



Labour & Employment

- Department of Labour & Delhi Labour Welfare Board
- Department of Employment & Department of Manpower and Employment
- Change in Shop Timings: Impact & Success

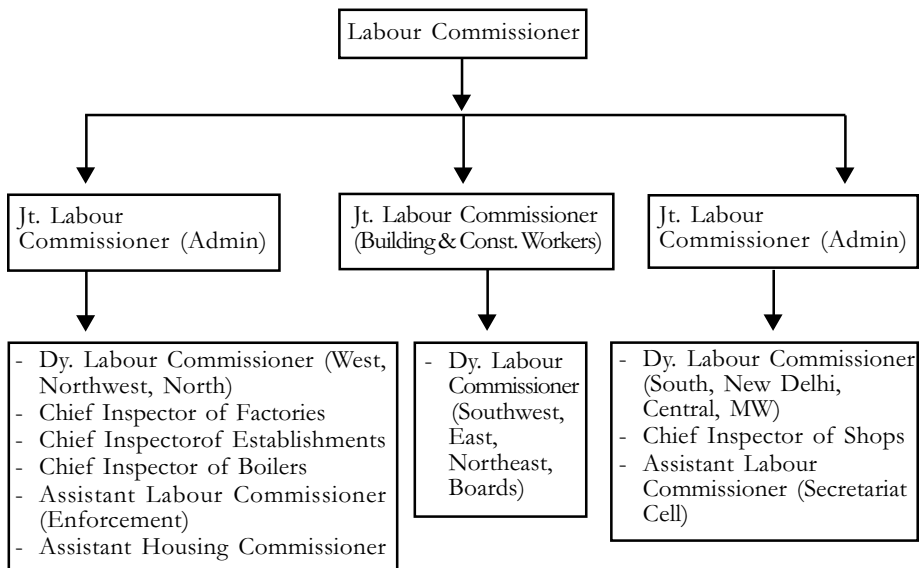
Department Of Labour

Prior to 1961, the Department of Labour performed under the purview of the Industries Department. During the Second Five-Year Plan, the government decided to give priority to technological development and industrial growth, resulting in many industrial estates and companies. Consequently, to deal with industrial disputes and their settlement as well as to cater to the needs of labourers, the Delhi Government established the Labour Department. It is expected to ensure effective monitoring, keep a check on industrial disputes, bring them to speedy settlement, promote trade union activities, ensure welfare of workers and enforce labour laws under various Acts on a high priority basis. In 1995, the present set-up of functioning through nine administrative districts was introduced to make the administration responsive and efficient.

Organisational Structure

The organisational set-up of the Department is described in Figure 1.

Figure 1: Organisational Structure of the Labour Department



Several labour officers, inspectors, welfare officers and other administrative officers support the Deputy and the Assistant Labour Commissioners. The Department includes 3 industrial tribunals and 10 labour courts. The Department also runs 8 labour welfare centres across the city and 4 holiday homes in different parts of India for the benefit of industrial workers and their families. Table 1 summarises information on employees working in the Department.

Table 1: Information on Employees of the Department

Year	Sanctioned Posts	Vacant Posts	Working Posts
2001	509	101	408
2002	504	103	401
2004	518	165	353

Source: Government of NCT Delhi. 2001, 2002, 2004. Census of Employees of Government of Delhi & Autonomous Bodies. Directorate of Economics & Statistics

Functions and Responsibilities

The main functions assigned to the Department are:

- Enforcement of various labour laws
- Conciliation of disputes between workers and management
- Registration to various trade unions as per the Trade Unions Act, 1926
- Referring disputes to labour courts & industrial tribunals for adjudication
- Welfare-related activities through welfare boards and departmental machinery by implementing provisions laid down under labour legislations
- Labour research and training
- Labour and employment statistics
- E-governance

Acts and Laws

The Labour Department supervises the effective implementation of more than 20 rules and Acts pertaining to labour and industrial issues. Some of the main Rules and Acts are as follows:¹

- Delhi Shops and Establishment Acts, 1954
- The Building and Other Construction Workers Welfare Cess Act, 1996; Delhi Building & Other Construction Workers' (Regulation

