

Report
of the
Steering Committee on Labour & Employment
constituted for the
Eleventh Five Year Plan (2007 – 2012)

Government of India

Planning Commission
(Labour, Employment & Manpower Division)
(September 2008)

FOREWORD

Generation of productive and gainful employment with decent working conditions on a sustainable basis to absorb our growing labour force has always remained one of the avowedly pursued objectives of our post-Independence development policy. Not that we could not achieve any success on this front, but the fact remains that due to several factors – demographic, social, technical and cultural – this objective could not be achieved to the extent to which it should have been. Consequently, the extent, nature and structure of unemployment remained a major concern of the planners and policy makers in this country.

The basic weakness in our employment performance is the failure of the Indian economy to create a sufficient volume of additional high quality employment to absorb the new entrants into the labour force, while also facilitating the absorption of surplus labour that currently exists in the agricultural sector, into higher wage, non-agricultural employment. A successful transition to inclusive growth requires migration of such surplus workers to other areas for productive and gainful employment in the organized and unorganized sector. Women agricultural workers in families where the male head has migrated, also require special attention given the need for credit and other inputs, if they are self-employed in agriculture or for wage employment, if they do not have land. The Eleventh Plan provides an opportunity to focus on the reasons for past failings observed in the employment situation and to reverse, at least, some of the adverse employment outcomes associated with the pattern of economic growth in the recent past.

The Steering Committee has deliberated upon the many facets of employment and, in particular, on the quality of employment. An in-depth review of the past practices on the measurement of labour force, employment and unemployment has been made, while making the suggestions for the Eleventh Five Year Plan. This Plan is being evolved as an ‘Education Plan’, and a novel feature of the exercise on projections of labour force is the explicit treatment of the influence of education on participation in labour force. The policies and programmes that have a strong bearing on creation of new employment opportunities in the principal production sectors have been reviewed, in proposing the strategy for creation of employment opportunities.

Along with the development of education, the Eleventh Plan shall mount a major initiative on skill development and vocational training, in a mission mode. The innovations required in the institutional set-up have been identified. Two key features of the quality of employment are the physical conditions at work, and the social security of workers. Occupational Safety and health of our workers is seen as a major area of gap, when we look at the conditions of work in the unorganized sector. We have an elaborate technical set-up for safety and health of workers for the ‘organised sector’, but its reach across the establishments should expand many-fold. Similarly, we have an elaborate set-up of institutions for providing social security cover to workers. These are designed to help the workers to cope up with risks to health, job loss, and at old age. But again the reach is limited to a small fraction of the labour force. A new approach is required to extend the social security cover to an average worker.

The expansion of employment opportunities at regular wage, in the formal mode, requires a new look at our labour regulations. However, the task is not easy, because any new initiative by the Government has to be evaluated from a variety of perspectives. A comprehensive review of the efforts made for changes in labour regulations is presented here. There are certain areas where convergence of interests of the workers and the employers is feasible, and an effort on these will yield a definite and early outcome.

The planning process faces a major challenge in tackling the problem of Child Labour. Here the direct effort has so far been made through the Central Government programme. However, the dimension of the problem is such that meaningful outcomes are feasible only with a direct involvement of the developmental administration set-up of the State Governments.

The Members of the Steering Committee provided deep insight into the intricate issues at the deliberations of the Steering Committee. The Steering Committee benefited immensely from the work done by the six Working Groups, five of which were coordinated by the Ministry of Labour and Employment, and one by the Labour, Employment and Manpower Division of the Planning Commission.

Shrimati Jayati Chandra, Principal Adviser (Labour, Employment & Manpower), and the Member - Convenor of this Committee led the effort for preparing this Report. Shri S.K. Saha prepared the first draft of the Report with support from the officers of the Labour, Employment and Manpower Division. Shri Shailendra Sharma provided important inputs on many technical issues dealt with in the Report.

Bhalchandra Mungekar

Member(Labour and Employment), Planning Commission,

and

Chairman, Steering Committee on Labour and Employment for the Eleventh Five Year Plan

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CHAPTER 1

BACKGROUND

In the context of the preparation for the Eleventh Five Year Plan (2007-12), a Steering Committee on Labour and Employment was constituted, vide Planning Commission Order No. Q-20017/01/2005 – LEM/LP dated 2nd March 2006 (*Annexure I*), under the Chairpersonship of Prof. Bhalchandra Mungekar, Member, Planning Commission with the following terms of reference:

- a) To project the labour force and work opportunities that should form the basis for Eleventh Plan strategy with respect to employment and suggest strategies for creating specific work opportunities.
 - b) To suggest policies and programmes to provide vocational training for all the new entrants to labour force, particularly the youth in the rural areas.
 - c) To review labour laws and regulations and suggest modifications which would help to expand regular wage employment.
 - d) To review existing social security measures for organized and unorganized workers, and suggest a strategy for providing social security cover to the unorganized workers, particularly the landless agricultural labour.
 - e) To suggest measures for improving occupational safety and health for all the workers.
 - f) To review the present status and approach to the problem of child labour and to suggest a framework to reduce drastically the incidence of child labour.
 - g) To eliminate bonded labour and secure its proper rehabilitation.
 - h) Any other issue(s) concerning labour and employment policy & programme, with the consent of the Chairman of the Steering Committee.
2. The Steering Committee set up six Working Groups to look into the various matters relating to labour, labour welfare and employment, in detail, in the Eleventh Plan (2007-12):
- i) Working Group on Labour Force and Employment projections;
 - ii) Working Group on Skill Development and Training;
 - iii) Working Group on Occupational Safety and Health;
 - iv) Working Group on Social Security;
 - v) Working Group on Labour Laws and Other Labour Regulations; and
 - vi) Working Group on Child Labour.

Terms of reference and composition of these six Working Groups are specified in the six Orders issued by the Planning Commission. (*Annexure II*).

3 The Steering Committee met 3 times and deliberated upon the report of the Working Groups and their recommendations. Taking into consideration the suggestions and recommendations of the Working Groups, the Steering Committee prepared this final report.

CHAPTER 2

MEASUREMENT OF LABOUR FORCE, WORK FORCE & EMPLOYMENT – THE CONCEPTS

2.1 The Alternative Measures of Labour Force and Employment – Concepts & Definitions

The National Sample Survey Organisation (N.S.S.O.) has developed and standardised the concepts and definitions of labour force, employment and unemployment based on the recommendations of the Committee of Experts on Unemployment Estimates set up by the Planning Commission in 1969 (Dantwala Committee), (Box 2.1).

Box 2.1: Concepts and Definitions for Labour Force, Employment and Unemployment¹

“ In the light of long experience in field surveys and the recommendations of the Committee of Experts on Unemployment Estimates set up by the Planning Commission in 1969 (Dantwala Committee). the National Sample Survey Organisation (N.S.S.O.) has developed and standardised the concepts and definitions of labour force, employment and unemployment suitable to our socio-economic conditions and adopted them in quinquennial surveys on employment and unemployment since 1972-73 (27th Round). The various estimates are based on three concepts namely, Usual Status, Weekly Status and Daily Status. These are explained below:—

- i.Usual Status Concept: This concept is meant to measure the usual activity status— employed or unemployed or outside the labour force of those covered by the survey; thus the activity status is determined with reference to a longer period than a day or a week*.
- ii.Weekly Status Concept: Here the activity status is determined with reference to a period of preceding 7 days. A person who reports having worked at least for one hour on any day during the reference period of one week while pursuing a gainful occupation was deemed to be employed. A person who did not work even for one hour during the reference period but was seeking or available for work was deemed to be unemployed.
- iii.Daily Status Concept: Here activity status of a person for each day of the preceding 7 days is recorded. A person who worked at least for one hour but less than four hours was considered having worked for half a day. If worked for four hours or more during a day, he was considered as employed for the whole day.

* The period of reference in the NSS 27th Round (1972-73) was a one year period 'spanning over' the past and future. The period was restricted to the preceding 365 days in the NSS 32nd Round (1977-78).”

¹ GOI, Planning Commission; Sixth Five Year Plan; Chapter 13: Manpower and Employment, paragraph 13.3.

Box 2.2: The Three Kinds of Estimates of the Unemployed¹

Unemployment rate is defined as the number of persons unemployed per 1000 persons in the labour force. Three kinds of estimates for the unemployed are obtained following the three different approaches. These are:

- i) number of persons usually unemployed based on 'usual status' approach,
- ii) number of persons unemployed on an average in a week based on the 'weekly status' and
- iii) number of person-days unemployed on an average during the reference period of seven days preceding the survey.

The first estimate indicates the magnitude of persons unemployed for a relatively longer period during a reference period of 365 days and approximates to an estimate of chronically unemployed. Some of the unemployed on the basis of this criterion might be working in a subsidiary capacity during the reference period. The former is called as the usually unemployed according to the principal status (p.s.) and the latter, the usually unemployed excluding the subsidiary status workers (u.s. adjusted) which admittedly will be lower than the former. The second estimate based on the weekly status gives the average weekly picture during the survey year and includes both chronic unemployment and also the intermittent unemployment, of those categorized as usually unemployed, caused by seasonal fluctuations in the labour market. The third estimate based on the daily status concept gives average level of unemployment on a day during the survey year. It is the most inclusive rate of 'unemployment' capturing the unemployed days of the chronically unemployed, the unemployed days of the usually employed who become intermittently unemployed during the reference week, and the unemployed days of those classified as employed according to the priority criterion of current weekly status.

¹NSSO Report No. 409: Employment and Unemployment in India 1993-94: NSS 50 th Round; Chapter 7.

The magnitude of incidence of unemployment differs substantially among the three concepts of measurement. This is due to the differences in the nature of enquiry made during the household survey on employment / unemployment in regard to disposition of time of a person. (Box 2.2)

The earlier Five Year Plans; Measurement concepts used in -

The basis of measurement, as used for presenting the estimates of labour force and employment, and for making projections, during the various Five Year Plans are indicated in Table 2.1. It will be seen that as the concepts and definitions and measurement practices got refined through the successive surveys on employment and unemployment, the basis of measurement of employment and unemployment, as used for carrying out the five year Plan exercises also changed.

Table 2.1: Basis of measuring Labour Force & Employment in the previous Five Year Plans

Five Year Plan	Basis of Measurement	Reference to the relevant Five Year Plan Document	Remarks
Fifth Plan (1974 - 1979)	Labour time disposition as per current activity i.e., the Current Weekly Status (CWS)	Fifth Plan, Chapter 2: The Perspective, Para 2.36	This was the first Plan exercise after the first household enquiry on employment and unemployment done in the 27 NSS Round (1972-73) following the methods recommended by the Committee of Experts on Unemployment Estimates (1970).
Sixth Plan (1980 - 1985)	Usual Principal Status (UPS), - Employment projections made in terms of Standard Person Years	Sixth Plan, Volume II, Chapter 13, Table 13.2	Detailed work on estimation of labour input at level of industrial sector was done in preparation of the first Draft of the Sixth Plan which was to cover the period 1978 - 1983. Labour input, was related to sectoral output, in terms of standard person years, and thus the projections of employment were made in terms of standard person years. However, as noted in a later Plan document, the use of a fixed labour input coefficient implied a unit elasticity of employment with respect to output, which is not borne out by the actual observations.
Seventh Plan (1985 - 1990)	Usual Principal Status (UPS)	Seventh Plan, Volume II, Chapter 5: Employment, Manpower Planning and Labour Policy, Table 1.	
Eighth Plan (1992 - 1997)	Current Weekly Status (CWS) was preferred over the UPS, in making projections of employment.	Eighth Plan, Volume I, Chapter 6: Employment Perspective, Para 6.4.1	
Ninth Plan (1997-2002)	Usual Principal Status (adjusted for the subsidiary workers) i.e., the Usual Principal and Subsidiary Status. (UPSS)	Ninth Plan, Volume I, Chapter 4, Employment Perspective, Para 4.8.	
Tenth Plan (2002 - 2007)	Current Daily Status (CDS)	Tenth Plan, Volume I, Chapter 5, Employment Perspective, Para 5.9.	CDS basis was adopted after considering the recommendations made in the Report of the Planning Commission 'Special Group on Creation of 10 million Employment Opportunities per Year during the Tenth Five Year Plan period.'

