

## News Highlight

As decided in the second Central Labour Advisory Meeting (CLAC) meeting on September 3, 2014 at the MoLE chaired by Mr. Tek Bahadur Gurung, Honorable Minister of State, Ministry of Labour and Employment, the Joint Task Force comprising of the members belonging to the major Trade Unions and Employers' organizations led by FNCCI worked intensively on the Draft Labour Act 2071 to narrow down the disputed issues.

The Task Force managed to build consensus on the majority of the disputed provisions of the Act but failed on two issues - 'no work no pay' during the period of legal strike and 'sectoral bargaining'. The Task Force, accordingly, submitted the Draft Labour Act by putting on record the joint views of the members representing the trade unions and employers to Mr. Tek Bahadur Gurung, Honorable Minister of State, Ministry of Labour and Employment on October 10 (Friday), 2014.

On the disagreed two issues, the Trade Unions and Employers have urged the Ministry of Labour and Employment (MoLE) to form an opinion judiciously and make provisions in the Draft Labour Act accordingly. This development has opened the way for the enactment of the Social Security Fund Act simultaneously. Both the trade unions and employers have looked at this development positively for the overall improvement of industrial relations in Nepal.

## Regional Meeting of the District Chambers located in the Western Region on the Establishment and Capacity Building of their Employers' Units

The meeting was jointly organized by Employers' Council FNCCI and Butwal Chamber of Commerce and Industry with the Support of ILO on September 22, 2014. The meeting was attended by the representatives of 12 District Chambers of the Western region. The names of the Chambers are as follows:

- 1 Argakhachi Chamber of Commerce and Industry
- 2 Devdaha Chamber of Commerce and Industry
- 3 Gulmi Chamber of Commerce and Industry
- 4 Krishnanagar Chamber of Commerce and Industry
- 5 Nawalparasi Chamber of Commerce and Industry
- 6 Pokhara Chamber of Commerce and Industry
- 7 Palpa Chamber of Commerce and Industry
- 8 Syangja Chamber of Commerce and Industry
- 9 Siddharthanagar Chamber of Commerce and Industry
- 10 Saina Maina Chamber of Commerce and Industry
- 11 Tilotama Chamber of Commerce and Industry
- 12 Waling Chamber of Commerce and Industry

The President of the Butwal Chamber of Commerce and Industry Mr. Surendra Prasad Shrestha welcomed the representatives of the district chamber of the western region attending the program. The President highlighted the importance of Employers' Units in the district chambers and opined that idea of establishing Employers' Units in the district chambers is relevant because of changing scenario of the industrial relations in the Western region. Since the number of industries is increasing in this area, the labour problems are bound to rise for which the role of Employers' Units will be significant. He also pointed out the kinds of issues that the Butwal Chamber has to deal with which includes social issues also.

After the welcome remark, Mr. Yagyaman Shakya, Deputy Director of FNCCI-EC spoke on the objective of the meeting. He briefed the participants about the workshop on the strengthening and capacity building of the Employers Units of the district chambers held in Kathmandu and the decisions made in that workshop. One of the

decisions was to hold regional meetings in five regions of Nepal. He stressed on the need of the Employers' Units in the District Chambers so that these units could be transformed into specialized units to handle industrial relations issues including labour. He expressed that there is great need to expand the service of the Employers' Council of FNCCI to the more district chambers through these units. As the new Labour Act has provisions to bring formal and informal sectors within its scope of application, all the district chambers must be equipped to handle various types of labour issues which may arise in the informal sector. He also said that these units will make it easy for the Employers' Council to communicate, coordinate and collaborate with the district chambers effectively. He also thanked the BCCI for this initiative and support extended to the EC.

After his presentation, the First Vice president of BCCI and coordinator of Employers' Council, Mr. Krishna Prasad Shrestha made presentation on the kinds of issues the Employers' Council of BCCI is dealing in. He said that the Employers' Council in BCCI is not created through the Charter of the Chamber. There is a provision for making the First Vice president responsible for Industry to look after Employers' Council and related issues. He also said that the activities of the Council have widened. Issues relating to the settlement of labour disputes and enforcement of labour laws are the primary ones. The Council, he informed, managed to start the Butwal Dhago Karkhana which had remained closed for two years, after long negotiation with the workers and the government. However, it again stopped operation. It has also been handling the labour issues through representation in the Labour Relations Improvement Committee in the Labour Office and also conducting various interaction and training programs on labour law in collaboration with the FNCCI-EC.

The program was also addressed by the FNCCI Executive Committee member and Past president of BCCI, Mr. Shanker Shrestha. He expressed his concern over the proposed new Labour Act which, if implemented, would discourage the establishment of



industries and also the investment. The objective of the Employers' Units in his view should be to address labour and economic issues. He also desired the positive role of the ILO for the improvement of the industrial relations. If the labour problems are not rightly addressed and future problems are not envisioned, the chambers will have to face serious threats. He thus found relevance in the idea of establishing Employers' Units in the district chambers for the effective handling of the labour issues.

