CURRENT AFFAIRS: 12.06.2026

The Union Minister of State for Labour and Employment led the Indian delegation at the 114th **International Labour Conference (ILC)** in Geneva, where India showcased its labour reforms, expanding social protection initiatives, and **Digital Public Infrastructure (DPI).**

- However, despite the enactment of the **four Labour Codes**, concerns persist over weak implementation, inadequate enforcement, and limited coverage of informal and **gig workers**, leaving a significant section of the workforce vulnerable.
- India showcased its labour reforms, expanding social protection and Digital Public Infrastructure at the 114th International Labour Conference (ILC), highlighting improved employment indicators and wider social security coverage through initiatives such as the e-Shram Portal and Labour Codes.
- Despite these achievements, concerns remain over weak implementation of Labour Codes, inadequate protection for gig and informal workers, wage stagnation, limited collective bargaining rights, and the need for stronger social security and labour welfare mechanisms.

What are the Key Highlights of India's Address at the 114th ILC?

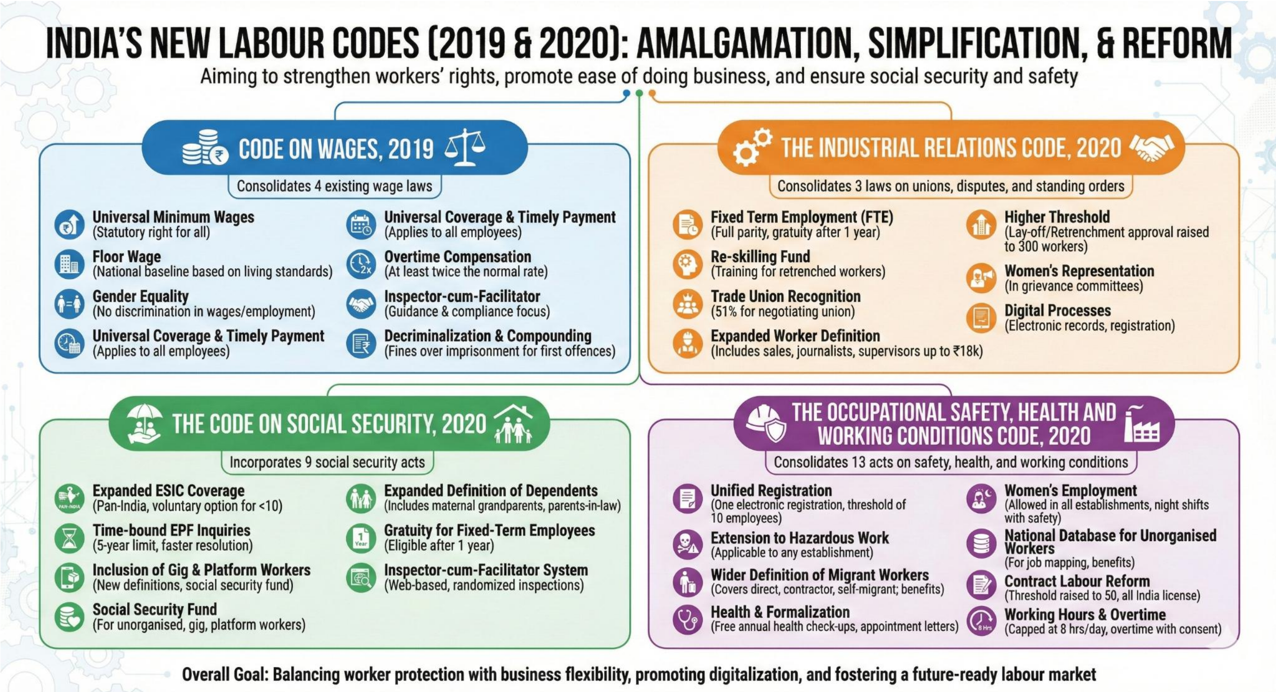
- **Consolidation of Labour Laws:** India highlighted its wide-ranging labour reforms, guided by the principle of **"Antyodaya"** (uplifting the weakest), which consolidated 29 archaic Central Labour Laws into **four modern Labour Codes** to simplify compliance and strengthen welfare.
- **Surge in Employment and Employability Metrics:**
  - **Youth Employability:** Increased from 34% in 2014 to over 56% in 2025.
  - **Unemployment Rate:** Dropped significantly from 6% (in 2017) to 3.1% in 2025.
  - **Women's Workforce Participation:** Surged from 22% to 38.8%.
- **Massive Expansion of Social Security:** India apprised the **International Labour Organization (ILO)** that social protection coverage has expanded from **19% in 2015 to 64.3% in 2025.**
  - According to ILO estimates, it now covers around **1,001 million (1 billion) people**.
- **Digital Public Infrastructure (DPI) as Soft Power:** The **National Career Service Portal** and the **e-Shram Portal** were showcased as scalable Digital Public Goods.
  - During bilateral meetings with **Rwanda and Sri Lanka**, India extended technical assistance for developing similar digital platforms for workforce planning and formalisation.
- **International Labour Mobility:** India emphasized a whole-of-government approach to link domestic skilling with global employment opportunities, including an ongoing feasibility study with the ILO to develop an **international reference classification of occupations**.
- **New Initiatives:** Highlighted the launch of the **Pradhan Mantri Viksit Bharat Rozgar Yojana** to promote rapid employment generation.