2.2 The rationale for the ‘current daily status’ basis

The Tenth Plan presented, in detail, the rationale for changing over to the ‘current daily status’ basis of measurement Box 2.3:

Box 2.3: Measurement of Employment and Unemployment¹

In the Ninth Plan, the calculations of employment and unemployment were based on Usual Principal and Subsidiary Status basis (UPSS). The Report of the Special Group² has viewed current daily status (CDS) as a better measure to capture unemployment and underemployment than the usual status, and therefore recommended the use of CDS basis for estimation purpose.

The rationale for using CDS for measuring employment and unemployment is the following:

- i) The Approach Paper to the Tenth Plan recommended creation of gainful employment opportunities for the entire additions to labour force during the Tenth Plan and beyond. Therefore, policies and programmes to fill the gap between requirement and availability of gainful employment opportunities are to be worked out. At any point of time, there is a large unemployed and under-employed workforce i.e., not having any gainful employment, although by using the measurement on UPSS basis, several of them are declared employed. This results in over-estimation of the level of employment. To avoid this, largely, the Special Group suggested estimation of the extent of employment and unemployment on CDS basis.
- ii) According to the NSSO employment and unemployment survey report of 1999-2000 ‘The usual status approach adopted for classification of the population is unable to capture the changes in the activity pattern caused by seasonal fluctuations. But the estimate obtained by adopting the current weekly or current daily status approaches are expected to reflect the overall effect caused by the intermittent changes in the activity pattern during the year. The latter (CDS) reflects also the changes, which take place even during the week. The estimate of the employed based on current daily status gives average daily picture of employment.’

Therefore the Special Group regarded the CDS measurement as the most appropriate measure to have an estimate of the gap i.e., jobs to be created on gainful basis, in order to bring out recommendations as to how they can be filled up by changes in policies and programme.

¹ Tenth Five Year Plan, Volume 1, Chapter 5: Employment Perspective, Paragraphs 5.8 to 5.10.

² Special Group on Targetting Ten Million Employment Opportunities Per Year; Planning Commission (May 2002).

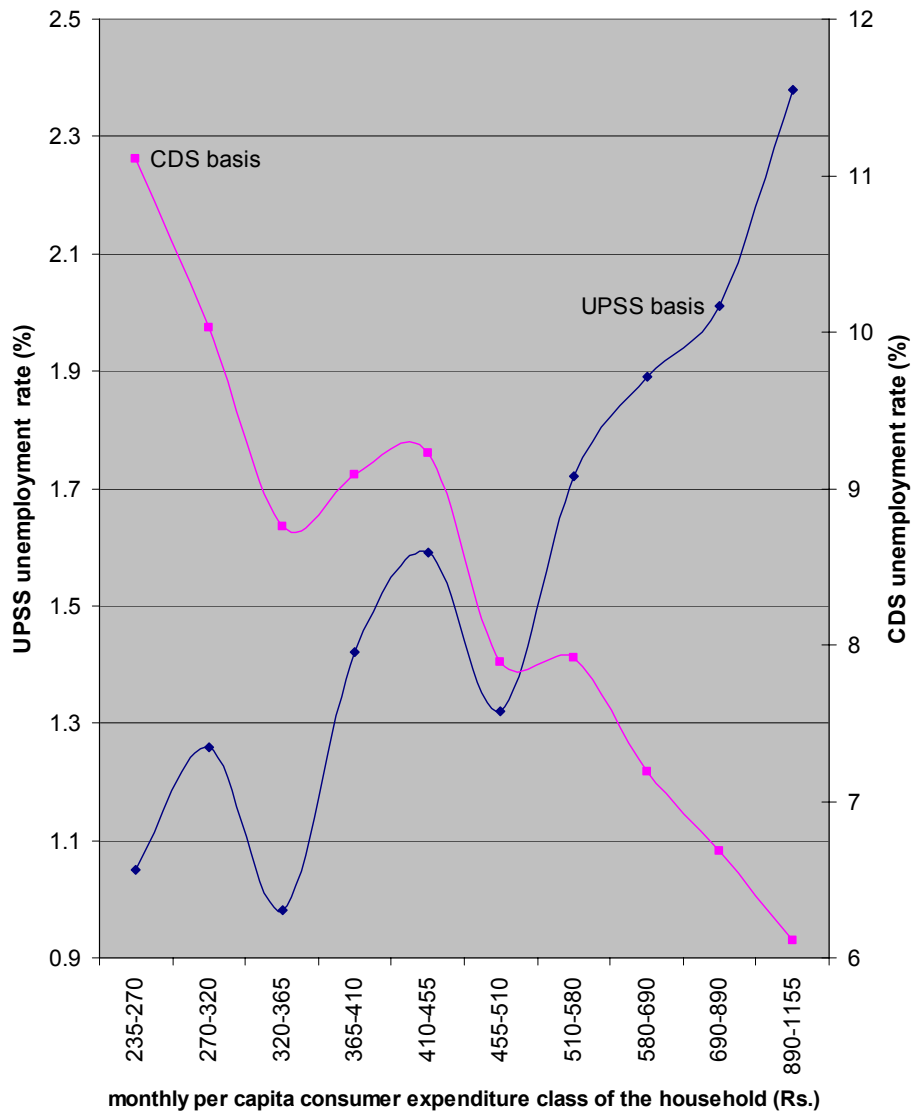
2.3 Linking of Poverty with Unemployment under the alternative basis of measurement – UPSS & CDS

In the UPSS basis of measurement, the estimate of unemployment of the better-off persons (those having higher levels of consumer expenditure) turns out to be higher than that of the poor. As per the CDS basis of measurement, the poor have a higher level of unemployment than the rich. Table 2.2 illustrates this feature both for the rural and the urban areas. UPSS unemployment rates of the rural rich are nearly double that of the poor. And the CDS unemployment rates of the rural poor are 10 percentage points higher than the UPSS unemployment rates of the poor. It may also be noted that in the CDS measure the incidence of unemployment rises sharply as the income level (*as measured by the consumption expenditure here*) falls; for example, the unemployment of urban poor being 6 percentage points higher than the rich. The UPSS measure fails to establish a monotonic relationship between unemployment and income. In other words, the CDS measure of unemployment brings out the relationship between poverty and unemployment, clearly. (Charts 2.1 and 2.2)

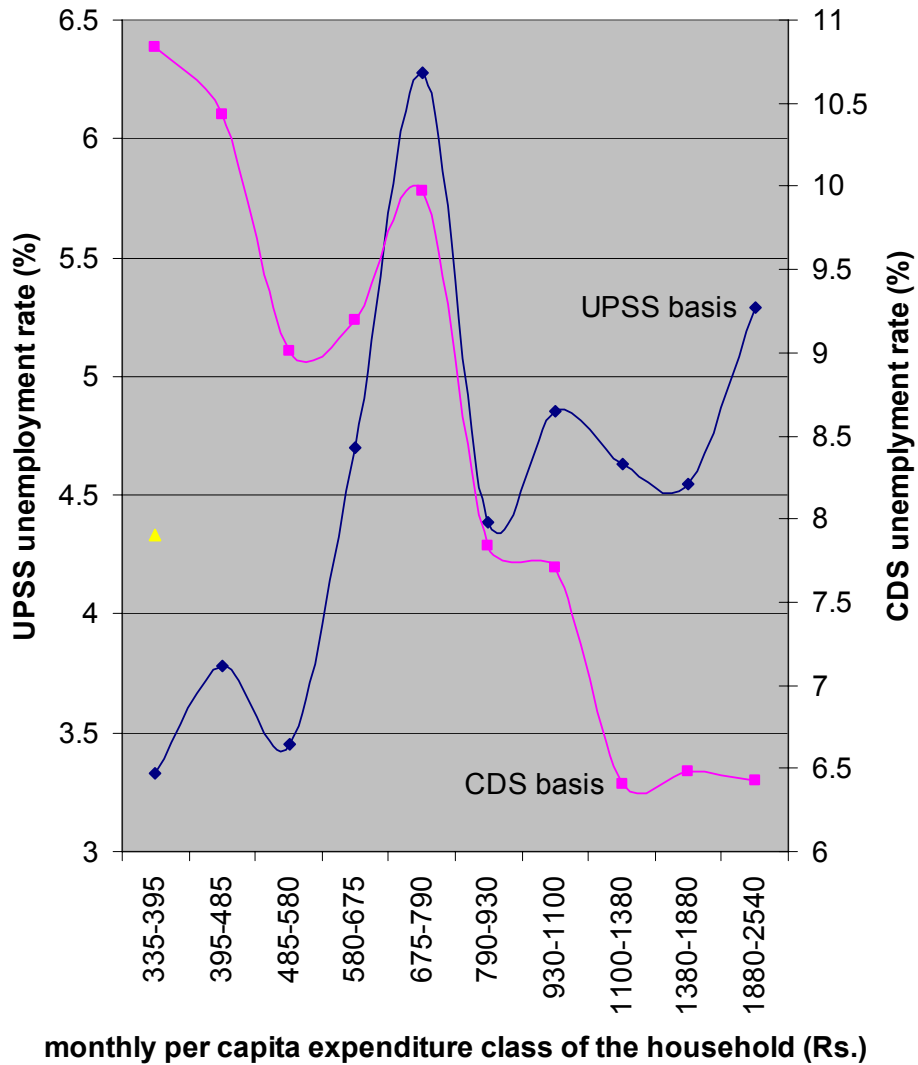
Table 2.2: Incidence of Unemployment by the level of Household Consumer Expenditure under the alternative measures for unemployment – UPSS & CDS: 2004-05

Unemployment Rate - Rural Persons 2004-05			Unemployment Rate - Urban Persons 2004-05		
MPCE class (Rs.)	UPSS	CDS	MPCE class (Rs.)	UPSS	CDS
0-235	1.36	11.86	0-335	5.12	12.70
235-270	1.05	11.11	335-395	3.33	10.84
270-320	1.26	10.03	395-485	3.78	10.43
320-365	0.98	8.76	485-580	3.45	9.01
365-410	1.42	9.09	580-675	4.70	9.19
410-455	1.59	9.23	675-790	6.28	9.97
455-510	1.32	7.89	790-930	4.39	7.84
510-580	1.72	7.92	930-1100	4.85	7.71
580-690	1.89	7.19	1100-1380	4.63	6.40
690-890	2.01	6.68	1380-1880	4.55	6.48
890-1155	2.38	6.11	1880-2540	5.29	6.43
1155 & above	3.65	6.65	2540 & above	2.74	4.08

**unemployment rates of rural persons by expenditure
class of household 2004-05 - UPSS
and CDS basis**



**unemployment rates of urban persons by
expenditure class of household 2004-05 -
UPSS and CDS basis**



Person- specific characteristics

CDS measure being a person days measure (i.e., a time based measure), is not amenable, straightaway, to study of person specific characteristics of the workers. Current Weekly and the Usual Status measures study the activity status of a person over the reference period (week or the year) (CWS, UPSS, and UPS) and, are therefore amenable to study of person-specific characteristics. Hence, in presenting the person-specific features of employed or unemployed persons the UPSS measures should be used.