Then after the Past President, Mr. Arjun Man Saiju gave the concluding remarks. He was very positive that the proposed idea of establishing Employers' Units in the district chambers will be very significant in facing the challenges brought about by the policies, rules, market, ILO driven programs like child labour, minimum wage, employment terms and conditions etc. He expressed the need to work very closely with the trade unions and workers and improve the relationship with the government. Bipartite and tripartite interaction with the workers and the government is important. He also thanked the participants for their presence and invited them to have lively discussion for effective conclusions.

In the second session, the floor was opened for the participants for discussion. Mr. Krishna Kumar Shrestha, Coordinator, Employers' Council BCCI facilitated the discussion. All the representatives spoke on the proposal to establish employers' units in the participating district chambers. Pokhara Chamber of Commerce and Industry informed that it has provision for making the First Vice president responsible for Industry take care of the Employers' Unit activities. The focal person of Employes' Unit of PCCI, Mr. Trilochan briefed the participants about the issues the unit has handled like Manipal Hospital labour disputes and small disputes of Pokhara industrial estate. Siddhartha Nagar Chamber of Commerce and Industry also informed the participants about the proposal forwarded to the executive committee for the establishment of employers' unit in its chamber. The Deputy Executive Secretary of the Chamber, Mr. Khagendra briefed the participants about the issues they have been handling. He highlighted the role of the chamber in the changed context of the industrial relations. Ideas of SEZ and the developing Lumbini industrial corridor have expanded the role of the SiCCI. He said that the separate provisions for strike should be made in the Labour Act or the respective law. The disputes relating to Himalayan Snax and UCMS were some of the disputes settled by the chamber recently. In his opinion, the area of chamber activities has widened and the need of Chamber law has become serious

The representative from Waling Chamber said that most of the people migrate to big places for employment and third countries, it has not been facing serious labour issues. In his view, the establishment of Employers' Units to handle labour issues in future is a good idea for promotion.

The representatives from the Chambers of Syangja, Palpa, Gulmi and Argakachi informed the participants that they did not have major labour issues in their areas. They expressed the need for developing guidelines for Employers' Units on the basis of which they will initiate the process of creating units.

The representative of Krishna Nagar stated that the discussion is very relevant. Every chamber, in his view, may be facing typical labour issues based on the kinds of industries found in the location. Krishna Nagar has been facing the problems arisen from brick factories. He also stressed the need to circulate formal letter to the district chambers by the FNCCI-EC and guide them on the procedure, functions and operation mechanism of the units.

The representative from the Nawalparasi Chamber informed the participants that the chamber has provisions in the charter for the creation of Employers' Unit. The Vice president responsible for Industry looks after the activities of Employers' Unit. He also told the participants about the kinds of activities the chamber has been taking up relating to labour and industry. It has been taking part in bipartite and tripartite social dialogue involving CDO for settlement of labour disputes.

Some new chambers like Tilotama, Saina Maina and Devdaha found the idea of establishing Employers' Units very relevant and expressed their commitment on it.

Some conclusions drawn in the discussion:

- Labour issues in the Western region have remained dormant but may explode with the increase in the number of industries.
- The western region has been found suitable for industries because of the close proximity to the Indian border and low cases of labour problems.
- With the increase in the number of industries and unionization, the labour problems are bound to go up.
- Sectoral labour problems like tea, jute may increase in future.
- To address and manage these issues in future, the idea of setting up Employers' Units in District Chambers is significant
- Guidelines for the establishment of Employers' Units to be prepared by the FNCCI-EC and circulated to the participating chambers for taking further steps.

Finally, the coordinator of Employers' Council of BCCI, Mr. Krishna Kumar Shrestha, concluded the interaction program with a request to all the representatives of the participating district chambers to help create Employers' Units in their district chambers and prepare themselves to face the labour problems in future for peaceful industrial relations in the Western region.

## Third National Labour and Employment Conference and its Declaration

The Ministry of Labour and Employment, Government of Nepal with the support of ILO organized the 3rd National Labour and Employment Conference on July 9 - 11, 2012 in Kathmandu. The Conference was attended by the representatives of concerned departments and agencies of the government, employers' organizations, trade unions, professionals and other national and international organizations. The theme of the Conference was "Promoting conducive labour relations for decent work and job rich economic growth"

The content of the Declaration made in the 3rd National Labour and Employment Conference held on July 9 - 11, 2012 in Kathmandu.

