

# **FNCCI EC Newsletter**

Federation of Nepalese Chambers of Commerce & Industry (FNCCI) - Employers' Council (EC)

Issue-1 (Baisakh, Jestha, Asadh 2071)

### Formation of EC Board

Mr. Shekhar Golchha. Vice-President of FNCCI elected by the Associated Member Companies has assumed the position of Chairperson of Employers' Council, one of the permanent bodies of FNCCI responsible for the promotion of good industrial relations in Nepal. Mr. Manish Kumar Agrawal, the Executive Committee member has been elected as the Vice-chairperson of the EC. 16 members have been also nominated by the President of FNCCI on the recommendation of the Chairperson. The Board comprises of 3 members from chambers of commerce and industries, 2 members from commodities associations, 6 members from associated members and other 5 members from various sectors and groups representing multinationals. Apart from these core members, the committee is also represented by permanent invitees, invitees and advisors.

### Labour Law Reformation Process

- The debate on the need of reforming the existing labour law has been going on for a number of years. The need for the reformation of the existing law was felt by both the trade unions and employers. Ineffective implementation, delay in the court decisions and the rigid provisions on termination of employment were some of the reasons for the demand of reformation of the law. In between 2002 and 2005, the employers and trade unions worked together through national labour conferences to forge a way ahead for the labour law reformation.
- Having attained some stability in the political situation, the MOLTM initiated social dialogue on the reformation of Labour Law with the technical input from ILO in 2007. Accordingly, Ministry of Labour and Transport Management (MOLTM) formed a National Task Force with representation from the government, trade unions and employers for the reformation of the existing Labour Law. ILO International Consultant, Mr. Mordy Bromberg worked on preparing a Draft Labour Act and Draft Labour Commission Act.
- After series of workshops held subsequently on the drafts prepared by ILO consultant Mr. Mordy Bromberg, many differences between the trade unions and the employers were narrowed down.
- In continuation, National Consultant also worked to complete the process of drafting in context of Nepal. Accordingly, the National Consultant prepared Draft Labour Act, National Labour Commission Act, Social Security Organization Act and Unemployment Insurance Benefit Act and

submitted them to the ILO.

The MOLTM and ILO Office jointly organized a tripartite workshop in December 2009 to discuss the Drafts prepared by the National Consultant. After another two three meetings, the final comments were given by both the stakeholders to the National Consultant. Then after these drafts were taken up by the MOLTM for final clause-wise discussion among the stake holders before they are finally submitted to the Central Labour Advisory Committee. The Ministry of Labour and Employment held series of tripartite discussions on the draft Labour Act in 2013 and took initiative to narrow down the differences. Some of the major views of the employers on the Draft Labour Act like simultaneous enactment of the Social Security Act and Labour Act, management of informal sector through separate rules, flexible exit provisions for enterprises, separate rules for specific types of industries like tea, jute, carpet, handicraft etc. no work no pay in cases of strikes hold great importance in this process of reformation. As the trade unions and employers have already agreed and showed respective commitment for the implementation of integrated social security system, the employers are of the view that the balance must be maintained between the social security as proposed by the trade unions and labour flexibility by the employers for better industrial relations in Nepal. The government as a guardian must take a balanced approach towards the reformation of labour laws so that both the stakeholders can contribute to the growth of the economy in the coming days ahead.

## News Highlight



Mr. Shekhar Golchha, Vice President of FNCCI Chairperson of EC attended the 103rd Session

of the International Labour Conference in Geneva from June  $5^{th}$  –  $7^{th}$ , 2014. The conference was also attended by the representatives of the government and trade unions.

### **FNCCI Employers' Council Board** 2014-17

Mr. Shekhar Golchha Vice President, FNCCI

#### Vice Chairman:

Mr. Manish Kumar Agrawal EC Member, FNCCI

Mr. Ramchandra Sanghai EC Member, FNCCI Mr. Prakash Giri EC Member, FNCCI Mr. Shahil Agrawal EC Member, FNCCI Mr. Anjan Shrestha Past EC Member, FNCCI Mr. Ram Sharan Thapaliya Nepal Chamber of

Commerce

Mr. Nabal Kishore Kabara Vice President, Chamber of Industries, Morang

EC Member, Makwanpur Mr. Dhruba Parajuli

Mr. Ghanendra B. Shrestha Hotel Association Nepal

Mr. Chhiring Sherpa Senior Vice President.