2.4 The choice between the alternative basis of measurement

Thus, for the purpose of making estimates of labour force, employment and unemployment, for the entire economy, current daily status, is a better measure, because:

- (i) in contrast with the usual status measures, it does not count ‘the underemployed’ as ‘the employed’,
- (ii) it is a better measure of gainful employment, and
- (iii) it captures the quality of employment better than the UPSS basis, by exhibiting a higher incidence of unemployment among the poor than the rich.

One of the purposes of making an assessment of the developments in employment situation is to understand the response of employment to output at the aggregate level of a State, a Sector of production (agriculture etc.), or the Nation as a whole. In linking the labour input with output, one should use such a measure that captures better, the gainful employment. Here, again CDS is the better measure to estimate output elasticity of employment.

However, for the study of employment / unemployment situation, for a specific category or class of persons (educated, illiterate, women, minority, S.C./S.T., etc.) the usual status measure should be used.

And for the purpose of a deeper study of factors underlying the social well being of the persons, the usual status measure needs to be used in conjunction with the current daily and current weekly status measures.

The Working Group on Labour Force and Employment Projections has recommended that the analysis of trends in labour force and employment be done on the basis of UPSS and CDS measures. The projections should be made on the basis of CDS measure following the practice used in the 10th Plan. The Steering Committee accepts this recommendation of the working group.

2.5 Regular and more frequent inflow of Facts on Employment Data, its Analysis and

Interpretation of facts – full scale NSSO Survey on Employment / Unemployment every year:

Collection and dissemination of employment data from households, on an annual basis, is a critical input to understand the employment outcomes, across locations and through time, of economic policies and programmes of Nation and the States. At present a thin sample of households is canvassed every year, which cannot be used for State-wise analysis of employment /

unemployment situation, and for study of situation of employment / un-employment / under-employment of specific groups of persons in the labour force, because the sample size is too small.

Planning Commission had recommended to the Department of Statistics in 2003 that a full scale household enquiry on employment and unemployment should be conducted every year. Such an enquiry is done at present through a large scale sample survey of households once in five years. NSSO has been considering this proposal through its various fora. The Steering Committee reiterates the need for carrying out a full-scale annual survey of households on the subject of employment & unemployment by NSSO.

2.6 A regionally differentiated approach to employment planning

- 2.6.1 A differential approach across regions is required. Elements of this are perceptible in the region specific programmes and policies, including the District specific programmes such as the NREGA.
- 2.6.2 At present labour and employment issues receive little or no priority in the deliberations on State Plans. There is need to carry out the regional analysis of labour and employment issues, in a quantitative manner immediately, even before we get busy with the MTA of 11th Plan, so that a firmed up regionally differentiated approach to employment in the future Planning exercises. This would provide us the factual base for a dialogue with the State Governments on the developmental efforts made.
- 2.6.3 Compilation, processing and release of State Sample Surveys Data on Employment & Unemployment is in a state of utter neglect in most of the States.
- 2.6.4 While National level surveys on employment and unemployment bring out a comprehensive picture of the characteristics of labour force and patterns in employment and unemployment, the real action to address the labour and employment issues is taken at the level of States and Districts Administration. This requires availability of objective information, duly supported by quantifiable facts at the level of sub regions within a State. However, the most of the State Planning Departments, and the State Statistical Bureaus do not process the survey schedules filled up at the level of households as a part of the State Sample of Employment and Unemployment Surveys. In its absence, certain very broad conclusions for State and sub-State level employment situations are available to support programme and policy planning at the level of States. This impedes the ability of the planning process to address the labour and employment planning issues in a regionally differentiated manner.
- 2.6.5 The State Governments should accord a high priority to processing of State sample data of employment and unemployment surveys.
- 2.7 Quality of employment and methodology for estimating labour force and employment for various segments of labour force-need for further work on concepts and measures
 - 2.7.1 Eleventh Plan focus is mainly at improving the ‘quality of employment.’ However the key (research) issue is ‘*How to quantify the quality of employment?*’ The subject has been often discussed in the academic circles, but has never been addressed by the planning

process as such. There is need for further work on the concepts underlying measurement of employment and unemployment. At present 'Quality of employment' is captured outside these measures by looking at supplementary information on (i) level of wage, and /or (ii) conditions of employment and / or (iii) access to social security. And on these three there does not exist a well researched document that recommends to the Government a method of collecting objective facts through survey or / census, and releasing an acceptable measure of 'employment graded by its quality.'

- 2.7.2 The present measurement concepts (UPS, UPSS, CWS, and CDS) were adopted by the statistical surveys system of Government based on the three decades old (1970) Report of Experts Committee on Unemployment of constituted by the Planning Commission. Thus, the current estimates of employment and unemployment follow the methodology recommended by this Committee. As discussed above, there is a case for revisiting the methodology of estimation of employment and unemployment to explore whether 'quality of employment' can also be made part of the enquiry from households made by the statistical system in regard to the status of employment.
- 2.7.3 The Working Group on Labour Force and Employment Projections has recommended that the Planning Commission may set up a 'Committee of Experts on Estimates of Employment & Unemployment', to recommend whether, and if so how the design of the household enquiry on employment and unemployment be modified to bring in an objective measure of quality of employment in the estimates of employment and unemployment.
- 2.7.4 The Steering Committee accepts this recommendation of the Working Group.

CHAPTER 3
LABOUR FORCE AND EMPLOYMENT PROJECTIONS

3.1 Broad Trends in Labour Force and Employment

Table 3.1 presents a comparison of the trends in employment and labour force over a longer period. It is evident that population growth decelerated in Period II (2000 – 2005) as compared with Period I (1994 – 2000) and this led to a deceleration in labour force growth also. However, the growth of the work-force, that is, total employment, also decelerated in Period II. Employment grew more slowly than the labour force in Period II which raised the unemployment rate from 6.1% in 1993–94 to 8.3% in 2004–05. Measured in absolute terms, the average annual increase in employment opportunities during Period II was 6.45 million, which is lower than the annual increase of 7.09 million in Period I.

Table 3.1: Population, Labour Force, Employment and Unemployment (1993-94 to 2004-05)

	1993–94	1999–2000	2004–05
<i>(million)</i>			
Population			
Age 0+	893.68	1005.05	1092.83
Age 15–59	501.76	572.23	652.94
Labour Force			
UPSS			
Age 0+	378.65	408.35	471.25
Age 15–59	337.71	369.22	431.95
CDS			
Age 0+	334.20	364.88	419.65
Age 15–59	298.95	330.78	385.87
Employment			
UPSS			
Age 0+	371.12	398.93	459.72
Age 15–59	330.34	360.04	420.74
CDS			
Age 0+	313.93	338.19	384.91
Age 15–59	279.88	305.70	352.92
Unemployed			
UPSS			
Age 0+	7.53	9.41	11.53
Age 15–59	7.37	9.17	11.21
CDS			
Age 0+	20.27	26.69	34.74
Age 15–59	19.07	25.08	32.95
Unemployment rate (%)			
UPSS			
Age 0+	1.99	2.30	2.45
Age 15–59	2.18	2.48	2.60
CDS			
Age 0+	6.06	7.31	8.28
Age 15–59	6.38	7.58	8.54

The inadequate increase in aggregate employment in Period II is associated with a sharp drop in the pace of creation of work opportunities in agriculture. Agriculture should not be expected to create additional employment but, rather, to reduce the extent of underemployment and thereby increase incomes and wages of those employed in agriculture while surplus labour shifts to the non-agriculture sector. However, the increase in employment in the non-agricultural sectors was disappointing. As shown in Table 3.2, the dependence of the work-force on agriculture and allied sectors declined from 61% in 1993–94 to 52% in 2004–05, that is, a decline of 9 percentage points as compared with a decline of only 4 percentage points in the period 1983 to 1993–94. Thus, work opportunities diversified away from agriculture at a faster pace during the latter period 1993–94 to 2004–05.

Table 3.2: Sector-wise Share of Employment – 1983, 1993-94, 1999-2000 & 2004-05

(CDS basis)(per cent)

Industry	1983	1993–94	1999–2000	2004–05
Agriculture	65.42	61.03	56.64	52.06
Mining and Quarrying	0.66	0.78	0.67	0.63
Manufacturing	11.27	11.10	12.13	12.90
Electricity, water, etc.	0.34	0.41	0.34	0.35
Construction	2.56	3.63	4.44	5.57
Trade, hotel , and restaurant	6.98	8.26	11.20	12.62
Transport, storage, and comm.	2.88	3.22	4.06	4.61
Financial, insurance, real estate, and business services	0.78	1.08	1.36	2.00
Community, social, and personal services	9.10	10.50	9.16	9.24
Total	100.00	100.00	100.00	100.00

Table 3.3 shows the annual increase in the work-force by category of employment in Period I compared with Period II. There has been a sustained increase in employment opportunities since 1993–94, although at a slower rate than in the earlier period. A notable feature is the sharp increase in the number of jobs created at regular salaried wage—from 0.98 million per year in Period I to 1.68 million per year in Period II. This is a direct consequence of the step-up in the expansion of the manufacturing and services sectors, as already discussed. However, the pace of opening up of employment opportunities for casual wage labour getting released from the agriculture sector has slowed down sharply in Period II. The annual increase in this category was 2.40 million in Period I but which declined to 0.54 million in Period II (Table 3.3), mainly reflecting the lower absorption in agriculture which was not offset by an expansion in other sectors.

Table 3.3: Annual Increase in Workforce by Category of Employment

Category of Employment	(CDS basis)(million)	
	1983 to 1993-94	1993-94 to 2004-05
Self-employed	3.71 (52.39)	4.23 (65.57)
Salaried wage	0.98 (13.83)	1.68 (26.02)
Casual wage	2.40 (33.78)	0.54 (8.41)
Workforce	7.09 (100.00)	6.45 (100.00)

Source: Derived from data in Annexure 4.3(c).
Figure in parenthesis are percentages to total.

3.2 Labour Force Projections

The changes in the size and composition of labour force reflect the changes in characteristics of population – by location (rural and urban), gender, age structure, level of education, etc. Changes in structure of labour force, on these lines, indicate the characteristics of those who would seek work in the labour markets, and also set before the employers, the broad agenda for creation of employment opportunities. Thus, the projections of labour force are an important starting point for creating a prospective scenario of labour supply and labour demand.

3.2.1 Population projections

Population projections by age and sex for the period 2001-2026 as made by the made by the Expert Committee of the National Population Commission were accepted by the Sub Group. Since labour force projections are required by age and sex, and separately for the urban and the rural areas, the Sub Group projected the population, at this level of detail, following the methodology described at Annexure II of the Report of the Working Group on Labour Force & Employment Projections, and making certain assumptions on expectation of life at birth, fertility and migration from rural and urban areas. These assumptions are given in Table 3.4.

