

Govt. incentivizing job creation by pegging EPF contribution rate at 8.3% for recruiting fresh employees

Bandaru Dattatreya, MoS for Ministry of Labour & Employment inaugurates 82nd AGM of All India Organisation of Employers

NEW DELHI, 9 May 2016: The government has incentivized job creation by pegging the EPF contribution rate at 8.3% for new employees. This has been done in view of the need to create one crore jobs by next year. This was stated by **Mr. Bandaru Dattatreya, Minister of State for Ministry of Labour & Employment (IC), Government of India**, at the 82nd Annual General Meeting of All India Organisation of Employers (AIOE), an allied body of FICCI on the theme 'Industrial Relations – A tool to promote Growth and Employment'.

Mr. Dattareya said that dignity of labor was of utmost importance therefore the new labour codes were being formulated in four areas namely wages, industrial relations, social security and working conditions to strengthen safety and social security of workers. He added that these codes would simplify, amalgamate and rationalize the relevant provisions of the central labour laws.

The Minister said that the reforms in the sector needed to be fast-paced for which the government had initiated e-governance expediting the processes and developing better industrial relations. He added that ease of doing business was one of the foremost agendas of the Ministry; hence processes were being simplified.

Mr. Dattareya said that his Ministry gives high importance to the tripartite mechanism. Promoting sound and harmonious industrial relations and better understanding between employers and workers and growth and development of industry, social dialogue between the three social partners i.e. government, employers and trade unions are critical for the development of the country.

The Minister underlined that more than 90% of the workforce in the country was in the unorganized sector. Hence the government had planned to bring these workers in the organized sector in phases. In the first phase all construction workers in the country would be brought under the ambit of the organized sector.

On the occasion, Mr. Dattareya felicitated the winners of the **Best Industrial Relations Awards 2014-15**. Tata Steel Limited secured the first position, followed by Neyveli Lignite Corporation Limited and J K Lakshmi Cement Limited. Tata Steel Limited made a presentation highlighting the industrial relations best practices followed by the company.

In his Presidential Address **Mr. Sanjay Bhatia, President, AIOE**, said that AIOE fully supports Government's new initiative like 'Make in India' and 'Stand-up India' to provide fillip to the manufacturing sector, gearing up employment generation and entrepreneurship development. But, it would require simple, flexible and growth oriented labour policy replacing the existing archaic and rigid policy regime.

Mr. Bhatia said that The Small Factories (Condition of Service) Draft Bill, 2014 is yet to be introduced in the Parliament. It had proposed a number of measures to cut through cumbersome and avoidable paperwork to seek multiple compliances, providing relief to entrepreneurs and improving 'ease of doing business'. He requested the ministry to kindly introduce the Bill at the earliest possible.

In his vote of thanks **Mr. Gaurav Swarup, President Elect, AIOE**, said that the initiatives by the government to introduce the IR code had created a positive working culture and should be taken to its logical conclusion. These amendments pending for a long time have made investors to shy away, and look for investment opportunities in the neighboring countries. On behalf of AIOE, he assured that the employers will do their best to ensure an environment of growth and social harmony in the country.

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