1. Labor law is the fundamental law. It is applicable equally in all parts of the country. This conference has agreed to bring entire labor sector within the boundary of law. It expresses the commitment to create a constitution which follows the policy of one law with multiple rules according to the nature of industrial enterprises.
2. This conference expresses the commitment to implement the social security mechanism in the entire labor sector. Currently the social security fund includes 1% of the employee's salary. This conference would like to draw attention to the immediate implementation of the legal provision for contributory amount as per the agreement between employers and trade unions. It also expresses commitment to immediately decide on social security schemes and the participation of the government in the tripartite contributory system.
3. The mechanism to amend Labor and Trade Union Act to organize the labor sector is in the process. Since labor flexibility and social security supplement each other, the social Security Fund Act and National Labor Commission Act including all other labor laws are included in the package. To conclude the process of providing employment security, social security, social dialogue and strengthening of labor relations plus labor department, this conference expresses the commitment to develop the draft of labor laws within four months.
4. This conference expresses the commitment to make legal provision for conducting collective bargaining at one time by amending Trade Union Act as per the need of time.
5. It is necessary to strengthen labour administration for effective management of labour sector. In order to address the shortage of labour force and stagnancy in labour administration, it is important to expand the network and organizational structure of the labour administration. The conference expresses its commitment to develop the labour administration as one of the specialized service agencies. The conference also expresses its commitment to increase human resource of the labour administration and enhance their capacity and skills to carry-out the responsibilities of labour inspection, registration and monitoring of unions and strengthening of industrial relations effectively.
6. The investment friendly environment is necessary to create decent employment within the country. The discussion on employment generation by giving importance to creation of employment opportunities and challenges is necessary. This is why it expresses the commitment to organize employment conference to manage the new labor force entering the labor market each year, decide on fundamental employment goals and increase production, productivity and employment.
7. It expresses the commitment to develop and promote good labor relations by creating an environment of trust among the tripartite parties.
8. It expresses the commitment to amend labor laws in order to establish permanent minimum wage fixation committee and develop scientific means for the fixation of the minimum wage.
9. It expresses the commitment to provide institutional infrastructures and establish occupational safety and health communication mechanism including effective monitoring mechanism in order to organize occupational safety and health.
10. It expresses the commitment to make discrimination free and gender friendly environment in all the sectors of labour.
11. It expresses the commitment to prohibit the use of child labor and stop all types of labor exploitation practices including bonded and forced labor.
12. The conference stresses the need for the consultation with the stakeholders on foreign employment in order to ensure the protection of rights and interests of the migrant workers in various stages of the migration and enhancement of their professional skills. It also emphasizes the need to identify the areas of employment having comparative advantages and accordingly provide required information and skills to them.
13. It expresses the commitment to develop, expand and strengthen the unified labor market information system through inter-department coordination.
14. It expresses the commitment to give continuation and to implement amended agreement of 2nd of Baisakh, 2068 and the agreement of 10th Chaitra, 2067 signed between the employers and trade union federations.
15. This conference is the continuation of the first and the second national labor conference held in 2054 B.S. and 2061 B.S. respectively. It announces to organize labor conference after every three years by endorsing the commitments made in the previous conference.

*(Translated from the Nepali Text of the Declaration)*



## EC Programs in Nutshell

### Training workshop on "Human Resources Management - in a Different Perspective":

FNCCI-Employers' Council in cooperation with ILO Office Nepal organized a training workshop on "Human Resources Management-In a Different Perspective" for human resource managers/officers and managers of other departments. This program targeted both members of FNCCI and non-members as well. Altogether there were 21 participants including 4 females from different companies. The learning objectives of the training workshop were to understand the :

- fundamentals of Human Resources (HR) and HR Management (HRM).
- transformation of HRM
- functions / spectrum of HRM
- transactional HRM
- importance of HR planning
- employee relations and its implication

Mr. Shekhar Golchha, Vice president of FNCCI and Chairperson of FNCCI-EC welcomed the participants and gave an opening remark on the first day of the program. The program was held on September 22- 23, 2014 at FNCCI Secretariat.

### Consultative meeting on Draft Labour Act :

The meeting of the Officer Bearers of FNCCI, Employers' Council members and other member organizations including HAN, FHAN, Security Guards, APPON, Jute, tea and multinationals was held on 24th September, 2014 at the FNCCI secretariat. The meeting was chaired by Mr. Shekhar Golchha, Vice president of FNCCI and Chairperson of Employers Council and was attended by Vice Presidents Mr. Kishore Pradhan and Mr. Dinesh Shrestha. The meeting reviewed the progress of the Task Force members working on the Draft Labour Act. The meeting extended the mandate to conclude the negotiation process without compromising on some issues like no work no pay for the period of legal strike and sectoral bargaining. In the meeting, Mr. Golchha, highly appreciated the effort put in by the Task Force members in narrowing down the differences.

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### Publications of Employers' Council available for distribution

- Employers' Handbook
- Workplace Cooperation (Booklet)
- Managing Conflicts at the Workplace (Booklet)
- Negotiation and Collective Bargaining (Booklet)
- Social Dialogue (Training Manual)



### Upcoming events in Kartik

- ✓ 16/17 Kartik 2071  
HRM training program in Biratnagar
- ✓ 23/24 Kartik 2071  
HRM training program in Siddharthanagar

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