- of Employment & Condition of Service) Rules, 2002
- The Delhi Labour Welfare Fund Rules, 1997
- The Delhi Contract Labour (Regulation & Abolition) Rules, 1972
- Minimum Wages (Delhi) Rules, 1951
- Payment of Gratuity (Delhi) Rules, 1972
- Delhi Trade Unions Regulations, 1927
- Inter State Migration Workers Rules
- Delhi Factory Rules, 1950
- Delhi Boilers Rules, 1950
- Delhi Lift Rules, 1942
- Delhi Cinematograph Rules, 2002
- Regulation for Licensing & Controlling Places of Amusement and Performance for Public Amusement, 1980

Administrative Procedures

The Department has been organised on a territorial basis into nine districts. A Deputy Labour Commissioner assisted by Assistant Labour Commissioners and Labour Officers head each district. The conciliation machinery and other inspectorates at the grassroot level enforce the functional powers of the Department. Industrial disputes are settled under the Industrial Disputes Act, 1947 through conciliation procedures, failing which the matter is referred to the adjudication machinery. The rights of workers are protected by enforcement of various provisions of labour laws.

One of the other important Acts is the Factories Act, 1948. It aims to inspect factories for investigation of complaints, serious/ fatal accidents as well as suo moto inspections to check compliance with provisions of this Act relating to health, safety, welfare activities, working hours, employment of young persons and annual leave with wages. Enforcement of this legislation is carried out on a district-wise basis by District Inspectors of Factories. After inspection, improvement notices are issued to defaulting managements and in case of non-compliance, legal action is taken against them. Inspectorates of Factories, Inspectorates of Boilers and Electrical Inspectorates enforce the laws relating to safety in industries. The field staffs of these Inspectorates carry out periodical inspections and issue improvement notices in accordance with statutory provisions.

Settlement of disputes happens in two phases: first through the conciliation process administered by conciliation officers, and if the case is not settled, in industrial tribunals or labour courts. Table 2 gives the total number of conciliation cases that were instituted, disposed of and pending over the years 1997-2001.

Table 2: Status of Conciliation Cases (1997-2001)

Year	Cases Instituted	Disposal			Total	Pending
		Settled	Closed	Failure		
1997	11,525	653	2,248	4,949	7,850	3,625
1998	11,974	1011	2,286	6,561	9,858	2,116
1999	11,321	973	2,096	6,186	9,255	2,066
2000	11,534	942	2,047	6,193	9,182	2,352
2001	10,644	983	1,656	4,778	7,417	3,227

Source: Government of NCT Delhi. 2001. *Labour Statistics 2001, Planning & Statistics Cell, Department of Labour.*

Evidently, the conciliation process has not been effective in resolving disputes, and many cases are referred to tribunals and labour courts. Table 3 gives information on the institutions, disposal and pending cases in Industrial Tribunals/ Labour Courts.

Table 3: Status of Cases in Industrial Tribunals and Labour Courts (1997-2001)

Year	Institution of cases	Disposal	Pending Cases at the end of year
1997	7,955	4,092	42,880
1998	7,794	13,591	37,083
1999	6,675	13,169	30,589
2000	5,845	7,971	28,463
2001	7,075	7,623	27,915

Source: Government of NCT Delhi. 2001. *Labour Statistics 2001, Planning & Statistics Cell, Department of Labour.*

It is interesting to see that in 1997, lesser cases were disposed of than instituted. However, the trend reversed after that year and the cases disposed of are far more than instituted cases. This is due to the huge number of pending cases each year that gets carried over to the next year. The number of pending cases has gone down over the years, but the pace is very slow and needs a major overhaul. Expenditure on industrial courts and tribunals, however, has only increased over the years. Table 4 shows the expenditure on them over the years.

Table 4: Estimate and Expenditure on Industrial Courts and Tribunals (Rs in lac)

Year	Budget Estimate	Expenditure
2000-01	36	23
2001-02	32	22
2002-03	27	35
2003-04	52	49
2004-05	27	
2005-06	84	

Source: Government of NCT Delhi. Data abstracted from the Detailed Demand for grants for the years of 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06

One of the other significant functions of the Department is fixation of minimum wage rates in certain employment. The Minimum Wages Act, 1948 governs it. Delhi Government has already notified rates of minimum wages in 29 scheduled employments. All inspectors in the Department enforce the Act in their respective territorial jurisdictions under the administrative control of the respective Labour Officer/ Assistant Labour Commissioners/ Deputy Labour Commissioners. They take action on complaints received from workmen/ unions. What is most interesting is that Delhi has one of the highest minimum wage rates in the country today.² Table 5 details the current minimum wages in Delhi.

