FICCI lauds announcement of Labour Policy Reforms by the Prime Minister

NEW DELHI, October 16, 2014. FICCI compliments Hon'ble Prime Minister and the Government for announcing a slew of Labour Policy reforms, and recognising that the current labour policy is a major road block in promoting industrialisation and investment in the country. The reforms announced are aimed at removing 'Inspector Raj', simplifying compliances by clubbing and consolidating returns, bringing more transparency and accountability and stressing on skill development, through overhauling 'Apprenticeship System'.

The Government earlier piloted three Bills to amend the Factories Act, Apprentices Act and Labour Laws (Exemption from Furnishing Returns & Maintaining Registers by Certain Establishments) Act, 1988. This signalled a positive message to the industry. However, industry expects significant changes such as redefining 'occupier', which is restricted to only 'Directors', without comprising the health and safety aspects. Making a 'Director', operating from overseas, liable for safety violations is not justified and would deter investors.

On skill development, FICCI feels that every work place should have a training centre, whether it is a factory or a service organisation and industry needs to be encouraged sufficiently. It is a welcome gesture that MSMEs will be subsidised 50 per cent of the Apprentice salary. FICCI has already submitted suggestions to the Government to further incentivise industry.

Revamping ITIs is a critical task and shortage of qualified trainers is a major hurdle. Earlier, FICCI had estimated that two million trainers are needed every year to prepare 500 million skilled workforce and the country did not have even a lakh of trainers. Lack of availability of latest equipment, tools, continuing with the old curriculum, are others reasons why ITIs have lost popularity. The adoption of ITI's programme did yield some positive results, but could not be followed with the same vigour. FICCI feels that private ITIs, which are 10 times more that Government IITs, also need some support as their end products contribute to national economy.

FICCI widely welcomes adoption of the Unified Account Number (UAN) by the EPF organisation which would not only make transfer of accounts simpler, but would also solve the issue of unclaimed accounts which hold Rs. 27,000 crore.

Finally, industry expects more radical changes such as removing Government intervention in restructuring or right sizing of industry, which would create employment faster by redeploying resources.

FICCI MEDIA DIVISION