

Mapping and Assessment of Social Dialogue and Labour Administration Frameworks at State Level: Karnataka

Draft Report

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Main research themes

- Mapping the structure and functioning of labour administration;
- Identifying the institutions of tripartite social dialogue in Karnataka and the issues addressed within this framework;
- The role of the tripartite partners in social dialogue processes;
- The process and outcomes of social dialogue, in particular gaps and challenges.

Contextualizing the Study

- Increasing importance of unorganized sector
- Transition from permanent to contract workers
- Shift from regulation/conciliation to welfare approach
- These changes have created a new scenario for labour administration, generating new challenges at all levels.

Institutional Framework for Tripartite Social Dialogue

- Karnataka State Contract Labour Advisory Board (KSCLAB)
- Karnataka State Minimum Wages Advisory Board (KSMWAB)
- Karnataka Labour Welfare Board
- Karnataka Building and Other Construction Workers Welfare Board
- Karnataka State Unorganised Workers Social Security Board

Changing Role of Labour Officers

- LO was an enforcement officer earlier, and now works more on welfare schemes
- LO act as assistants for Deputy Labour Commissioner (DLC) under the various schemes like National Child Labour Project, RSBY etc.
- Reframing the Workmen's Compensation Act-
All cases are passed on to civil court; negative impact, particularly on contract workers.

Labour Administration and Unorganized Sector Workers

- **National Pension System-Lite (NPS-Lite)**: Initiative of Pension Fund Regulatory and Development Authority (PFRDA) to regulate and develop the pension sector in India. NPS-Lite specifically targets the marginal investors and promotes small savings during their productive life.
- **Rashtriya Swasthya Bima Yojna (RSBY) - Health Insurance for the Poor**: Started rolling from 1st April 2008 to provide health insurance coverage for BPL families. Beneficiaries are entitled to hospitalization coverage up to Rs. 30,000/- for most of the diseases that require hospitalization.
- **Karnataka State Commercial Vehicle Drivers Accident Benefit Scheme**: Scheme for commercial vehicle drivers, namely, auto, taxi, maxi cab, lorry and private bus drivers. During the year 2011-12 Government has allocated Rs. 2 crores for extending this scheme.
- **The Karnataka Labour Welfare Fund Act, 1965**: the employee, employer and the State Government have to contribute at the rate of 3:6:3 respectively, per employee per annum.
- **3 autonomous Boards**
 - Karnataka Labour Welfare Board
 - Karnataka Building and Other Construction Workers Welfare Board
 - Karnataka State Unorganised Workers Social Security Board

Suggestions

- Overhauling the structure and infrastructure of the Administration - restoring the powers of LOs
- Making an effort to fill all positions and expanding the number of positions
- Providing infrastructural support - computers, printers, well equipped offices, transport facilities, phones and mobiles
- Introducing more functionally focussed training programmes - Department could set up a collaboration with institutions like the IIM and ISEC
- Creating national data bases - construction workers, RSBY claimants
- Delegating the implementation of specific welfare schemes to relevant departments (RSBY to Health Department and Driver registration to RTO)
- Addressing the issue of multiplicity and duplication of schemes
- Enhancing the quality of Labour – skill enhancement
- New structure of incentives, both positive and negative, which can motivate and enable labour personnel to regulate the recruitment and employment practices of contract workers

Statutory Bodies

- Karnataka State Contract Labour Advisory Board (KSCLAB)
- Karnataka State Minimum Wages Advisory Board

The Boards consist of:

- (a) a Chairman appointed by the State Government;
- (b) the Labour Commissioner;
- (c) Members, not exceeding 11 but not less than 9

Minimum wages in garments sector

Garment and Textile Workers Union (GATWU) approached the High Court in 2010 challenging an earlier notification and seeking revision of wages. High Court judgment in 2013 recommended revision after tripartite talks. Thus, a tripartite committee was set up under HC directive. Minimum wages were raised by Rs. 60 to Rs. 6450.

Employers' Organizations

- Federation of Karnataka Chamber of Commerce and Industries (FKCCI)
- Karnataka Small Scale Industries Association (KASSIA)
- Confederation of Real Estate Developers' Association of India (CREDAI) (Karnataka)

Shortcomings

- Statutory Bodies exist but regular meetings are not held
- Employers' Associations are not involved in policy making
- Builders have contributed through a cess to the Construction Workers' Welfare Board; however, there is no clarity or transparency as to how this fund is to be used.

Initiatives by Employers' Associations

- FKCCI's own initiatives to set up bi-partite dialogue;
- Monthly Labour Facilitation Meetings, in association with the Department of Labour
- Provident Fund (PF) Help Desk, set up in association with Employees' Provident Fund Organization

To ease problems faced by members on employee related issues, and to generate more government-management interaction

Trade Unions

- Centre for Indian Trade Unions (CITU)
- All India United Trade Union Centre (AIUTUC)
- All India Trade Union Centre (AITUC)
- Indian National Trade Union Centre (INTUC)
- Industry specific trade unions

Suggestions

- Trade Unions representing contract workers need to be strengthened
- Need to include trade unions representing informal workers in the social dialogue process.

Conclusions

Labour Administration is at a crossroads

- Liberalization and privatization, is resulting in less state regulation; more state functions in welfare. Consequently, strengthening of governance by reinforcing existing structures as well as delegating welfare schemes to relevant departments is necessary
- Institutional framework of tripartite mechanism needs to be reoriented to the new context (unorganized workers) and the new functions (welfare).
- There is a need to motivate officers, as well as to involve private sector, NGOs and civil society to play an expanded role in social welfare. Way forward is perhaps to look beyond tripartite mechanism.