27.12.2024

To,

Smt. Nirmala Sitharaman
The Hon'ble Minister of Finance
Government of India
North Block,
New Delhi-110001

Sub: The Central Trade Unions (CTU's) view points on issues to be considered for framing budget for the year 2025-2026.

Respected Madam,

We, the representatives of the wealth creators, the working class of the country are participating in this pre-budget consultations only out of our confidence in the democracy and constitution of the country. We are compelled to state this as not a single suggestion by the trade unions was considered while preparing the budget or any policy of your previous governments.

It is going to be one decade since the highest tripartite forum, the Indian Labour Conference (ILC) has been called under the NDA governments. You may please recall that the main recommendation of the one and only ILC held under the NDA government was to implement the recommendations of the earlier ILCs. The recommendations were totally unanimous and parties were the Central Govt, State Governments, Employers' Organisations and all the Trade Unions. Yet, it has fallen on deaf ears.

Not only that our suggestions and demands are ignored, the Govts have been implementing policies diametrically opposite to those bypassing all tripartite, bipartite democratic mechanisms and institutions. Such as the notification published by the Ministry of Labour and Employment, drastically reducing the rates of penalty levied against defaulting employers in EPF. This has been done keeping the Central Board of Trustees of EPFO in the dark and without any consultation with the unions whatsoever.

Another disturbing trend is to withhold/delay the wage agreements arrived through time consuming exercise by the Bi-partite/Tri-partite settlements, the case in point are the agreement in steel industry and in NMDC Ltd. This is negation and disrespect not only to collective bargaining but also to the time tested mechanisms of Bi-partism and Tri-partism.

We hope that the new NDA government in its second year will learn from the experience where such policies have only helped a few corporates and took the country to huge disparities and alarming levels of unemployment, hunger and malnutrition which are evident from the World Hunger Index (GHI) as per scores calculated by Concern Worldwide and Welthungerhilfe shows India at position105th out of 125 countries. The World Inequality Lab Report in its last report mentioned that top one percent owns 40.5percent of total wealth in India whereas the share in wealth of the bottom fifty percent Indians is three percent only. And such widening disparities and deepening poverty have been directly impacting upon negatively on the growth and employment generating investment generation.

Considering the larger interest of the people and the grave situation faced by the economy, we expect you to take measures to increase the purchasing power of the people.

The CTUs puts forward these concrete suggestions for the Budget 2025-2026.

1) **Resource Mobilisation:** The resource mobilisation has to be done by increasing the corporate tax, wealth tax and introducing inheritance tax instead of burdening common masses with the GST on essential food items and medicine. Over the decades, corporate tax rates have been slashed down unjustly and at the same time increasing indirect tax burden on common people resulted in an utterly regressive tax structure. That must be corrected in the interests of fairness, equity and propriety. Even one percent inheritance tax on the super- rich with the ceiling can fetch huge amount to the budget receipts. It can be used to finance the education, health and other social sectors. Hence immediately GST on essential food items and medicine, medical insurance has to be drastically reduced.

2) **Income Tax Rebate for Salaried Class:** The ceiling limit for the income tax rebate for the salaried class on their salary, ceiling of EPFO and ESI contribution and entitlement must be substantially raised. Gratuity calculation norms must be revised and one month period be extended to ensure higher gratuity payment to all workers/employees on retirement. The ceiling on gratuity should be removed. The pension should not be taxed.

3) **Social Security Fund:** The Union Govt sponsored social security fund for the unorganised workers and agricultural workers has to be set up to provide them with defined universal social security schemes including minimum pension of Rs.9000/- per month linked with DA and other medical, educational benefits. Special Schemes to ensure ooccupational health and safety measures for workers, especially for the vulnerable trades like waste recyclers, salt pan workers, glass bangle makers as well as the gig workers/app based workers and so on. India needs to ratify ILO convention numbers 187 and 155 on OSH are now included into the Fundamental Principles of Rights at Work (FPRW). The implementation of convention 181 must be ensured.

   Income/wage loss compensation during the lean sessions and in the event of natural calamities including heat & cold waves, unseasonal rains, floods, cyclones and such others. Set up climate resilience funds to cover the losses incurred by the workers due to these natural calamities especially in the background of the climate change.

All the unorganised workers should be enrolled on E Shram portal and the social security schemes should be worker centric. Monetary benefits under current schemes have to be raised as they are inadequate. Equivalent fund to compensate the loss due to repeal of Beedi Cess Act as promised while GST was rolled out must be provided.Extending ESI to the workers of the unorganized sector must be pursued.

The small farmers/agricultural workers/ share croppers should also be included under the Kisan Sanmaan Yojana. Similarly, the agriculture workers/share croppers should also be included under Pradhan Mantri Fasal Bima Yojana.

Budget should be allocated to ensure technical coherence and interstate management mechanisms to ensure portability of ration cards and other identity cards. This will enable the migrant workers to entitled social security benefits at their source and destinations. This is high time to frame National policy on migrant workers and accordingly strengthening of Interstate Migrant Workers Act is necessary.