International Labour Conference (ILC)

- **About**: The **International Labour Conference (ILC)** is the supreme decision-making and deliberative body of the **International Labour Organization (ILO)**, a specialized agency of the **United Nations.**
  - Often referred to as the **"international parliament of labour,"** the ILC meets annually typically in June in Geneva, Switzerland to set global labour standards, discuss key world-of-work issues, and shape the broad policies of the ILO.
- **Unique Tripartite Structure:** Unlike most international bodies where only governments vote, the **ILC follows a tripartite structure.**
  - Each member state sends **two government delegates, one employer delegate, and one worker delegate**, all with independent voting rights.
  - This allows employers and workers to vote differently from their governments, ensuring direct representation of labour and industry interests in international labour standards.

New Labour Codes

- **Code on Wages, 2019:** Universalizes the provision of minimum wages and timely payment of wages to all employees across both organized and unorganized sectors.
- **Industrial Relations Code, 2020:** Streamlines dispute resolution, alters trade union recognition rules, and modifies conditions for layoffs, retrenchment, and closures.
- **Code on Social Security, 2020:** Extends the reach of the **ESIC (Employees' State Insurance Corporation)** and **EPFO (Employees' Provident Fund Organisation).**
  - It is the first legal framework in India to theoretically bring **gig workers and platform workers** into the social security net.
- **Occupational Safety, Health and Working Conditions (OSH) Code, 2020:** Regulates health and safety conditions, explicitly addressing inter-state migrant workers and contract labourers.



Q. In India, which one of the following compiles information on industrial disputes, closures, retrenchments and lay-offs in factories employing workers? (2022)

(a) Central Statistics Office

(b) Department for Promotion of Industry and Internal Trade

(c) Labour Bureau

(d) National Technical Manpower Information System

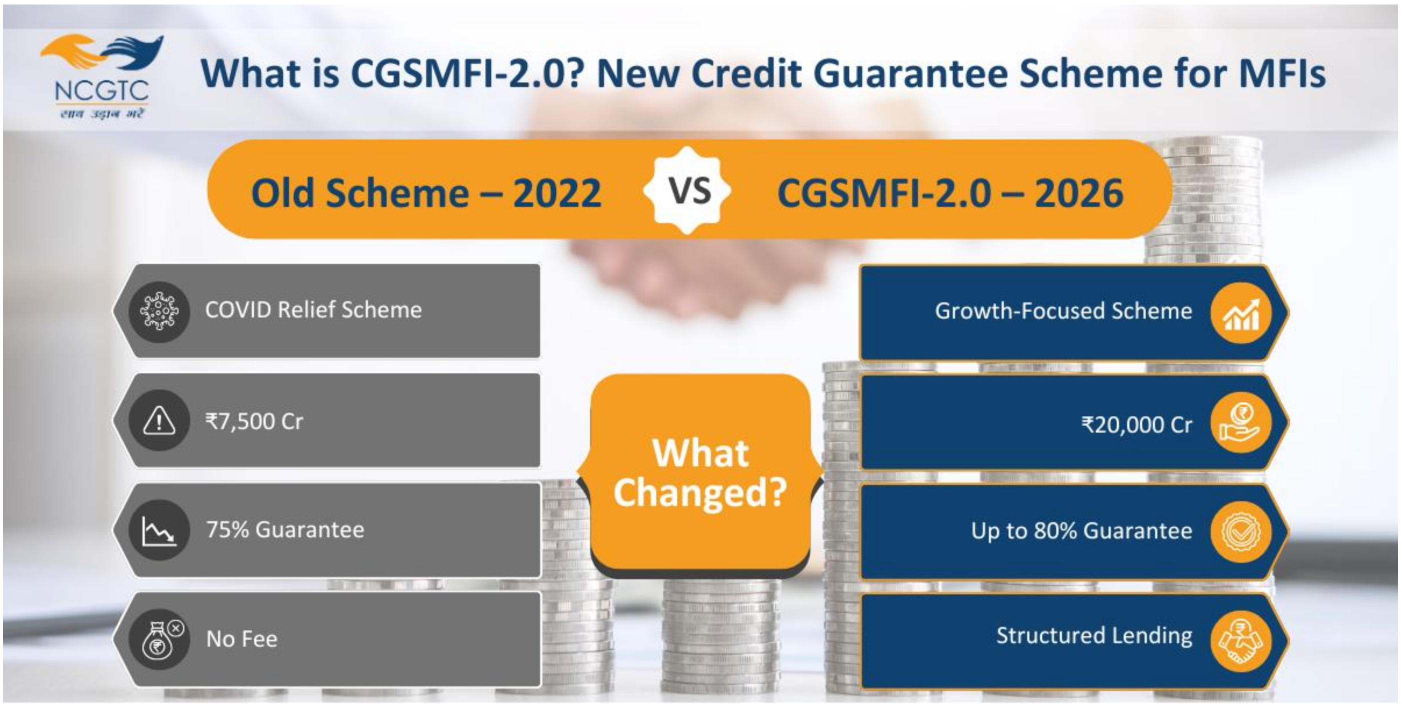
Credit Guarantee Scheme for Microfinance Institutions-2.0 (CGSMFI-2.0)

