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Govt rejects stock

Also turns down Left's demand for creation of fund

Jatin Gandhi
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REJECTING THE Left's demand for including the creation of a fund in the Unorganised Sector Workers Social Security Bill, 2007, the government said on Thursday that it will not set up a corpus for the unorganised sector workers and the bill will be brought back in Parliament for consideration in the monsoon session.

The Ministry of Labour and Employment also announced that from September 1, the Em-

ployees Provident Fund corpus will be managed by three fund managers. At present, the EPFO has only one fund manager and the move is targeted at getting better returns on the fund. However, it has rejected a suggestion from the Finance Ministry that five per cent of the fund be invested in the stock market.

"Looking at the current volatility of the stock market, the EPFO board decided against taking that risk," Sudha Pillai, Union Secretary Labour and Employment said. She added that the EPFO has

recommended that an interest rate of 8.5 per cent be paid for the year 2007-08 on EPF. The recommendation is pending approval of the Finance Ministry.

On the unorganised sector workers' bill, she said the government has decided against creating a fund. The Left wants that a social security fund of at least Rs 10,000 crore be created for funding various schemes under the bill. "Managing a fund is difficult. It entails huge bureaucracy and takes you away from the main purpose of managing the schemes.

option on PF

for unorganised sector workers

When the government has said there will be funds for every scheme, there is no need for a corpus," Pillai said.

The Bill was introduced in the Rajya Sabha in September 2007 after which it was referred to the Parliamentary Standing Committee on labour and employment headed by CPI MP S Sudhakar Reddy. The panel gave its report in November. The government is expected to bring the bill back without following most of the recommendations.

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Union Secretary, Labour and Employment