

States push labour reforms amid delay in notifying codes

Amend Rules To Woo Investors And Create Jobs

Sidhartha@timesofindia.com

New Delhi: As the long-awaited labour codes remain pending for official notification, several states have proactively amended their labour regulations to align with key industry demands — part of a broader strategy to position themselves as investment-friendly destinations.

At least 19 states and UTs have increased the retrenchment threshold from 100 to 300 without govt approval — a demand that industry has been making for two decades. An equal number of states and UTs have also doubled the threshold for workers for applicability of Factories Act to 20 (for units with power)

ALLOW WOMEN IN NIGHT SHIFTS

11 states, Union territories raise quarterly overtime limit to 125 hours

19 states raise the threshold of retrenchment

without govt's approval from 100 to 300 workers

25 allow fixed-term employment

31 permit women to work in night shifts



and 40 (for those without power). Ditto for Contract Labour Act, where the threshold for number of workers for applicability of the law has been raised from 20 to 50.

While several of the amendments may be limited to NDA-governed states, 31 have gone ahead with the change when it comes to allowing women to work night shifts. All states and UTs have notified reforms related to compliance notice before prosecution. This indicates that irrespective of party line, there are some issues on which economics trumps po-

litics as state leadership scouts for investments, especially in the manufacturing sector, to create jobs.

Similarly, fixed-term employment has been permitted in 25 states, enabling easier hiring to deal with seasonal requirements. In fact, after amending the regulations, states such as Madhya Pradesh have introduced safeguards to prevent misuse of the provisions, following some complaints. Twenty-five states have also moved ahead and allowed for compounding of offences.

Besides, sources told **TOI**

that close to two dozen states and UTs are considering mandating issue of notice for strikes and lockouts across industrial establishments, a provision that applied to public sector companies.

Several of the issues on which the states and UTs have moved forward are also included in the four labour codes that were enacted with much fanfare five years ago, but are yet to be notified.

Consultations with the states are currently underway, with West Bengal holding it up, said sources.

But the Centre's nudge to the states, including during a national workshop conducted by the labour ministry, has got states moving within the current legal framework.

A task force led by cabinet secretary T V Somanathan is putting together a set of best practices that states can follow, and the revised labour regulations are a crucial element.