4) **Jobs Creation:** All existing vacancies in the Central Govt departments and PSU's must be filled immediately. Ban on creation of jobs be lifted. The practice of contract and out sourcing should be stopped and instead, regular employment has to be ensured. Ensure equal pay for equal work. Agniveer, Ayudveer, Koylaveer and such fixed term employments should be stopped and replaced by regular employment in all those areas. The scheme of Govt funded apprenticeship to the benefit of private employers in the name of skill India should be totally replaced by statutory obligation of the private employers to engage requisite number of apprentices in respective establishments on their own with a clear provision of phased placement of them in regular employment.

All the benefits/concessions/rebates/tax-cuts being granted to the corporates must be linked with additional employment generations with a stringent accountability-fixation mechanism.

Increased allocation for MNREGS to ensure 200 days work with statutory minimum wages. Extend the scheme to urban areas as per the unanimous recommendation in 43rd ILC.Immediate payment of all pending wages must be made.

Adequate Budgetary allocation should be made for conducting the survey and issuance of vending license under the street Vendors (Protection of Livelihood and Regulation of Street Vending) Act 2014 and ensure climate resilient markets.

5) **NPS:** New Pension Scheme must be scrapped, the truncated Unified Pension Scheme cannot replace the Old Pension Scheme and benefit defined old pension scheme must be restored. Enhance EPS-95 from Rs.1000/- to Rs.9000/- linking with DA. There should be budgetary allocation.

6) **8th Pay Commission should be constituted immediately.**

7) **Labour Codes Should be repealed:** All the 4 Labour Codes enacted repealing 29 labour statutes must be repealed and scrapped.The said 29 labour statutes should be restored. Minimum wages of not less than Rs.26000 per month with indexation must be fixed in line with consensus recommendation of Indian Labour Conference in which Govt of India is a party. Call the ILC immediately as per the requisite of ILO convention 144.

8) **Privatisation of PSUs and Government sector must be stopped:** Privatisation of PSU's and its latest format--National Monetisation pipeline process should be stopped forthwith. Privatisation in different ways in production and service, in Railways, privatisation process in Defence sector by formation of companies and their merger etc., Privatisation in Coal and mines and auction of coal/mine blocks/MDO, Privatisation in large scale in Port and docks, in power generation and transmission etc are going on in an unbridled manner. All these must be stopped immediately. Move to sell off the assets of BSNL and RINL to be stopped immediately. Stop privatisation of RINL (Vaizag Steel Plant). The Nagarnar steel plant built with NMDC Ltd resources, must remain with NMDC and no privatisation. All public sector units must be strengthened.MDO format of mines privatisation should be stopped immediately. Stop privatisation of electricity through different means. Withdraw the Electricity Bill. Scrap Smart Pre-paid Electricity Meter Scheme.

   Privatization of the Door-to-door waste collection system should be stopped and ensure employment to traditional waste recyclers and their technology and skills up-gradation.

9) **Loot and Plunder of public sector banks and public exchequer and privatisation of insurance sector should be stopped:** The loan waiver of defaulting corporates in the form of liberal write-offs and also Insolvency Bankruptcy Code route etc must be discontinued as they are delivering practically nothing worthwhile in terms of value-creation and regular employment generation. They all are contributing non-productive outflow from national exchequer, to the detriment of national interests. Further deliberate default of bank loans has been legalised and legitimised. Rather, public sector banks must be strengthened with additional permanent manpower and widening their branch network covering the remote areas of the country.

10) **On the same ground Production Linked Incentive scheme (PLI), Capital investment incentive scheme (Capex Incentive)** etc must be discontinued as they are in actual operational system contributing nothing to national

economy either in terms of higher value-creation or employment generation except becoming an unholy drag on national exchequer.

The reply of Minister for Industries and Commerce to the Parliament in the current session has exposed the futility of the PLI scheme as well as its squeeze on the national exchequer; the reply reveals that as on August 2024, against the Production Linked Incentive granted to 764 companies amounts to Rs 1.97 Lakh crores, whereas additional investments made by them was only Rs 1.46 lakh crores with insignificant employment generation (9.5 lakh) as well negligible productive performance by those 764 beneficiary companies across 14 sectors. Alarmingly, entire additional investment cost of those 764 private companies was borne by the Govt through PLI, with no gains either to Govt or to employment generation.

Similarly, the Capex Incentive to the tune of 70% of the investment cost provided under SPECS for OSAT(Outsourced Semiconductor Assembly & Test) Plants to selective few Domestic as well as foreign Corporates amounts to around Rs.76000 crores; in return employment generation is so negligible (around 23 thousand) that it works out to Rs 3.2 crores investment per every single employment generated.