Table 3.4: Assumed Levels of Indicators of Fertility, Mortality and Migration

Indicator ¹	Unit	Period				
		2001-06	2006-11	2011-16	2016-21	2021-26
e ⁰ , Male	years	68.7	69.5	70.4	70.9	71.4
e ⁰ , Female	years	71.8	72.5	73.3	74.0	74.8
TFR		2.1	1.8	1.8	1.8	1.8
Rural-Urban Migration	('000s)*	16,917	19,222	18,157	18,685	85,479@
Sex ratio at birth		115	115	115	115	115

Notes: 1. Abbreviations: e⁰ – expectation of life at birth; TFR – total fertility rate; NPC- National Population Commission; UGRD method – urban-rural growth differential method.
* Difference between the projected urban population as made by the NPC Expert Committee using UGRD method and the projected urban total (population) using the component method but assuming no rural-urban migration during the 5-year projected period.
@ The assumed migration during 2021-25 seems implausibly large. This is attributable to an error made in applying the UGRD method in the Expert Committee Report.

The projections of population under the above assumptions have been made separately for the urban and the rural areas and are presented in Tables A1a and A1b of the Report of the Working Group on Labour Force & Employment Projections. Certain features of the developments in population scenario that have implications for the location of incremental employment and for the magnitude of new entrants to labour force are summarized in Tables 3.5 and 3.6.

Rural to urban migration during the 11th Plan period is projected at 19.2 million, and at 18.2 million during the next 5 year period (Table 3.4). Urban share of the increase in population during the 11th Plan period will be 46 percent, as compared to the base year (2007) share at 29 per cent. The increase in population during the next 5 year period (2012 – 2017) will be nearly equal in the urban and the rural areas. (Table 3.5).

Table 3.5: Increase in Male and Female Population in Rural and Urban Areas-All India during 2007 – 2012 & 2012 – 2017.

	level of population 2007	2007 - 2012	2012 - 2017
	<i>('000s)</i>		
<u>Rural</u>	<u>799608</u>	<u>42954</u>	<u>37956</u>
- Male	411163	22220	19631
- Female	388445	20734	18325
<u>Urban</u>	<u>328705</u>	<u>36704</u>	<u>37314</u>
- Male	172806	19221	19599
- Female	155899	17483	17715
Rural + Urban	1128313	79658	75270
- Male	583969	41441	39230
- Female	544344	38217	36040

Since participation in labour force by persons differs with age, and also differs between the male and the female persons, the projections of population have been made by quinquennial age group, and by gender. Youth population (15-29) will increase by 26.3 million during the 11th Plan but this increase drops to 9.6 million during the next five year period (2012-2017). (Table 3.6).

3.2.2 Participation in Labour Force

Participation by the persons in labour {measured as the labour force participation (LFPR) rate per thousand persons} depends on a number of social and economic factors pertaining to the population, and also what the labour market has to offer to them in return for the labour put in. However, the experience of variations in LFPR over during 1993 to 2004, points to the time devoted to education by the young persons as being an important determinant of their LFPR. Hence, the Sub Group on Labour Force Projections has given a break up of urban and rural population, in each age group, into 7 levels of education in the Report of the Working Group on Labour Force and Employment Projections(Statistical Appendix to that Report).

Table 3.6 Increase in Population by Age Group during 2007 – 2012 & 2012 - 2017

Age	Increase		distribution of increase	
	2007 -2012	2012 - 2017	2007 -2012	2012 – 2017
	<i>(‘000s)</i>		<i>(percent to total)</i>	
0 -14	-9308	-5916	-11.70	-7.86
15-29	26353	9601	33.08	12.76
30-44	20913	26844	26.25	35.66
45-59	25731	24006	32.30	31.89
<u>15-59</u>	<u>72997</u>	<u>60451</u>	<u>91.63</u>	<u>80.31</u>
60+	15969	20735	20.05	27.55
All age (s)	79658	75270	100.00	100.00

The Working Group on Labour Force & Employment Projections Sub Group has projected the labour force by level of education on the basis of changes projected in educational attainments of the population, but assuming that the LFPR for a specific level of education in a specific age, gender and area (rural-urban) as observed in the survey for the year 2004-05 (61st Round) will remain fixed, and that the changes in LFPR at various age levels will be entirely due to the changes in composition of population in terms level of education. The methodology used is described in Annexure II of the Report of the Working Group on Labour Force & Employment Projections. On this basis LFPR’s have been projected, on UPSS basis, for males and females for the period 2007 to 2012.

For the years 2017 and 2022, no attempt was made to estimate the educational composition of the population. Age specific LFPRs combined for all educational categories were calculated for males and females in rural and urban areas for the years 2007 and 2012 (Appendix Tables A5a and A5b of the Report of the Working Group on Labour Force and Employment Projections,). The implied change in the LFPR of each age group during 2007-12 (because of the change in educational composition) is assumed to hold true for the period 2012-17 and 2017-22. The resulting age-specific LFPRs, for 2017 and 2022, for males and females, in rural and urban areas, are shown in Appendix Tables A5a and A5b of the Report of the Working Group on Labour Force and Employment Projections.

The projections of Labour Force for the period 2007 to 2022, were made based on the LFPRs estimated and projected as above, and using the population projections, described earlier. Detailed labour force projections are given in Appendix Tables A6a and A6b of the Report of the Working Group on Labour Force and Employment Projections, and the results are summarized in Table 3.7 below. Labour force is projected to increase by 49.24 million during the Eleventh Plan, comprising 19.68 million in the urban areas, and 29.56 million in the rural areas.

Table 3.7 : Summary Results of the Labour Force Projection, 2002-2022

Indicator	2002	2007	2012	2017	2022
Total					
LF size ('000s)	440166	492610	541850	586464	623446
Female share in LF (%)	32	32	31	30	30
LFPR 0+	421	437	449	457	461
<i>LFPR 15+ (as calculated from Tables)</i>	645	637	628	621	613
LFPR 15+ (as given in Sub Group Report)	645	637	628	621	613
Increase in LF('000s)	na	52444	49240	44614	36982
Annual growth rate (%)					
Labour Force	na	2.28	1.92	1.60	1.23
Population	na	1.54	1.37	1.22	1.05
Urban					
LF size ('000s)	111004	130991	150673	168244	189139
Female share in LF (%)	22	22	21	21	21
LFPR 0+	379	399	412	418	418
<i>LFPR 15+ (as calculated from Tables)</i>	532	532	533	533	528
LFPR 15+ (as given in Sub Group Report)	539	538	537	536	530
Increase in LF('000s)	na	19987	19682	17571	20895
Annual growth rate (%)					
Labour Force	na	3.37	2.84	2.23	2.37
Population	na	2.32	2.14	1.96	2.36
Rural					
LF size ('000s)	329162	361619	391177	418220	434307
Female share in LF (%)	36	35	34.7	34	34
LFPR 0+	438	452	464	475	483
<i>LFPR 15+ (as calculated from Tables)</i>	677	670	663	658	653
LFPR 15+ (as given in Sub Group Report)	691	682	672	664	658
Increase in LF('000s)	na	32457	29558	27043	16087
Annual growth rate (%)					
Labour Force	na	1.90	1.58	1.35	0.76
Population	na	1.23	1.05	0.89	0.42

3.2.3 Certain Features of Developments in Labour Force

The educational level wise distribution of increase of labour force in the 11th Plan, reveals that of the 49.2 million increase, 28.4 million (58 %) will be of those educated upto secondary or higher (i.e., upto graduate & above) levels. Another 18,3 million (37%) will be those educated upto middle school level. And the illiterates or those educated upto primary level will be only 2.5 million (5 %).

The number of the 15-19 year old in the labour force drops by 2.5 million during the 11th Plan period.

Population of the children (up to 14 year age) shall decline in the urban areas and increase in the rural areas, in the 11th Plan. This will show up in the perspective period, as the new entrants into labour force from rural areas, who will need to be absorbed in gainful employment.

3.2.4 Labour Force Projections-aggregate and female

The Approach Paper to 11th Plan (A.P. 11th) projected an increase in labour force by 52 million, in the baseline case, and also gave a scenario of 65 million increase:

“On the supply side, the labour force will increase by about 52 million during 11th Plan if it grows at the same rate as current projections of working age population. The increase could be much higher, around 65 million, if female participation rates rise at the pace observed during 1999-2005.”

(Approach to 11th Plan; Para 5.3.3)

However, the projection by the Working Group on Labour Force & Employment Projections is an increase of 49.2 million in labour force.

Table 3.8: Trends in LFPR of the Female Persons

Year	LFPR Female (CDS)	% change
1983	200	
1993-94	202	(+)0.88
1999-00	192	(-)5.00
2004-05	210	(+)9.79
1983 to 2004-05 (21.5 yrs)		(+) 5.22 (or 0.24 % points per year on an average)

The Approach Paper’s projection of 65 million increase in labour force during the 11th Plan period is based upon a 13 million additional increase in female labour force. This is based upon an extrapolation of the near 10% increase in female LFPR observed during the recent five years (2000-2005). The longer term trends, however, show a fluctuating pattern. (Table 3.8)

While there was indeed an increase in participation in labour force by the female persons (LFPR_{female}) during 2000 to 2005, it needs to be noted that this was on a low base of 1999-2000, since in that year LFPR_{female} had dropped by 10.04 per cent compared to 1993-94. Over the 11 year period (1994 to 2005), the LFPR_{female} increased only by 1.54 per cent. (Table 3.9). Thus extrapolation of past five years' (2000–2005) increase of 10% in LFPR_{female}, into the future, is not an acceptable proposition.

Table 3.9 Increase in LFPR of Female Persons (Rural & Urban Combined) 1993-94, 1999-2000 to 2004-05 - (UPSS)				
	50th Round¹ (1993-94)	55th Round² (1999-2000)	61st Round³ (2004-05)	50th Round to 61st Round (1994-2005)
	<i>(per thousand persons)</i>			
II. LFPR Female Persons	290	263	294	
<i>(change) (%)</i>		-10.04	10.50	1.54
Source:				
¹ NSSO Report No, 406, Table 1B; Pages 53 and 56.				
² NSSO Report No, 458, Table 2; Page A 17				
³ NSSO Report No, 515, Table 20; Page A 77				

Moreover, the effect of increase in literacy and level of education of female would in itself moderate downwards the LFPR of young female persons. The Sub Group on Labour Force Projections has projected an increase in female LFPR by 4 % in urban areas and 1 % in rural areas during the 11th Plan period (Appendix Table A4 of the Report of the Working Group on Labour Force and Employment Projections). This projection is based upon a detailed exercise at the level of quinquennial age groups (Appendix Tables A5a and A5b of the Report of the Working Group on Labour Force and Employment Projections), and by level of education of female (Appendix Table A3a and A3b of the Report of the Working Group on Labour Force and Employment Projections). The Approach Paper has thus projected an increase in labour force based on aggregates, which when decomposed by various characteristics of age and education reveal a more realistic position of the future. Hence, the Steering Committee has accepted the Working Group projection of 49.2 million increase in labour force in the 11th Plan period.

3.3 Employment Projections

3.3.1 Macro- economic Considerations

The 11th Plan aims to put the economy on a sustained growth trajectory of approximately 10 per cent by the end of the Plan period. The primary objective is to create productive employment at a faster pace than before, and to aim at a robust 4% per year growth in agriculture. In this, the Plan sees an opportunity to reduce disparities across regions and communities.