The **Government of India** has approved the **extension of the CGSMFI-2.0 scheme** till **31st August 2026** or until guarantees for an amount of ₹20,000 crore are issued, whichever is earlier.

- The **maximum loan limit for large NBFC-MFIs/MFIs** under the scheme has been increased from **₹300 crore to ₹1,000 crore**, within the overall ceiling of **20% of their Assets under Management (AUM)**.
- As of now, loans totalling **₹770 crore** have already been sanctioned under CGSMFI-2.0.

What is CGSMFI-2.0?

- CGSMFI-2.0 is a **government-backed credit guarantee scheme launched in March 2026** to provide guarantee coverage to **Member Lending Institutions (MLIs)** for loans extended to NBFC-MFIs and MFIs, which in turn use the funds for on-lending to eligible small borrowers under RBI's microfinance definition.
- Under it, guarantee coverage is linked to the size of the MFI, with **small MFIs receiving 80%, medium MFIs 75%, and large MFIs 70%** of the amount in default, replacing the earlier flat 75% coverage to better support smaller institutions.
- MFIs are classified based on **Assets Under Management (AUM) into small (less than ₹500 crore), medium (₹500 crore to less than ₹2,000 crore), and large (₹2,000 crore or more)**.
  - MLIs must ensure that at least 5% of total loans go to small MFIs and 10% to medium MFIs to promote equitable credit distribution.
- Loan limits are linked to the MFI's AUM, with **maximum caps of ₹100 crore for small MFIs, ₹200 crore for medium MFIs, and ₹300 crore for large MFIs,** and loans must be disbursed within three months, with a maximum tenure of three years, including a one-year moratorium.
- The scheme operates through an **automatic approval mechanism at National Credit Guarantee Trustee Company Ltd (NCGTC),** and funds must be used exclusively for incremental lending to eligible borrowers, ensuring that CGSMFI-2.0 directly increases credit flow to underserved segments.



EAC-PM Recommendations on Delimitation

Recently, the **Economic Advisory Council to the Prime Minister (EAC-PM)** released a working paper on India's next **delimitation** of parliamentary constituencies.

- The paper recommends using **multi-factor criteria for a "targeted" splitting of seats**, going beyond population distribution while retaining the current proportion of Lok Sabha seats for large states.
- The study **used election data from 2009–2024** to estimate statistical relationships between **voter turnout, constituency size, and five "compositional features":** urban share, SC share, ST share, linguistic polarisation, and linguistic diversity.
- The EAC-PM recommends that the Delimitation Commission use a constituency's d**emographic and linguistic profile, not size alone**, as the criterion for splitting, rather than applying a uniform rule.
- Delimitation should be timed with a **"fresh booth rationalisation cycle," release of 2027 Census** tabulations, and gender-disaggregated electoral statistics to ensure accuracy and effectiveness.

Delimitation

- **About:** Delimitation is the process of **fixing or redrawing the boundaries of territorial constituencies for the Lok Sabha and State Legislative Assemblies** to ensure that each seat represents a roughly equal number of voters.
- **Constitutional Mandate**: **Article 82** mandates Parliament to enact a Delimitation Act after each census, readjusting Lok Sabha seat allocation to States and dividing States into territorial constituencies.
    - **Article 170** provides for a similar readjustment of seats and constituencies in State Legislative Assemblies.

- **Delimitation Commission:** It is a high-powered, independent body appointed by the Central Government, consisting of **3 members, i.e., a Chairperson** (a serving or retired **Supreme Court Judge**), the **Chief Election Commissioner** (or an Election Commissioner nominated by them), and **State Election Commissioners** of the concerned states.
  - The orders of the Commission have the force of law and cannot be challenged in any court. Its orders are presented to the Lok Sabha and State Assemblies but cannot be modified.
  - It has been set up four times till March 2026, i.e., 1952, 1963, 1973, and 2002.
- **Freeze on Delimitation:** The **42nd Amendment Act, 1976** froze the total number of seats in the Lok Sabha on the 1971 Census to ensure that states implementing population control measures (primarily in the South) were not penalized with reduced political representation.
  - **84th Amendment Act, 2001** extended the freeze on the total number of seats until the first census after 2026.
  - While the 2002 Commission redrew internal boundaries within states (based on the 2001 Census), the inter-state allocation of seats remains based on 1971 data.