

**Press Information Bureau
Government of India
Ministry of Finance**

06-June-2014 15:31 IST

Union Finance Minister Holds Pre-Budget Consultation Meeting With the Representatives of Trade Union Groups; Skill Development to be Given Priority for Generating Employment Opportunities

The Union Finance Minister Shri Arun Jaitley said that skill development would be given priority so that more and more trained workers join the Indian economy. He said that the Government will give due consideration to the Ten Point Joint Charter of Demands given by the Central Trade Unions while formulating the budgetary proposals. The Finance Minister was speaking here today while interacting with the representatives of the Central Trade Unions as part of his Pre-Budget Consultation meetings.

Along with the Finance Minister, the meeting was attended by Ms. Nirmala Sitharaman, Minister of State for Finance and Corporate Affairs, Shri Ratan P. Watal, Expenditure Secretary, Shri Rajiv Takru, Revenue Secretary, Smt. Gauri Kumar, Secretary, Ministry of Labour and Employment and senior officers of the Ministry of Finance among others.

The participating Central Trade Unions gave a joint memorandum to the Finance Minister for his consideration and positive response. Some of the specific proposals contained there in are given below:

- Take effective measures to arrest the spiraling price rise and to contain inflation; Ban speculative forward trading in commodities; universalize and strengthen the Public Distribution System(PDS); ensure proper check on hoarding; rationalize, with a view to reduce the burden on people, the tax/duty/cess on petroleum products.
- Massive investment in the infrastructure in order to stimulate the economy for job creation. Public Sector should take the leading role in this regard. The plan and non-plan expenditure should be increased in the budget to stimulate jobs creation and guarantee consistent income to people.
- Minimum wage linked to Consumer Price Index (CPI) must be guaranteed to all workers, taking into consideration the recommendations of the 15th Indian Labour Conference . It should not be less than Rs. 15,000/- p.m.
- FDI should not be allowed in crucial sectors like defence production, telecommunications, railways, financial sector, retail trade, education, health and media.
- The Public Sector Units (PSUs) played a crucial role during the year of severe contraction of private capital investment immediately following the outbreak of global financial crisis. PSUs should be strengthened and expanded. Disinvestment of shares of profit making public sector units should be stopped forthwith. Budgetary support should be given for revival of potentially viable sick CPSUs.
- In view of huge job losses and mounting unemployment problem, the ban on recruitment in Government departments, PSUs and autonomous institutions (including recent Finance Ministry's instruction to abolish those posts not filled for one year) should be lifted as recommended by 43rd Session of Indian Labour Conference. Condition of surrender of posts in government departments and PSUs should be scrapped and new posts be created keeping in view the new work and increased workload.
- Proper allocation of funds be made for interim relief and 7th Pay Commission.
- The scope of MGNREGA be extended to agriculture operations and employment for minimum period

of 200 days with guaranteed statutory wage be provided, as unanimously recommended by 43rd Session of Indian Labour Conference.

- The massive workforce engaged in ICDS, Mid Day Meal Scheme, Vidya volunteers, guest teachers, Siksha Mitra, the workers engaged in the Accredited Social Health Activities (ASHA) and other schemes be regularized. No to privatization of centrally funded schemes. Universalization of ICDS be done as per Supreme Court directions by making adequate budgetary allocations.
- Steps be taken for removal of all restrictive provisions based on poverty line in respect of eligibility coverage of the schemes under the Unorganized Workers Social Security Act 2008 and allocation of adequate resources for the National Fund for Unorganised Workers to provide for social security to all unorganised workers including the contract/casual and migrant workers in line with the recommendations of the Parliamentary Standing Committee on Labour and also the 43rd Session of Indian Labour Conference. The word BPL redefined and redistributed at the earliest.
- Remunerative prices should be ensured for agricultural produce and Government investment, public investment in agriculture sector must be substantially augmented as a proportion of GDP and total budgetary expenditure. It should also be ensured that benefits of the increase reach the small, marginal and medium cultivators only.
- Budgetary provision should be made for providing essential services including housing, public transport, sanitation, water, schools, crèche, health care etc, to workers in the new emerging industrial areas. Working women's Hostels should be set-up where there is a concentration of women workers.
- Requisite budgetary support for addressing crisis in traditional sectors like jute, textiles, plantation, handloom, carpet and coir etc.
- Budgetary provision for elementary education should be increased, particularly in the context of the implementation of the 'Right to Education' as this is the most effective tool to combat child labour.
- The system of computation of Consumer Price Index (CPI) should be reviewed as the present index is causing heavy financial loss to the workers.
- Income tax exemption ceiling for the salaried persons should be raised to Rs. 5.00 lakh per annum and fringe benefits like housing, medical and educational facilities and running allowances should be exempted from income tax net in totality.
- Threshold limit of 20 employees in EPF Scheme be brought down to 10 as recommended by CBT-EPF. Pension benefits under the EPS unilaterally withdrawn by the Government should be restored. Government and employers contribution be increased to allow sustainability of Employees Pension Scheme and for provision of minimum pension of Rs. 3000/- p.m.
- New Pension Scheme be withdrawn and newly recruited employees of Central And State Governments on or after 1.1.2004 be covered under Old Pension Scheme;
- Demand for Dearness Allowance merger by Central Government and PSU employees be accepted and adequate allocation of fund for this be made in the budget.
- All interests and social security of the domestic workers to be statutorily protected on the lines of ILO Convention on domestic workers.
- The Cess management of the construction workers is the responsibility of the Finance Ministry under the Act and the several irregularities found in collection of cess be rectified as well as their proper utilization must be ensured.