The IBBI data reveals that hardly 32% of the total admitted debt is recovered through the process under Insolvency & Bankruptcy Code, while the Public Sector Banks are made to incur loss of 68% of their outstanding loan given to defaulters.

The ELI Scheme with an outlay of Rs.2 lakh crores announced in the last 2024-25 budget is only a continuation of earlier:

a) Pradhan Mantri Rozgar Protsahan Yojana under which employer's share of contribution to EPF and EPS for 3 years from 2016.
b) Prime Minister Garib Kalyan Yojana brought during Covid 19 also provided for paying employers and employees share of EPF & EPS contributions.
c) Atma Nirbhar Bharat Rojgar Yojana also provided for employers and employees share of certain organisations for 2 years since October 2020.

Now the MoL&E has sought to reduce the allocation for the Plan A, B, C of ELI to one third of the outlay realising the futility of the scheme. Further the Pradhan Mantri Internship Yojana for which last budget has provided an outlay Rs.63000 crores will only turn out to be a scheme to subsidise the labour cost and replace regular workforce increasingly by cheap temporary/non-permanent workers (in the name of interns) in the guise of skilling without any obligation on the employers to absorb the interns as employees.

11) **Stop the move to privatise LIC and GIC:** Stop privatisation of LIC and GIC through different moves like LIC-IPO and withdraw the Bill allowing 100% FDI in Insurance Sector detrimental to the larger interest of the common people and the nation.

12) **Social Sector**: Stop privatisation of social and service sectors like food/nutrition, health and education. Increase allocation for basic services in health and education. Adequate allocation for drinking water, sanitation, housing etc. Budget allocation for SC/ST Sub plan and gender budgeting must be increased. Reinstate the concessions for the senior citizens, differently abled in the railways.

13) **Revamping of Shram Suvidha & Samadhan Portal as per Para 102 of last budget to further ease of doing business** will only intensify the centralised randomisation of labour inspections exempting the employers from the compliance of labour laws weakening the enforcement mechanism. The digitalisations of complaints/dispute redressal mechanism do away with the physical conciliation process of interactions and delay the process of relief to the workers. Hence this effort of revamping should be stopped as it neither provides Suvidha nor Samadhan to the workers and is in violation of CO81-Labour Inspection Convention, 1947 and RO81-Labour Inspection Recommendation -1947 of International Labour Organization (ILO) and provide short cut bye-pass for non compliance or non adherence of the statutory duties / responsibilities cast on the employer's as per the various labour enactments of the legislatures.

14) **Price Rise:** The increase in the prices of petroleum products induced increase of duties and essential services should be immediately contained with concrete ameliorative measures. Speculative forward trading and hoarding of food items has to be curbed and universal public distribution system should be strengthened including all essential food items to contain price rise.

15) **Scheme Workers:** Scheme Workers viz. Anganwadi, Mid-Day-Meal, ASHA workers, ASHA kiran, block facilitators, para teachers and other scheme workers should be regularised as workers with attendant rights of increased statutory minimum wage, social security and other benefits including pension in accordance with consensus recommendation of ILC and recent order of Gujarat High court. Increase the allocations for all central schemes providing the basic services like ICDS, MDMS, NHM etc. Strengthen the schemes to ensure quality services of nutrition, health and education as well as child care services to all, especially the unorganised sector workers. Ensure allocations for implementation of the Supreme Court Order on Gratuity to anganwadi workers and helpers and extend it to all scheme workers.

16) **EPF:** Rescind the recent gazette notifications of reduction of penal charges on defaulting employers in remitting the contributions to the PF, EPS and EDLI schemes. Ensure minimum pension of Rs.9000 and above under EPS. Increase the coverage to cover all workers. Discriminatory representation in the board of trustees of EPFO must be rectified immediately. These are all dependent on the sanctions by Finance Ministry only.

17) ESIC: Strengthen the ESIC services to ensure quality services with coverage of all work areas and enhanced coverage limit and removal of ceiling on coverage/entitlement. All the workers of the unorganised sector should be in a process linked with ESI with consideration of financial resource in each case. It can begin with construction workers and the contribution of worker and employer for the construction work can be paid from the CESS collected in the "State Building and other Construction Workers Welfare Board".

***18)* MSP:** Ensure Statutory Minimum Support Price (MSP) for all the farm produce as per recommendations of Dr.M.S.Swaminathan Commission with guaranteed procurement. *(You must be aware that Shri Dallewal, a Kisan leader is on Fast unto Death, demanding Statutory Minimum Support Price (MSP) for all the farm produce as per recommendations of Dr.M.S.Swaminathan Commission with guaranteed procurement, amongst other equally important demands and these are demands of all Kisan organisations.) Even Parliamentary Standing Committee has recommended enactment of such a law. We urge you to concede this demand.*

With regards,

Yours sincerely,

INTUC	AITUC	HMS	CITU	AIUTUC
TUCC	**SEWA**	**AICCTU**	**LPF**	**UTUC**

And Sectoral Federations/Associations