Rapid growth is an essential part of the macro-economic strategy for two reasons. Firstly, it is only in a rapidly growing economy that we can expect to sufficiently raise the incomes of the mass of our population to bring about a general improvement in their living conditions. Secondly, rapid growth is necessary to generate the resources needed to provide basic services to all. Work done within the Planning Commission and elsewhere suggests that the economy can accelerate from 8 per cent per year to an average of around 9% over the 11th Plan period, provided appropriate policies are put in place. With population growing at 1.5% per year, 9% growth in GDP would double the real per capita income in 10 years. This must be combined with policies that will ensure that this per capita income growth is broad based, benefiting all sections of the population, especially those who have thus far remained deprived¹.

3.3.2 Projections in Approach to 11th Plan

The Approach to 11th Plan states:

“On the supply side, the labour force will increase by about 52 million during 11th Plan if it grows at the same rate as current projections of working age population. The increase could be much higher, around 65 million, if female participation rates rise at the pace observed during 1999-2005. Since this increase will be over and above the present backlog of about 35 million unemployed on a typical day, and since inclusiveness requires a shift of employment from agriculture to non-agriculture we must plan for at least 65 million additional non-agricultural opportunities in the 11th Plan. This will not create full employment, but it will at least ensure that the unemployment rate falls somewhat. However, even this modest goal implies that the rate of growth of non-agricultural employment would need to accelerate to 5.8% per annum from 4.7% in 1999-2005.”²

Thus the Approach to 11th Plan suggests a target of creation of 65 million employment opportunities, basing itself on the assumption that the labour force will increase by 65 million (52 million increase, if LFPR's do not change + 13 million additional increase in female labour force, if female LFPR increases, sharply.) The Approach Paper Scenario is a broad scenario, in which an average position of 15-59 years working age population was extrapolated. As explained in Chapter 2, of the Report of the Working Group on Labour Force and Employment Projections, a detailed exercise on labour force has been done, at a disaggregated level that accounts for changes in compositional structure of population and labour force in terms of age structure, gender, and level of education.

The detailed projections of employment by sectors of production have to be based on sectoral, and sub-sectoral output growth profile, which emerges as the Plan approaches towards finalization. As these details were not firmed up, the Working Group on Labour Force and Employment Projections decided to adopt the employment projection suggested in the Approach Paper, purely for the purpose of using it as a baseline scenario upon which the employment impact of various policy / programme initiatives can be superimposed. This baseline scenario can be firmed up as the detailed sectoral and sub-sectoral programmes and output growth profile is finalized by the respective subject-specific Working Groups and the Steering Committees.

¹ Approach to 11th Plan, para 1.4.2

² Approach to 11th Plan, para 5.3.3

3.3.3 Employment Projections – Agriculture & Non Agriculture

The Approach Paper for the 11th Plan has laid out a structure for creation of employment opportunities between agriculture and non agriculture, in the baseline scenario, i.e., if normal trends were to prevail in the 11th Plan. (Table 3.10).

Table 3.10: Creation of Employment Opportunities in the Eleventh Plan 2007 – 2012 – the base case and the intentions of the 11th Plan

Sector	baseline case (i.e. no Plan)	Eleventh Plan intentions	Remarks on Source, etc.
	<i>million</i>		
1. Agriculture	10.0	0.0	Approach to 11 th Plan; Para 1.6.5
2. <u>Non- Agriculture</u> , of which	<u>55.0</u>	(-) 10.0 <u>65.0</u>	Approach to 11 th Plan; para 1.6.5;
		(+) 10.0	55m (baseline)+10m (shift from agriculture to non agricultural activities)
2.1 Unorganised private establishments ¹	50.0	50.0	Appr to 11th Plan; para 5.3.17
	Rural 0.0	Rural 25.0	Rural (+) 25.0
	Urban 50.0	Urban 25.0	Urban (-) 25.0
2.2 Private Organised Establishments	2.0	10.0 (+) 8.0	Approach to 11 th Plan; paras 5.3.6 & 5.3.7.
2.3 Public Establishments	3.0	5.0 (+) 2.0	Approach to 11 th Plan; paras 5.3.14 & 5.3.15.
Total (1+2)	65.0	65.0 (+) 0.0	Approach to 11 th Plan;para 5.3.3

CHAPTER 4

THE APPROACH AND STRATEGY FOR EMPLOYMENT GENERATION

Additional Employment Opportunities over and above the Autonomous Employment created in the base line scenario

The employment strategy for the 11th Plan should be such as to yield the employment outcomes outlined at Table 3.10 above.

- i) At least 10 million more agricultural workers should find gainful employment in non agricultural activities than in the normal trends scenario.
- ii) In the unorganized sector, micro and village enterprises in rural areas should provide non-farm employment to at least 25 million more persons, compared to the baseline scenario, during the Plan.
- iii) Private organized establishments should absorb 8 million more workers, over and above 2 million, which in any case would occur under normal growth in the baseline scenario.
- iv) Government and public establishments should absorb, at least 2 million more workers over and above the normal growth of 3 million through the ongoing programmes in education and health.

Employment outcome of the strategy cannot and should not always be seen in terms of more of the same kind of employment. The types of employment outcomes required at sectoral levels vary from sector to sector. Broadly these are of the following types:

- i) Better wage levels and better income of the self employed workers
- ii) Reducing income uncertainty
- iii) Improvement in the physical environment of work
- iv) Better ability to cope with the risks to life and health i.e., a better risk cover – social security
- v) More employment of a better quality.

The Steering Committee emphasizes on an approach that sensitizes the various development programmes to their employment outcomes measured as outlined above. The Report of the Working Group has identified a number of developmental initiatives of the 11th Plan Approach in regard to:

- i) Development programmes for agricultural activities
- ii) The Public Sector flagship programmes
- iii) The Private Corporate Sector
- iv) The Unorganised Sector
- v) Programmes that have a direct bearing on rural non-farm employment, and ,
- vi) The Livelihood Sector.

3.3.4 Agricultural activities

i) The 11th Plan aims at increase in agricultural GDP from 2% to 4% per annum. This will increase per worker income in rural areas and thus give a boost to the rural demand, and increase the dynamism in the rural economy.

ii) Faster agricultural growth will require diversification into higher value output, for example horticulture, floriculture etc. This is partly because demand patterns are shifting in that direction and also because in many cases this is the most efficient way to increase incomes of farmers from their limited land and water resources. Recognizing this, the newly launched National Horticulture Mission (NHM) is already the largest *single plan scheme* of MoA, which is even larger than the Macro-Management in Agriculture (MMA) scheme that provides main support from the Centre to almost all other crop activity. The NHM allocation is large because apart from including significant new interventions for ensuring availability of quality planting material; crop and regions-wise, the programme also provides for structural changes in the relationship between agriculture and non-agricultural sectors. Horticulture products are perishable commodities and therefore very efficient linkages need to be put in place between farms and final buyers. This requires modern methods of grading, post-harvest management, cold chains, etc. For this purpose, besides providing for direct public investment in marketing infrastructure, NHM incentivises amendment of APMC Acts to enable larger private sector participation in marketing and processing. Many States have begun this process, which should be accelerated.

iii) Many states have taken steps to facilitate contract farming as a way of assisting the process of diversification. A much greater focus is also necessary on enabling small farmer participation by encouraging group formation and providing suitable and effective regulatory frameworks. Entrenched interests dominating traditional trade channels often oppose the change. But such opposition, if it seeks simply to restrict market competition or to hinder the growth of co-operation among farmers, is against the interest of both farmers and consumers.

3.3.5 Non agricultural activities

First we consider the role of demand from development programmes of Government and other public institutions in creating employment opportunities. Certain large programmes are cited here for illustrating the point.

I Public Sector (Government programmes and other public institutions):

i) The broad approach

- i) While encouraging private sector growth the 11th Plan must also ensure a substantial increase in the allocation of public resources for Plan programmes in critical areas. This will support the growth strategy and ensure inclusiveness. These resources will be easier to mobilise if the economy grows rapidly. A new stimulus to public sector investment is particularly important in agriculture and infrastructure and both the Centre and the States have to take steps to mobilize resources to make this possible. The growth component of this strategy is, therefore, important for two reasons: a) it will contribute directly by raising income levels and employment and b) it will help finance programmes that will ensure more broad based and inclusive growth.

ii) *Provision of basic services will create demand for labour*

A key element of the strategy for inclusive growth must be an all out effort to provide the mass of our people the access to basic facilities such as health, education, clean drinking water etc. While in the short run these essential public services impact directly on welfare, in the longer run they determine economic opportunities for the future. It is important to recognize that access to these basic services is not necessarily assured simply by a rise in per capita income. Governments at different levels have to ensure the provision of these services and this must be an essential part of our strategy for inclusive growth. At the same time it is important to recognize that better health and education are the necessary pre-conditions for sustained long-term growth.

iii) *Education Sector*

a) The Sarva Shiksha Abhiyan

The Sarva Shiksha Abhiyan seeks to provide elementary education to all children in the 6-14 years age group by 2010. It also aims to bridge all social, gender, and regional gaps with the active participation of the community in the management of schools. This is a flagship programme and a 2% education cess has been levied on all taxes and earmarked to fund this programme.³

b) Mid-day Meal Scheme

Experience has shown that the Mid-day Meal Scheme can help increase attendance and improve the children's nutritional status. It also helps in removing caste barriers as all children sit together for their meals.. SHGs formed by mothers should be given the task of preparing mid-day meals. This will guarantee better quality food. Wherever possible, particular attention should be paid to the scope for using the MDMS to tackle micro-nutrient deficiencies through nutrient supplementation and provision of fortified foods. Management and supervision mechanisms must be improved and changes in the nutritional status of children monitored regularly. School health programmes must be revived and converged with MDMS and MDMS itself merged with the SSA at an appropriate time.

c) Early Childhood Education(ECE)

The pre-school education component of ICDS-Anganwadi at present is very weak and the repetition rate in primary classes is, therefore, quite high. This, in turn, discourages many students from continuing their education. The SSA should also have a separate component for at least one year Early Childhood Education(ECE) which can be universalized in a phased manner.

iv) *National Rural Health Mission*

A seven year National Rural Health Mission (NRHM), which spans the duration of the 11th Plan, has been launched to address infirmities and problems across rural primary health care .Converging the public health approach with primary health care has been one of the primary objectives of this mission. Another objective is to genuinely empower and support Panchayati Raj Institutions to manage, administer, and be accountable for health services at

³ Later a 1% Cess on all taxes has been levied to fund secondary and higher level education.

community levels. Supervision of health sub-centres by gram panchayats will improve attendance of staff, motivate appropriate quality of care and provide constant feedback on patient satisfaction. The NRHM will also converge the management of health delivery across all systems of medicine (including ISM) at primary health care levels.

II. The Private Corporate Sector

v) *Professional Services*

Professional services include a wide array, namely, IT Services, Customer Relations Management, Health Services, Accountancy Services, Legal Services, Educational Services, Construction and Engineering Services, Architectural and Design Services etc. The Information and Communication Technology revolution has made it easy to provide such services all over the world and Indian professionals have made a mark in many fields leading India to being recognized all over the world as an important player in the knowledge economy.

vi) *Construction, Housing and Real Estate*

An important component of the 11th Plan should be measures for ensuring adherence to safety requirements, environmental regulations, and occupational health and safety requirements of labour. Given the nature of employment in this sector and the fact that a large number of workers are women, especially migrant women, it is vital to put in place measures which prevent the exploitation of women and children. Care should be taken to ensure equal wages for women and to provide amenities like emergency medical aid, feeding centres, toilets and crèches at the construction site.

