**Labour unrest and strikes inimical to fresh investments and affect country’s economic prospects: FICCI**

**New Delhi, October 20, 2009**. Unwarranted labour militancy is going to affect the economic prospects of the country, FICCI has observed in the context of violence and labour unrest in the country’s new automobile hub in Gurgaon, Haryana. FICCI has called for an immediate action against outside intervention in industrial relations which is escalating labour violence and clouding the prospects of fresh investments.

 Serious labour problems have stalled the functioning of a leading auto manufacturing unit in Gurgaon. Earlier another factory had met with similar violence and stalling tactics which prompted the management to indicate that future expansion of the facility will be stopped.

 Given this situation, FICCI urges the government that the Trade Unions Act, 1926 be strengthened to require at least 20 percent workers to form a union. Right now only 7 workers can form a union which is resulting in multiplicity of trade unions, inter union rivalry and other forms of labour unrest.

 FICCI has also urged that the Trade Unions Act incorporate provisions for tackling problems arising out of going slow at work. Currently, there is no provision to check going slow at work as is happening in the case of Honda Motors and Scooters India Ltd.

 The current spate of violence was sparked by a handful of 61 workers of M/S Rico Ltd who were suspended on disciplinary grounds. Ever since they have resorted to violence and are not allowing other willing workers to resume their duties. In this context AITUC had intervened and given a strike call that further aggravated the situation in Gurgaon.

 FICCI has observed that industrial relations should not be politicized and that industry should promote internal leadership, which is more responsive to the interest of the organization than outside trade unions which act on political agenda.

Media Division