Central Carpet Industries Association, Nepal

Mr. Subodh K. Gupta

President, Birguni CCI Mr. Raj Kumar Golchha President, Nepal Jute Mills

Mr. Awadesh K. Jha Mr. Budhaditya Mukherjee

Surya Nepal Pvt. Ltd. Asian Paints Pvt. Ltd.

Mr. Srikant S.M. Unilever Nepal Pvt. Ltd.

#### Permanent Invitees:

Mr. Ashok Kumar Todi Mr. Sanjib Rajbhandari Mr. Hitesh Golchha Ms. Bina Rana

EC Member, FNCCI EC Member, FNCCI Golchha Organisation Standard Chartered Bank

Mr. Bishnu Psd. Sharma President, Siddharthanagar

CCI

Representative Ncell Nepal

Mr. Panu Poudel Bhat Bhateni Super Market

## EC programs in nutshell

- The first EC meeting under the chairpersonship of Mr. Shekhar Golchha was held on June 27, 2014 at Hotel Soaltee Crown Plaza. In the meeting, Mr. Manish Agrawal, Executive Member of FNCCI was unanimously elected as Vice-chairperson of EC. Mr. Golcha also briefed the members about the organizational structure of the EC and its areas of activities. The meeting concluded with a discussion on the Draft Labour Act and its shortcomings.
- Organized an Interaction Program on Draft Labour Act 2071
  prepared by Ministry of Labour and Employment on June 27, 2014
  at Hotel Soaltee Crown Plaza. The program was organized in
  collaboration with ILO Local Office in Nepal. Participants from various
  district chambers, commodities associations and companies
  attended the program. The program concluded with a cocktail dinner
  in the evening.
- Mr. Saurobh Jyoti, FNCCI Executive Committee member, Mr. A K Jha, Employers' Council Member and Mr. Yagyaman Shakya, Deputy Director of FNCCI-EC participated as resource persons at the Seminar on "Impact of Globalization to Local Entrepreneurs and Role of Trade Unions in Constructing Entrepreneurship in Nepal" organized by Little Angel College of Management on June 8, 2014. The program was attended by the students of various colleges of management where the issues on the topic were discussed from the broader perspective of economic development. Mr. Bishnu Rimal, President of GEFONT was also present as one of the resource persons in the program.
- Mr. Yagyaman Shakya, Deputy Director of FNCCI-EC interacted with the members of Federation of Handicraft Association of Nepal on draft Labour Act 2071 as a resource person and briefed them about the development achieved so far. The program was held on July 14, 2014 at the secretariat of FHAN.
- Mr. Hansaram Pandey, Director of FNCCI-EC interacted with the members of Hotel Association of Nepal (HAN) on draft Labour Act 2071 as a resource person and briefed them about the development achieved so far. The program was held on July 2, 2014 at the secretariat of HAN

## Employers' Council (EC)

The Employers' Council is a permanent organ of FNCCI working for the promotion of better industrial relation in Nepal. It is set up to provide varied services to the employers on industrial relation issues including labour law and industrial disputes. It basically aims to promote good industrial relation by maintaining a close relationship with the trade unions and the government. As a forum of employers, it presents unified opinion on labour law and industrial relation issues and organizes various activities on the related topics.

#### **FNCCI - Employers' Council - Mission:**

- To facilitate a national Labour policy framework that supports job creation, Industrial harmony and an efficient labour market.
- To provide services to members to ensure enhanced productivity for organizational growth and sustainability.

#### Objectives:

- To work for the establishment of harmonious industrial relation aiming for high industrial growth
- To promote competitiveness in the local, national, regional and international market through suitable labour market and labour law reforms
- To work for the industrial efficiency, higher productivity and more employment generation by developing competent HRM
- To work for the promotion and protection of legitimate interests of employers
- To advocate the legitimate interests of the employers in the formulation of policies and making of labour law
- To represent the employers in the local, regional, national and international forums on industrial relation issues
- To mobilize employers in achieving the goals of FNCCI

#### Consultation workshop on Draft Labour Act 2071 at Hotel Soaltee Crowne Plaza



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