Lack of affordable housing in urban areas forces people to live in unsatisfactory and unhygienic conditions. Government polices should facilitate access to social housing in urban areas, especially for the urban poor.

vii) *Tourism*

Tourism is an important component of demand in the services sector which has shown considerable dynamism in recent years and is poised for even more rapid growth. It is difficult to estimate the full contribution of tourism to the economy since much of it shows up indirectly in sectors such as hotels and restaurants, transport, handicrafts etc but there is general agreement that the sector has great potential and needs to be encouraged.

viii) *Retail Trade and Organized Retail*

Retail trade and services provide employment to large number of persons at varying levels of income. For many hawkers, street vendors, etc. these are sources of livelihood open to almost anyone. While the bulk of retailing will continue to be in the small scale and informal sector, it must be recognized that modern organized retailing brings many advantages to producers and also to urban consumers, while also providing employment of a higher quality. Organized retailing in agricultural produce can set up supply chains, give better prices to farmers for their produce, reduce spoilage and wastage, and facilitate the development of agro-processing industries. Modern retailing can bring in new technology and reduce consumer prices, thus stimulating demand and thereby providing more employment in production industries.

III. The Unorganised Private Sector

i) The private sector, including farming, micro, small and medium enterprises (MSMEs), and the corporate sector, has a critical role to play in achieving the objective of faster and more inclusive growth. This sector accounts for 76% of the total investment in the economy and an even larger share in employment and output. MSMEs, in particular, have a vital role in expanding production in a regionally balanced manner and generating widely dispersed off-farm employment. Our policies must aim at creating an environment in which entrepreneurship can flourish at all levels, not just at the top.

ii) A legal framework for this sector has now been provided with the enactment of the Micro, Small and Medium Enterprises Development Act, 2006. However, it is necessary to recognize the continuing need to facilitate graduation of these enterprises to higher levels, particularly from small to medium. Incentivizing graduation of micro and small enterprises to medium and larger units, through well-calibrated fiscal and non-fiscal measures, is necessary and would be one of the steps in the 11th Plan.

iii) One of the important tasks of the 11th Plan should be to review the position regarding the availability of timely and adequate credit (both term loan and working capital) to small and medium enterprises from commercial banks and other financial institutions and suggest measures to eliminate the shortcomings that are noticed. The inadequacies in credit delivery to these enterprises arise from several causes:

- o The State Financial Corporations have become defunct in most states and SIDBI has a very limited branch network;
- o Commercial banks are reluctant to meet the credit needs of these enterprises on account of perceptions of high risks and higher transaction cost of dealing with a large number of small borrowers;
- o They do not even comply with RBI guidelines and continue to seek collaterals from SMEs; and,
- o There is lack of familiarity among managers of commercial banks with the business model of the diverse activities of SMEs.

iv) These inadequacies need to be addressed by means of measures such as a significant branch expansion of SIDBI to cover all clusters, expansion of credit guarantee scheme in order to obviate the need of banks seeking collaterals, and training and sensitization of the managers of public sector banks.

IV. The rural employment scenario

i) The importance of agricultural growth arises not only from the need to provide for adequate food production and a broader base of income generation but also because of the

increasingly important role rural demand will need to play in order to support non-agricultural growth from the demand side. Much of this demand would be for non-agricultural products produced in rural areas which would also generate non-agricultural employment in rural areas. It may be noted that if agriculture grows at the recent trend growth rate of only 2%, the industrial growth required to meet the GDP growth targets becomes much higher, and a much higher export growth is required to absorb the additional industrial growth. Export growth in the 9% growth scenario would have to be nearly 26% per year instead of the 16.4% necessary if agriculture grows at 4%. Such very high export growth requirements may not be easily attainable, despite the recent performance. Therefore, a strategy aiming at acceleration in the growth rate should provide for the acceleration in agricultural growth not only because it is more consistent with reducing poverty and generating income in rural areas, but also because it is more consistent with the likely constraints on export performance.

ii) The divide between urban and rural India has become a truism of our times. The central government has already adopted a multi-pronged strategy to reduce this divide in its various dimensions. For example, the Bharat Nirman programme addresses gaps in rural infrastructure and covers irrigation, road connectivity, housing, water supply, electrification, and telephony; the National Rural Employment Guarantee Act (NREGA) attempts to ensure a social safety net as it provides guaranteed employment in rural areas and at the same time has the capacity to build rural infrastructure especially if resources from other programmes are pooled in; the Sarva Shiksha Abhiyan and National Rural Health Mission are ambitious programmes for providing elementary education and primary health services respectively. All these programmes indicate the priority being given by the Government to Rural Development and are meant to give a new hope to rural India. While making these provisions for rural India, the 11th Plan must also provide basic amenities to the growing number of poor in urban areas.

National Rural Employment Guarantee Programme (NREGP):

iii) The National Rural Employment Guarantee Act 2005 (NREGA) assures every rural household at least 100 days of manual work at minimum wages. Initially introduced in 200 districts, the Act will be extended to the entire country over a five-year period⁴. Unlike employment programmes in the past that were supply driven, bureaucracy controlled, and suffered from large leakage including misuse of funds arising from false muster rolls and poor project design, this is demand driven, based on a legal right and requires PRIs to select projects relevant to the needs of the community. Initial assessments are mixed, for example muster rolls continue to be problematic in many places, but it is clear that the demand-driven nature of NREGP has not led to as high leakages or cost as some had originally feared. If anything, the main teething problems appear to be insufficient information and unduly high task norms, which have caused demand to be much less than earlier estimated. Where these have been addressed, it is a very popular scheme effective in providing fall-back income, reducing distress migration and creating assets. To fulfil the rights created, the 11th Plan must ensure that NREGP is adequately funded and effectively implemented. State governments should address existing problems, meet employment demand promptly and, by using NREGP in convergence with other schemes, develop land and water resources effectively, especially to benefit the scheduled castes and tribes.

⁴ The NREG Act has since been extended to all districts in the entire Country.

V. The approach to the Livelihood Sector.

i) The survival of pastoralism is crucial for sustainable land use. Besides conserving domestic biodiversity, it is a means of producing food in dry lands without depleting groundwater resources. However, there are many constraints on expansion in this area. Grazing permits are denied in traditional grazing sites that have been converted into protected areas/wildlife sanctuaries, national parks/Joint Forest Management (JFM) programme. Original pasture lands or stipulated animal drinking water ponds are encroached upon, or used for other purposes. Bio-diesel (Jatropha) planting is being promoted through state agencies without seeing all the consequences such as blocking the migration routes of animals and encroaching upon herd-passing pathways. It is vital to ensure that the commons are protected and women, who make up a substantial portion of the workforce in this sector, are given control over them. This will prevent their use for other purposes.

ii) Some of the important initiatives that are needed are:

- Promotion of appropriate crossbreeds while conserving indigenous breeds of livestock.
- Establishment of livestock marketing system.
- Promotion of rural backyard poultry in a cooperative marketing setup.
- Development of cooperative dairy firms.
- Enhancing livestock extension services.
- Encouraging private veterinary clinic.
- Institutionalizing a framework for utilizing synergy between restoration and creation of water bodies for water harvesting and fishery.
- Provision of an insurance package to avoid distress.

iii) The dispersed and decentralized micro and small enterprises (MSE) sector poses a special challenge and opportunity to our policy makers. This sector has the second largest share of employment after agriculture and spans a wide range, including small-scale, khadi, village and coir industries, handlooms, handicrafts, sericulture, wool, powerlooms, food processing, and other agro and rural industry segments. It touches the lives of the weaker and unorganized sections of the society with more than half of those employed being women, minorities, and the marginalized. Fifty-seven per cent of the MSE units are owner-run enterprises with one person. They account for 32 per cent of the workforce and 29 per cent of the value added in non-agricultural private unincorporated enterprises. Infusion of appropriate technology, design skills, modern marketing capacity building and easier access to credit can make this segment an expanding base for self-sustaining employment and wealth generation and also foster a culture of creative and competitive industry. Agro-food processing, sericulture and other village enterprises can check rural-urban migration by gainfully employing people in villages. This will also take pressure off agriculture. The MSE sector can open up a window of opportunities in regions like the North East where large industries cannot be set up due to infrastructure gap & environmental concerns.

Access to Credit and Risk Management

iv) Access to financial resources enables the poor to exploit investment opportunities, reduces their vulnerability to shocks, and promotes economic growth. But lack of credit at reasonable rates is a persistent problem, in large part, reflecting the collapse of the cooperative credit system. The failure of the organized credit system in extending credit has led to excessive dependence on informal sources usually at exorbitant interest rates. This is at the root of farmer distress reflected in excessive indebtedness. There are of course some recent positive developments, for example, the acceptance by the government of the Vaidyanathan Committee report on co-operatives and the success of commercial banks to almost double the flow of agricultural credit after 2003. Nonetheless, problems still persist. Implementation of the Vaidyanathan Committee Report has been slow because of the reluctance of states to cede control over cooperatives. Problems of the long-term credit structure have hardly been addressed, and the large increase in commercial bank credit does not appear to have significantly improved access in either regions with poor banking support or for small/ marginal farmers and tenants.

v) Micro-finance is another new development in which Indian institutions have acquired considerable expertise and where up-scaling holds great promise to expand the nature of financial services offered to micro enterprises and also to make these the springboard for entrepreneurial development. The 11th Plan must ensure that our policies are sufficiently flexible to support the development of micro-finance. Interest rates in the micro-finance sector have to be significantly higher than in the banking sector reflecting the much higher cost of doing business. This sometimes attracts criticism but they still remain much lower than rates charged by the money lenders and therefore provide competition to them. There are instances of legal /administrative restrictions on micro-finance institutions in a manner which does not foster their growth. This requires remedial action.

vi) Improved production infrastructure, credit, skill upgradation and market linkages are vital, but they are not enough given the pitiable condition of most of our weavers and artisans. They need a social safety net and assured access to basic amenities to productively engage in their profession. So, under the 11th Plan we should have two kinds of schemes for this sector - one focusing on the lives of the small firm workers, artisans, and crafts people and the other on their livelihoods.

CHAPTER 5

SKILL DEVELOPMENT & VOCATIONAL TRAINING

The Tenth Plan aimed at:

- i) Productivity of small establishments, where most of the employment exists, to be improved by skill development
- ii) Skill development in labour intensive occupations, that are typical of small establishments
- iii) Initiatives for fulfillment of skill development needs of informal sector.
- iv) Development of a National Qualification Pathway to facilitate inter-stream movement between vocational and academic streams
- v) Industry associations designed courses be recognized by NCVT
- vi) Independent agencies to accredit vocational training providers, and also assign a grading to ITI's
- vii) State ITI's be organized as autonomous societies, and assistance to State Governments to be subject to fulfillment of this condition.