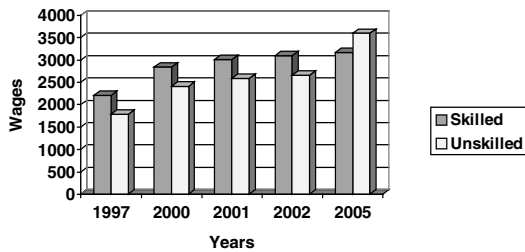
Table 5: Rates of Minimum Wages Applicable in Delhi (Rs.)

Category	Rates as on February 2005	Dearness Allowance	Rates from August 2005	
			Per Month	Per Day
Unskilled	3,045	121	3,166	122
Semi Skilled	3,211	121	3,332	128
Skilled	3,469	121	3,590	138

Source: Government of NCT Delhi. Order No. F.12(142)/04/MW/Lab/238. Department of Labour

If a worker gets less payment, he/she can also file a claim before the Competent Authority, in this case, the Deputy Labour Commissioner of each district appointed under the Act. The authority can impose penalty up to 10 times the difference in minimum wages that was due and paid. This kind of punitive measure is important in the wake of wage differential between skilled and unskilled workers and the exploitative tendency of employers. Figure 2 details differences between wages of skilled and unskilled workers over the years.

Figure 2: Wage Differential of a Skilled and an Unskilled Worker



Source: Government of NCT Delhi. 2001. Labour Statistics 2001, Planning & Statistical Cell. Department of Labour

Budgetary Allocations and Expenditure

The Labour Department executes nine schemes as approved for the Tenth Five Year Plan and Annual Plan 2004-05. The schemes and the financial allocations for the financial years are stated in Table 6.

Table 6: Plans and Schemes for the Tenth Five Year Plan and 2004-05 (Rs in lac)

Name of the Scheme	TFYP Approved Outlay	Exp. 2002-03	Exp. 2003-04	Annual Plans		
				Approved Outlay 2004-05	Revised Outlay 2004-05	Approved Outlay 2005-06
Strengthening & Re-organisation of Labour Department.	150.00	25.92	24.25	55.00	45.00	50.00
Safety Awards	25.00	1.56		5.00	--	--
Study Tours for Industrial Workers				1.00	--	--
Setting up Holiday Homes for Industrial Workers			3.04	20.00	35.00	30.00
Creation of E.D.P Cell training, education & skill development of the children of workers employed in Organised & Unorganised sectors	50.00	9.24	4.23 0.94	20.00 3.00	20.00 2.00	20.00 5.00
Implementation of Bombay Labour Welfare Fund Act	200.00	28.00	28.00	35.00	35.00	40.00
Construction /renovation of new office complex & renovation of Labour Welfare Centres	150.00	27.23	29.25	20.00	15.00	15.00
Rehabilitation of Child Labour	10.00	0.38		11.00	11.00	15.00
Training & Research in labour relations	5.00	1.91	0.11	5.00	1.00	5.00
Setting up Information & Publicity Cell	5.00	11.54	4.98	10.00	10.00	10.00
Scheme for Social Security for workers in informal and unorganised sector	5.00	0.86		5.00		
TOTAL	600.00	104.64	94.80	190.00	174.00	190.00

Source: Assistant Director, Planning. Department of Labour

TFYP: Tenth Five Year Plan, Exp.- Expenditure

Even though the amount that has been approved to the Department has not been spent, that does not discourage it from asking for more funds from the Government. The non-Plan budget estimate has constantly increased over the years as evident from data in Table 7.

Table 7: Grants Demanded for the Period 2000-2006 (Rs in lac)

<i>Year</i>	<i>Budget Estimate</i>	<i>Revised Budget Estimate</i>	<i>Actual Expenditure</i>
2000-01	684	504	476
2001-02	665	529	486
2002-03	614	624	607
2003-04	743	605	557
2004-05	753	736	—
2005-06	797	—	—

Source: Government of NCT Delhi. Data abstracted from the Detailed Demand for grants for the years of 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06

Two schemes concerning safety awards and study tours for industrial workers have been dropped in current financial year 2005-06.