In regard to resource mobilization, the Trade Unions have emphasized on the following:

- A progressive taxation system should be put in place to ensure taxing the rich and the affluent sections who have the capacity to pay at a higher degree. The corporate service sector, traders, wholesale business, private hospitals and institutions etc should be brought under broader and higher tax net. Increase taxes on luxury goods and reduce indirect taxes on essential commodities.

- Concrete steps must be taken to recover huge accumulated unpaid tax arrears which has already crossed more than Rs. 5.00 lakh crore on direct and corporate tax account alone, and has been increasing at a geometric proportion. Such huge tax evasion over and above the liberal tax concessions already given in the last two budgets should not be allowed to continue.
- We welcome the constitution of SIT for black money and urge for speedy action.
- Effective measures should be taken to unearth huge accumulation of black money in the economy including the huge unaccounted money in tax heavens abroad and within the country. Provisions be made to bring back the illicit flows from India which are at present more than twice the current external debt of US \$ 230 billion. This money should be directed towards providing social security.
- Concrete measures be expedited for recovering the NPAs of the banking system from the willfully defaulting corporate and business houses. By making provision in Banking Regulations Act, CMDs and executives to be made accountable for creation of NPAs.
- Tax on long term capital gains to be introduced, so also higher taxes on the security transactions to be levied.
- The rate of wealth tax, corporate tax, gift tax etc to be expanded and enhanced.
- ITES, outsourcing sector, educational institutions and health services etc run on commercial basis should be brought under the Service Tax net.
- Small saving instruments under postal and other agencies be encouraged by incentivizing commission agents of these scheme.

Other suggestions include holding of post budget consultations with the representatives of Central Trade Unions, need for directional change in policies such as stopping of mindless deregulation, encourage entrepreneurship to tackle problem of unemployment, more spending on education and skill development, removal of ceiling on gratuity, bonus and pension etc of workers and following the principle of "Same work, same wages" among others.

Representatives of different Central Trade Union groups who participated in today's meeting included Shri B.N. Rai, Bhartiya Mazdoor Sangh (BMS), Shri Chandra Prakash Singh, Indian National Trade Union Congress (INTUC), Shri Shanta Kumar, INTUC, Ms Amarjeet Kaur, Indian National Trade Union Congress (INTUC), Shri D.L. Sachdeva, Indian National Trade Union Congress (INTUC), Shri Sharad Rao, Hind Mazdoor Sabha (HMS), Shri Harbhajan Singh Sidhu, Hind Mazdoor Sabha (HMS), Shri Swadesh Devroye, Centre of Indian Trade Unions (CITU), Shri Tapan Sen, MP (RS), Centre of Indian Trade Unions (CITU), Shri Dilip Bhattacharya, All India United Trade Union Centre (AIUTUC), Shri Sankar Saha, All India United Trade Union Centre (AIUTUC), Shri Sheo Prasad Tiwari, Trade Union Coordination Centre (TUCC), Shri V.Suburaman, Labour Progressive Federation (LPF), Shri M. Shanmugum, LPF, Shri Prechandam, United Trade Union Congress (UTUC), Shri Abni Roy, United Trade Union Congress (UTUC) and Dr. Virat Jaiswal, National Front of Indian Trade Unions among others.

DSM/ ka