- II. In the last 3 years of 10th Plan, significant progress has been made towards the above goals:
- i) About 50 trades suited to non-manufacturing and services sectors have been introduced.
 - ii) Modular Employable Skills (MES) - about 200 such courses / certificates award schemes have been developed for:
 - better outcomes of skills acquisition in terms of employment
 - certification of skills acquired in the informal sector
 - National recognition of skills certified
 - decentralised testing and certification
 - iii) AICTE (AIBVE) and NCVT have jointly decided to provide lateral entry to ITI and 10+2 vocationally trained to 2nd year of diploma courses; after taking a bridge course in PCM, if not already studied earlier. State Boards of Technical Education are to assist in such bridge courses.
 - iv) In the Centres of Excellence, the Industry led Institute Management Committees, have the freedom to select and develop the courses for training, and these are recognized by NCVT
 - v) In a few state some ITI's have been organized as autonomous bodies to give financial and administrative autonomy.
 - vi) DGE&T has disseminated six models of public-private partnership to the State Government ITI's:

Suggested Models for Public Private Partnership in ITIs

Optional Model One – Consultancy plus support

Optional Model Two – Centre approval and assessment services

Optional Model Three – Management and Implementation

Option Model IV: Technical Input by Industry Associations

Option Model V: Autonomy of the IMC

Option Model VI: Adoption of an ITI by Industry Association

PRIORITY AREAS FOR XI PLAN

III. Above mentioned issues and other problems led to identification of priority areas for the XI Plan. The concerns to be addressed are:

- Identify emerging requirements of training
- Increasing number of persons trained every year
- Improving relevance of training, effectiveness and efficiency
- Facilities for life long learning
- Skill development needs of the unorganised sector
- Training of Instructors / Trainers.

The W.G. recommended following priority areas for the XI Plan:

1. To address skill development needs of the un-organized sector
2. Introduction of short term courses in ITIs
3. Capacity Building and motivation of persons & trainers in VT system
4. Expansion of DGET support institutions providing services like research, learning material, training of trainers, monitoring and evaluation
5. Developing courses for new emerging areas including services sector
6. To provide greater autonomy to the ITIs and introduce the accountability framework. Strengthening of linkages between ITIs and the local Industrial units
7. Financing of the Vocational Training:
 - 7.1 A dedicated fund for Skill development is needed.
 - 7.2 Reform the ITIs' funding mechanism through the introduction of enrolment – based funding enabling to link public funding to performance and outputs of training institutes
8. Reform the national vocational qualifications framework and address the problem of skills recognition through the introduction of:
 - a) competence-based vocational qualifications,
 - b) practices allowing to test and certify skills of workers that have been acquired through practical experience, and
 - c) modular-based vocational programmes
9. Adoption of new modern training technologies including multi-media
10. Focus on improving opportunities for women, disabled and other disadvantaged groups in vocational training
11. Public-Private Partnership in Skill Development
12. Management Information System for Skill Development - There is a dire need to establish a Centre of Management Information System both at the Centre & State levels.

SCHEMES PROPOSED BY THE WORKING GROUP FOR THE XI PLAN

IV. The schemes recommended by the Working Group on Skill Development for the next plan period have been categorized into the following three categories:

- New Plan Schemes proposed
- Strengthening and continuation of recent initiatives/ Plan Schemes
- Continuation of on-going plan schemes

Annexure 5.1 gives the details of outlays suggested by the Working Group on Skill Development and Training.

V. Recommendations

i) National Skill Development Mission (NSDM)'s orchestration of private sector initiatives in concert with government action could give different results in different sectors, such as:

- Setting up of a domain-specific Apex Skill Development Institute for
 - Domain specific skill development need assessment and performance rating of institutions/service providers
 - Domain standard setting and quality bench marking
 - Curriculum setting
 - Framework setting for end of programme testing and certification
 - Running special skill development programmes in niche requiring superior skills
- Setting up of Regional Institutes/Workshops/ Toolrooms and Online Mentoring Groups.
- Providing last mile employability training to engineering/ management/ or other graduates from lesser known colleges.
- Establishing two-way Sabbatical Exchange Programme between Industry and Faculty of University/ Colleges/ VET Schools/ ITI, etc.
- Collaborative action for faculty development.
- Collaborative action for Online 'Skill Development-content-creation'
- Private management – take over of public sector institutions, viz. ITIs , polytechnics, vocational schools, etc.

ii) Public-Private Partnership (PPP)

- PPP mode should be the major vehicle for absorbing public expenditure in skill development in the Eleventh Five Year Plan.
- Government should create an Enabling Environment for Private Investment in Skill Training along with the financial contribution from the Government.
- The facilities for career tracking and placement- biometric smartcard based ID, and a national database for location-wise availability and shortage of skilled personnel should be established.
- Provision for fee vouchers for BPL/ SC/ST/ OBC/ Minority should be made

- To overcome the regional disparity due to diverse socio-economic factors, Viability Gap Funding (VGF) approach would be adopted to address regional imbalances through PPP.

iii.) Action by State Governments

- Transform employment exchanges to act as Career Counseling Centres (CCC)
- Upgrade and strengthen State Council of Vocational Training
- Revamp Institute Management Committee and ensure genuine PPP
- Personnel Policy to ensure accountability and outcomes

iv) State Skill Development Missions

- The State Governments may establish State level missions to gear skill development activities in the Mission mode, with appropriate structure.

Table 5.1: Schemes for XI plan with Financial Outlay recommended by the Working Group on Skill Development and Training		
		<i>(Rupees lakh)</i>
S.No.	Name of the Scheme	XIth Plan Proposed Outlay
I. New Initiatives for Qualitative & Quantitative improvement of Vocational Training		
	<p>1. <u>Quantitative Improvement</u></p> <ul style="list-style-type: none"> • Setting up of 1500 new ITIs in the blocks having no ITIs at present. out of which, 500 for disadvantaged group on Navodaya Vidyalaya Pattern • Setting up of 12RVTIs in the States where there is no RVTI • Setting up of 11 ATIs in the States where there is no ATI • Setting up of an Apex Institute for Skill Building in informal sector • Setting up of 4 Institutes for Training of Trainers- one in each zone • One National Open School for Vocational Training having total seating capacity of around 1,50,000 on learning basis <p>2. <u>Qualitative Improvement</u></p> <ul style="list-style-type: none"> • One NIMI in Northern India in NCR of Delhi. • National Institute for skill inventory & skill building to remove mismatch. • Strengthening of RDATs for training in informal sector • Establishment of Directorate for Certification, Standardisation and Quality Control. • Establishment of National Trade Testing & Certification Authority • Participation of India in World Skills Competition • Setting up of National Mission for Skills • Construction of Institute Buildings Staff Quarters and Hostel Building for Field Institute under DGE&T • Construction of additional buildings for NVTI/ RVTIs • Non-formal training for women follow- up of ILO project 'Decent Employment for NVTI/ RVTIs' 	
Sub Total I - New Initiatives for Qualitative & Quantitative improvement of Vocational Training		852100
II. Ongoing Central Plan Schemes to be continued		
1	Establishment of National Instructional Media Institute, Chennai.	1300
2	Establishment of RDATs at Hyderabad & Faridabad.	850
3	Enhancement of RI Charges (Rs. 10 to Rs.30)	250
4	Setting up of Basic Training Centre at Kanpur.	50
5	Diversification & Expansion of Vocatoional Training for Women	2250
6	Setting up of Foremen Training Institutes at Jamshedpur and Banglore.	600
7	Setting up of 4 Model Industrial Trainig Institutes(MITIs)	1000

Table 5.1: Schemes for XI plan with Financial Outlay recommended by the Working Group on Skill Development and Training		
		<i>(Rupees lakh)</i>
S.No.	Name of the Scheme	XIth Plan Proposed Outlay
8	Setting up /Strengthening of Advanced Training Institutes at Chennai, Dehradun and Regional Maintenance Centres in 6 ATIs includes : Modernisation and Expansion of Instructor Trainig Programme at 5 ATIs and CTI, Chennai, Setting up ATI-Epi Dehradun, AVTS Phase - II and Setting up of RMS Centres in 6 ATIs	2200
9	Strengthening of NVTS & Formation of AICVT	30
10	Technical Assistance Programme	320
11	Introduction of Hi-Tech Training	800
12	Management Information System	20
13	Upgrading Training Infrastructure in DGE&T Institutes and Construction of building for CSTARI Staff.	1700
14	Central Project Implementation Unit (Over All Direction and Administration)	200
15	Media Resource Centres	250
16	Trade Testing & Certification at DGE&T Hqrs.	70
17	Building Equipment & Establishment for RVTIs (Calcutta, Hissar, Allahabad, Indore, Bhubhaneswar, Vadodara, Jaipur and Tura)	3600
	Sub Total II – Ongoing Central Plan Schemes (CS)	15490
II. Ongoing Centrally Sponsored Plan Schemes		
1	Establishment of new ITIs in NE States and Sikkim to the State of Jammu & Kashmir	7560
2	Skill Development Initiative with Public & Private Partnership	54500
3	Up gradation of 400 ITIs as CoE (based on World Bank assistance)	150000
4	Up gradation of 100 ITIs as CoE (based on internal resources)	15000
5	Testing and Certification of Skill of workers in Informal Sector.	450
	Total III – Ongoing Centrally Sponsored Plan Schemes (CSS)	227510
	Total (II + III)- Ongoing CS and CSS	243000
	Grand Total - Vocational Training (including new initiatives) {I + (II + III)}	1095100

CHAPTER 6

OCCUPATIONAL SAFETY & HEALTH

Introduction

Besides being the most important factor of production, labour is simultaneously the prolific consumer of goods and services produced by itself and is also the weaker party in the labour market. Indian labour, being as illiterate and unskilled as it is, requires state aid, not in the form of money, but as a fair regulator of the conditions of work and of the workplace. Needless to say, Articles 21A, 24, 41, 42, 43 and 43A of the Constitution specifically deals with the duty of the State to ensure welfare of children, women and labour.

2. What has been hitherto, however, neglected is that apart from the political rights (of forming unions and of collective bargaining) and economic rights (of wages, bonus, maternity relief, Provident Fund etc.), the labouring population also possesses the basic human right to a *safe and healthy life*, going beyond the provision of medical aid in times of sickness.

3. Occupational Safety and Health aspects thus have gained importance in the economic policy framework of the Government of India. Due to proliferation and increase in severity of hazards, some known and some yet unknown, in different walks of economic activity, the declared objective of the Government is to keep pace with the international trends. Obviously, this translates into ensuring that the standards of occupational safety and health are adhered to in the country and to honestly project that image even internationally.

4. Both the Governments at the Centre and the State are responsible for “labour welfare”, which is a concurrent subject between them. However, it is the Ministry of Labour and Employment which is solely responsible for (a) Regulation of safety, health and welfare measures concerning dock labour, and (b) Regulation of labour and safety in mines and oilfields. The Ministry receives technical assistance from, and discharges its responsibilities in respect of mines labour and dock labour through the Directorate General of Mines Safety (DGMS) and the Directorate General, Factory Advice and Labour Institutes (DGFASLI).

Hazards at Workplaces

MINES

5. The Mining Sector in India comprises of big and small, manual and mechanised, opencast and underground mines. It is estimated that on a daily average basis, about one million workers are directly employed in the mining activities.

6. One of the Common beliefs in this country is that mining is a “hazardous” profession, prone to accidents. It is, however, to be recognized that any industrial accident happens because of unsafe acts and unsafe conditions of work, and that this equally applies all industry, including mines. Most of the accidents in any workplace are preventable, which do not happen on their own, but are caused, not by design but by negligence. Apart from outright loss of lives and serious injuries, the aspect of occupational health hazards in mining industry is also critical.

7. The recorded statistics on Mine accidents in India reveals that the aspects like lack of ventilation & Support, absence of gas monitoring & dust control measures, proper bench formation, lighting, proper haul roads in addition to non-appointment of qualified supervisory personnel are the main causes for most of the accidents in the country. The Working Group has

also analysed the accidents in Indian Mines over the past five decades and concluded that there is a certain level of accidents which appear to be arising out of some deep-seated problem which the present mechanism is unable to detect/control. The Working Group has indicated that the traditional system of administration of Mines Act and the subordinate legislation made thereunder have reached its limit of effectiveness, which calls for introduction of new initiatives and stress upon areas of high risks in order to bring them down to acceptable risk levels. This evidently has to be tackled with technological tools.

