in filing cases in courts. In the state sphere, State Advisory Contract Labour Boards were not effective in Delhi, Kolkata and Mumbai. In the central sphere, monitoring of contractors and registered establishments was not done to ensure that all the contractors and registered establishments submit their annual and half-yearly returns. In the state sphere, such non-monitoring was observed in Chennai.