Evaluation of Plans and Schemes

- Strengthening and Reorganisation of the Labour Department**
According to the Labour Department, the workload has increased manifold over the years due to a large number of new shops, establishments and factories in Delhi. It is therefore considered necessary to reorganise and strengthen it by increasing manpower and infrastructure. The budget allocation of Rs 50 lac for the scheme in 2005-06 is the highest of all allocations. The Department proposes to increase its manpower strength by 507³ employees in the Tenth Five Year Plan.
- Implementation of Bombay Labour Welfare Fund Act, 1953 (As Extended To Delhi) Grant-in-aid to Delhi Labour Welfare Board**
All factories, shops and commercial establishment employing five or more workers are covered under the scheme and thus it proposes to cover approximately 4.5 lac workers. This scheme received Rs 40 lac as grant for the financial year 2005-06. The activity of the Board is to develop welfare programmes for workers. The main

expenditure is on rent for hired buildings, equipment, books, periodicals, and salary of the staff carrying out different activities of the Labour Welfare Centres. However, after analysing its schemes, it is evident that the Board is not functioning properly both in terms of administration and implementation of schemes. Also, the Board relies heavily on grants from the Delhi Government.

- **Holiday Homes for Industrial Workers**

The Labour Department runs Holiday Homes at Haridwar, Allahabad, Mussorie and Shimla for the benefit of industrial workers, government and semi-govt staff and officers of the Delhi Government. Retired employees and other categories of employees can stay in these holiday homes along with their families and groups at subsidised rates like Rs 25 per day per room for industrial workers, Rs 50 per day per room for employees working in industrial establishments, shops, factories. This is a continuing scheme. At present, the holiday homes at Mussorie and Haridwar are functioning from rented buildings. The landlord does not take interest in the maintenance of the buildings. Administration and management is a big problem here and according to the evaluation by Planning Department, these homes are not serving any purpose and thus, should be closed down. Despite these problems and recommendations, the Department in the current year 2005-06 has approved a sum of Rs 30 lac for furnishing these homes and proposes to open more homes in Amritsar, Katra, Panaji (Goa), Hyderabad, Bangalore, Jaipur, Puri, Kolkata, Assam, Chennai and Trivandrum.

- **Rehabilitation Of Child Labour**

The Child Labour (Prohibition and Regulation) Act, 1986 prohibits employment of children below the age of 14 years in bidi-making, carpet-weaving, cement manufacture, mica cutting and splitting, wool cleaning, building and construction industry and tanning. The inspectorate staff of the Department conducts inspections for such purposes which includes identification of child labour, provision of vocational education, payment of stipend to children,

arrangement of accommodation and educational facilities through NGOs and helps children to be self-employed. This is one of the most important schemes of the Department, but it gets a meagre amount of only Rs 15 lac.

Problems and Drawbacks

The Department gets funds from the government for its plans and schemes. Most of the funds are not spent properly and more than half of the amount is not utilised for schemes and returned to the government. Funds allocation in the Department is also very skewed. The main schemes that serve the purpose of Department like training and development of children of workers in organised and unorganised sector, provision of vocational training get much lesser funds than those that just require 'strengthening' of the Department or opening an EDP cell.

Labour law cases extend anywhere from one to five years, so when labourers are not able to retain lawyers, they have to drop the case. According to the labourers, officials have a nexus with owners of factories and instead of solving the labourers' problems they take bribes from the owners of factories and force workers to drop the case. The Labour Welfare Centres call workers to solve the disputes, but when date is given, it is often moved forward and no work is done on several occasions.

The child labour situation in Delhi is very grim. In 1986, a law was enacted to prohibit child labour and certain industries were classified as hazardous. Employment of children, even under the pretext of family work, was banned. This meant no one could employ children in these industries by declaring them to be sons, daughters, brothers and sisters. But, according to Secretary of South Asian Coalition on Child Servitude, Kailash Satyarthi, the factory owners insist during the raids that the child workers are his kith and kin and are learning the family business. While it is difficult to believe they employ their own relatives in jobs branded as hazardous, the children endorse their statement out of fear.⁴ Laws need amendment as without them even the Department would not be effective.

Reforms

Labour laws should be rationalised with abolition of the redundant ones. This would also indirectly decrease the cases that are instituted for labour law violations. The Department should provide labourers with lawyers to fight cases. In the long run, wherever possible, employers should get their employees accident insurance so that employers do not have to discharge the functions of the insurance companies of verifying the claims. If employees cannot pay the premium, then the Department can provide subsidies by paying the premium in a pre-decided ratio.

The Department should have more active association with the Delhi Legal Service Authority so that more and more labourers get speedy and fair judgement. Faster redressal mechanism for speedy disposal of cases is the prime concern. More local courts should be established and the concept of Lok Adalats should be expanded more to solve labour problems. Allocation of funds should be done on the basis of the relevance of the schemes and whether the schemes are able to achieve the purpose for which the Department was formed. There should be more concentration of funds on schemes of vocational training, social security and settlement of court cases regarding labour law violations.

Schemes run by the Department that involve imparting training to the unskilled workers can be outsourced. A voucher model can be introduced in such a case where people who register for these training programs can be given money and they can enrol in any other private institutes that impart training. It is only in areas where private initiative does not exist that Labour Welfare Centres should come into the picture.

Delhi Labour Welfare Board

The Delhi Government formed the Delhi Labour Welfare Board in accordance with the Bombay Labour Welfare Fund Act, 1953 as extended to Delhi. It was constituted as an autonomous body in 2002, through a grant-in-aid by the Department of Labour for improvement of the social and economic conditions of labourers and providing them with self-employment courses. The newly constituted Delhi Labour

Welfare Board was initiated for speedy and prompt implementation of labour welfare schemes based on Bhagidari principles, which would benefit 20 lac families of the working class employed in various establishment and factories all over Delhi.

The Board should have 11 nominated members including the Labour Commissioner. However as per the information provided by the Welfare Commissioner, the Board has not been constituted yet and the organisation is working without the Board. Administrative officers execute the general administration and welfare officers supervise the 8 labour welfare centres.

Section 3 of the Act statutorily provides for the composition of a Fund for the financing of activities to promote welfare of labour in the state. According to the Act, the Fund consists of all fines realised from employees, unpaid accumulations, voluntary donations, penal interest and any contributions paid, sum borrowed and loan, grant-in-aid or subsidy paid by the government. Contributions made by employees, employers and the Government form the Labour Fund. The Act empowers the Board to defray expenditure on the following facilities:

- Community and social education centres including reading rooms and libraries
- Community necessities
- Games and sports
- Excursions, tours and holiday homes
- Entertainment and other forms of recreation
- Home industries and subsidiary occupations for women and unemployed persons
- Corporate activities of social nature
- Such other objects as would in the opinion of the Administrator improve the standard of living and ameliorate the social conditions of the labour

However, despite various attempts to obtain the Annual Report for the past years that the Board has been functioning, the Board did not furnish the reports. The pretext given by officials was that reports were not prepared as the Board effectively started functioning only in 2004. The state of ambiguity and reluctance to furnish information when the

whole country is cheering the commencement of right to information is astounding.

Projects and Schemes

The Board envisaged improving the living conditions and economic status of workers and their families and had initially implemented schemes like setting up a Shramik Blood Bank, launching mobile labour welfare van and setting up of free legal aid and welfare centres in Delhi. Some of the major schemes are discussed below.

- **Labour Welfare Centres**

The labour Department operates eight labour welfare centres located at Karampura, Dalit Basti at Reading Road, Kamla Nagar, Giri Nagar, Vishwakarma Nagar, Wazirpur, Pandav Nagar and Nimri Colony. However, out of these eight centres, only four of them are functional, namely, Badli, Karampura, Ashok Vihar, Hari Nagar. The confusion was deepened when the Welfare Commissioner of the Board officially stated that only 2 of the labour welfare centres are managed by the Board. The Labour Department has demanded money from the Delhi Government for construction of new office complexes that include Labour Welfare Centres and the renovation of existing buildings of the Department. Approved outlay in the Tenth Five Year Plan is Rs 150 lac, and annual approved outlays are Rs 20 lac for all years since 2002. Table 8 summarises the expenditures of these welfare centres.

Table 8: Budget Estimates and Expenditure of the Welfare Centres (Rs in lac)

Year	Budget Estimate	Actual Expenditure
2000-01	30	26
2001-02	31	26
2002-03	30	27
2003-04	32	21
2004-05	30	–
2005-06	27	–

Source: Government of NCT Delhi. Data abstracted from the Detailed Demand for grants for the years of 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06

- **Self-help Employment Courses**

The Delhi Government has substituted the Employment Generation Program with numerous Self-help Employment Courses run by the Board. Initially, 49 courses for unskilled labourers were proposed. However, the Board runs only 22 courses, out of which 17 are short-term and 5 long-term. These self-employment courses are run at Welfare Centres equipped with a library by a coordinator and 3-4 trainers. The coordinators are officials from different departments who supervise these centres and the trainers are hired part-time according to the nature of the course. The duration of the course ranges from a week to three months. Workers have to buy a form costing Rs 10 and enrol themselves. The fee charged by the Board for these courses ranges from Rs 50 to Rs 1,000.

- **Labour Welfare Schemes**

The Board runs various schemes as approved in the Tenth Five Year Plan under the Bhagidari initiative of the Delhi Government. Some of them are listed below:

1. It runs mobile crèches, establishes early child-care for children aged 3-6 years, maternal and child healthcare services and schools.
2. It sets up vocational training centres, income generation programmes, forms self-help groups, social security and group insurance schemes for long-term benefit of organised and unorganised workers and their families.
3. It launches general awareness programmes about educational courses, safety of industrial workers and labour laws, communicable diseases, gender sensitisation, training and legal awareness programmes, social justice and human rights, evils of alcoholism, drug abuse.
4. The welfare centres also gives stipends to deserving students enrolled in courses run by Welfare Centres. This is a welfare measure and students from economically weaker section attend these classes. The number of students who got stipends till the year 2001 was 782. The target for the scheme is 1,000 for the

Tenth Five Year Plan and the annual target is 200. According to the Annual Plan 2004-05, the number of students who got stipends for the year 2002-03 was 215 that exceeded the plan target.

Financial Allocations and Expenditures

Financial allocation under the Tenth Five Year Plan for the Board is Rs 200 lac. The Board's main expenditure is rent for buildings, equipment, books, periodicals and games material and the salary of staff to run the centres. Expenditure on salary is adjusted in the account of the Welfare Board. The budget estimates and actual expenditure of the Board over the years is detailed in Table 9.

**Table 9: Budget Estimates and Expenditure of Grants to te Board
(Rs in lac)**

Year	Budget Estimate	Actual Expenditure
2000-01	11	—
2001-02	5	0.76
2002-03	28	28
2003-04	28	22
2004-05	35	—
2005-06	40	—

Source: Government of NCT Delhi. Data abstracted from the Detailed Demand for grants for the years of 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06

Achievements and Drawbacks

The Board has been instrumental in training 10,000 unemployed people through self-help employment programmes, out of whom 6,000 are gainfully employed. In their one and half years of existence, they are collecting contributions from 4 lac workers in Delhi and have collected unpaid dues amounting to Rs 18 lac. Despite various achievements, it is felt that most of the schemes formulated are not reaching the sections for whom they are meant. Money is not being utilised efficiently, and is exhausted in various projects that are unproductive and have been going on for years.

The Board has not been constituted yet and there is no

chairperson who oversees its functioning. The Welfare Commissioner is responsible for administration and implementation of the scheme. Employees working there have been diverted from different departments like health, education and labour. In such a case, lack of accountable employees becomes a significant problem in implementing schemes. Most scheme do not have adequate funds and those scheme that do have funds are unable to use them efficiently. Improper maintenance of accounts and ignorance about most schemes run by the Board also add to the poor performance.

Suggestions

The Board is run like an autonomous body where it is responsible for helping worker class through its self-help employment schemes and labour welfare centres. Despite such huge expenses every year, they are not able to do their work efficiently in expanding their beneficiaries. What can be done instead is introduction of training vouchers. These vouchers can be given to people who register for these programmes and they can redeem the vouchers by enrolling themselves with any of the private training institutes already registered with the Board. In this way, the Board will act as a facilitator rather than run the courses themselves. This will decrease the costs incurred and will ensure more efficient competent services.

—Chandni, Sweety Tehlani, Raja Sirohi and Amit Bharadwaj

Notes

- ¹ Government of NCT Delhi. 2001. *Labour Statistics 2001, Planning & Statistical Cell*. Department of Labour
- ² Mazumdar, Indrani. *Unorganised Workers of Delhi and the Seven Day Strike of 1988*. Available at <http://www.indialabourarchives.org/publications/Indrani%20Mazumdar.htm>. Accessed on 12 October 2005.
- ³ Government of NCT Delhi. 2005. *Annual Plan 2005-06*. Department of Labour
- ⁴ http://www.freeindiamedia.com/child_labour/12_may-03_child_labour.htm. Accessed on 15 September 2005

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