8. The Working Group has catalogued certain medical conditions which arise as a result of constant exposure to the risks of the industry/workplace. Considering the weight in the DGMS-sponsored surveys, it has been concluded that there is a general lack of infrastructure in OH surveillance, lack of exposure or training in detection of such diseases as per the ILO norms. It has also been indicated that the number of surveys conducted by the DGMS is not adequate to assess the situation with reasonable accuracy and to identify the thrust areas calling for immediate action.

FACTORIES AND DOCKS

9. The ILO has estimated that over half of the world's occupational injuries occur in the Asia Pacific region. In India, the Factories Act requires notification of occupational diseases to the government; however, very few cases of occupational diseases have been reported in factories. Further, the Factories Act does not cover vast majority of workers (estimated at 82%) because they work in the informal sector where accidents are not even required by law to be reported at all.

10. Using two well-known indicators⁵, the accident statistics in factories have been analysed by the Labour Bureau, Government of India, based on injuries reported in the annual returns submitted by States/ UTs. The latest available analysis of injury statistics published by Labour Bureau shows that the Incidence Rate for industrial injuries as well as the Frequency Rate of industrial injuries have both declined from 11.32 in 1998 to 6.14 in 2002 and from 3.37 in 1998 to 0.93 in 2002, respectively. This scenario relates to the formal sector only.

11. The analysis of reportable accidents in the major ports and docks shows that while the frequency rate of accidents has decreased from 10.37 in 2000-01 to 8.69 in 2004-05, the rate of fatal accidents has hovered around 12% of the accidents (20 – 29 in absolute number) during the same five-year period. Without being mutually exclusive, the major causes of accidents have been identified as *unitised and break bulk cargo* (about 50%); *struck by moving or stationary objects* (42%); *fall of persons* (22%); *transport equipment* (17%) and *falling objects* (17%).

A Review of Activities in the Tenth Five Year Plan

DIRECTORATE GENERAL OF MINES SAFETY

12. The Directorate General of Mines Safety (DGMS) is the Indian Government Regulatory agency for safety in mines and oil-fields. The mission of the DGMS is to continually improve safety and health standards, practices and performance in the mining industry and upstream petroleum industry by implementing (a) pro-active safety and health strategies; (b) continuous improvement of processes; (c) effective use of resources; and (d) commitment and professional behaviour in its personnel. The DGMS administers some or all of the provisions of (i) The Mines Act, 1952, (ii) The Indian Electricity Act, 1910, (iii) the Factories Act, 1948, (iv) Environmental

⁵ The two indicators are (i) Frequency Rate (proportion of total number of injuries to corresponding number of mandays worked in lakhs), and (ii) Incidence Rate (proportion of injuries to average daily employment in thousands).

Protection Act, 1986, (v) the Land Acquisition (Mines) Act, 1885, and (vi) The Coal Mines (Conservation & Development) Act, 1974, and/or subordinate legislation made thereunder.

13. The DGMS, to ensure enforcement of necessary safety measures, has undertaken mines inspections and inquiries, and has issued various notices, orders and circulars to the units in the mining industry. The DGMS also conducts examinations under the statutes and issues certificates of competency to personnel at various levels. The other major activities of DGMS include the approval of mines safety equipments and the National Safety Awards. The DGMS has also been granted plan assistance in respect of these activities.

DIRECTORATE GENERAL, FACTORY ADVICE SERVICE AND LABOUR INSTITUTES

14. The Directorate General, Factory Advice Service and Labour Institutes (DGFASLI) was set up in 1945 with the objective of advising Central and State Governments on administration of the Factories Act and coordinating the factory inspection services in the States. Its duty also extends to assisting the Ministry in formulating national policies on occupational safety and health in factories and docks. It also advises factories on various problems concerning safety, health, efficiency and well-being of the persons at work places.

15. Comments/ clarifications etc. on the provisions of the Factories Act, 1948, ILO documents on decent work and on the framework for Occupational Safety and Health were provided to Chief Inspectorates of Factories (CIFs), State Governments and the Ministry of Labour and Employment, and Factories. Inspections of ships and oil tankers were carried out. Several training programmes, studies and surveys were also conducted. The DGFASLI has also been granted plan assistance in respect of these activities.

NATIONAL SAFETY COUNCIL

16. To generate, develop and sustain a voluntary movement of safety, health and environment at the national level, the National Safety Council (NSC) at Navi Mumbai, is functioning as an autonomous and self-supporting institution. To achieve its objective, the NSC conducts a variety of training, educational, promotional and consultancy activities. The Council regularly brings out periodicals on industrial safety and promotional materials like technical manuals, booklets, posters, etc. Chief Labour Commissioner (CLC) enforces the 'Building and Other Construction Workers (Regulation of Employment & Conditions of service) Act, 1996' and the central rules framed there under. DGFASLI provides technical support in drafting model rules, carrying out surveys and conducting training programmes in construction sector. The Directorate General, Labour Welfare under the Ministry of Labour deals with the welfare aspect of workers employed in beedi and cigar manufacturing. In spite of various agencies involved in regulating work place safety and health issues in the unorganised sector, the efforts are by no means comprehensive and unified. Besides, the Central Insecticides Board under Ministry of Agricultural and Cooperation regulates safety aspects regarding manufacturing, packaging, labeling, distribution, handling and use of pesticides. The State Agriculture Departments are engaged in enforcing the Provisions of the Insecticides Act related to agricultural operation.

UNORGANISED SECTOR WORKERS

17. The unorganized sector which accounts for about 92% of the total workforce in the country, despite its significance and contribution in the economy remained a neglected lot, especially in the areas of the safety and health during the course of their employment. Absence of comprehensive labour laws or ineffective enforcement of such laws expose the unorganized

workers to exploitation. The most important and labour intensive unorganized sectors, which employs about 50-70% of the workforce of the unorganized sectors are from agriculture, construction, shops and establishments, beedi and cigarette manufacturing and home workers. Though these sectors have provided employment for many for a livelihood no organized attempt has so far been made to improve their working conditions. The employees in some of the sectors have some protection for welfare but occupational safety and health measures are totally absent in almost all the production sectors⁶.

Approach and Strategy in the 11th Five Year Plan

18. On the scenario in the Mining Sector, the Steering Committee noted that from the analysis of the data, it is seen that the death rates has almost remained constant, in both coal and non-coal mines, after falling down to their lowest levels during the period 1975 – 1985, broadly coinciding with the nationalization of the mines. This puts two issues on the fore: the manner in which the new policy of privatization will factor this in; and whether the existing safety policy has struck a plateau where the death rates cannot be reduced further.

19. A review of the detection and reporting system for notified diseases shows that all is not well with the system. As the Mines Manager is the person responsible under the Mines Act, the private mines have appointed minor functionaries and have declared them as Mines Manager, without requisite power. This inherently defeats the purpose of fixing responsibility on the Mines Manager. However, this could not be treated as an open-and-shut case to come to such conclusions.

20. The nature of the workforce also renders the task difficult, as it is largely untrained, unskilled and migratory. The inspecting officers of the DGMS are also inadequate in comparison to the target group. The result is (a) irrational wage-structure and inappropriate technology (b) wasteful exploitation of the natural resources. The Internal Safety Organization is ineffective and the health surveillance mechanism lacks infrastructure. It has been noted that about 60% of the mines sections of a Public Sector Undertaking are ‘unsafe’ according to DGMS standards. The situation is alarming not only because of the poor enforcement but also because of the poor level of awareness on the subject among the stakeholders. The legal set up as it exists now has also proved the existing mechanism inadequate, coupled with shortage of manpower, and inadequate mechanism for detecting, preventing and controlling occupational hazards (diseases) has led to more complexities. This is escalating in view of the quantum jump in mineral production and the advent of new technology and multinational players.

21. Introduction of the concept of self regulation, upgradation of DGMS as the nodal agency with database and expertise, the establishment of a Council for Mines Safety and Health to cater to the security needs of the small scale mining ventures including the unorganized sector are some of the steps that need to be taken in the Eleventh Five Year Plan. The draft code proposed by the Working Group, revising the existing Coal Mines Regulations, including preparation of site-specific standard operating procedures and making them mandatory, may be circulated for the consideration of all stakeholders.

22. Emergency Response and Disaster Management Systems have to be established and this regulation should be strictly complied with. It is imperative to frame suitable strategies to identify and deal with the existing as well as emerging occupational diseases.

⁶ Certain measures, however, have been taken in case of agriculture against the risks arising to the workers from use of dangerous machines, such as, threshers etc.

- 23.** “Human Resources Development” should be viewed from all the three angles: (i) competency of the existing key safety personnel, (ii) competency certification of new personnel, and (iii) capacity building of the inspecting and other officials of the DGMS itself. Considering that the R&D expenditure in India is very low, there is a need to get the comparable/similar figures from other countries, so that adequate provision may be made available through special efforts.
- 24.** The recommendations relating to the Industry and Port Sector may be classified as (i) legislative (amendment of laws and rules), (ii) finalization and declaration of a National Policy on Occupational Safety, Health and Environment at workplace and implementation mechanism including an initial survey, and (iii) other executive measures including formulation of OSH guidelines for the IT-ES/ BPO companies and integration of the OSH management system in the country (IS 18001:2000) with the ILO guidelines (ILO-OSH 2001).
- 25.** While the DGMS and DGFASLI have carried out works of routine nature, no new policy angle has been attended to by these institutions. Considering that the two institutions have cited lack of manpower as the major reason, viable and specific programmes for Research and Development aspects of Occupational Safety and Health, if proposed, shall be considered on priority.
- 26.** The National Safety Council and the DGFASLI may work in collaboration with the Ministry of Agriculture in regard to the training of agricultural workers and to conduct training of trainers programmes. The Central Board of Workers Education, non-governmental organizations, institutes and departments working in the field of Occupational Safety and Health should be involved so as to work toward creating awareness among the workers, and to utilize mass media and e-choupal platforms for this purpose. It has also sought to involve the non-governmental organizations etc. in a pilot project of administering medical check-ups to registered unorganized workers to help develop a national database, and for this purpose the establishment of a special cell with executive power within the Ministry is also recommended.
- 27.** With regard to the normal lament of the official machinery that very few cases of occupational diseases have been reported in factories even though the law (including the Factories Act) requires notification of occupational diseases to the government, it is important to note that the reason for the Indian behaviour not to report the accidents is that the official machinery neither does in fact carry out a careful analysis nor does it possess the time, opportunity, ability and inclination to carry out such an analysis; but rather is content with attaching the blame to the employer by straightaway prosecuting him. There are accidents for which nobody is morally responsible; others could be wrongs for which responsibility is diffuse. Yet others, in the nature of culpable conduct constitute grounds for compensation and at times, for punishment. However, the Indian State has seldom distinguished between these various categories by careful, morally sensitive and scientifically informed analysis. It is necessary to inculcate a sense of responsibility in dealing with situations, using it for making lives better in future, rather than allow repeating the same mistakes.
- 28.** Taking a comprehensive view of the situation and considering the importance of competence enhancement of the enforcement machinery and of the key personnel in hazardous installations, along with strengthening of the enforcement system by standardization of the Occupational Safety and Health Data and the creation of a national database, the Steering Committee is in favour of strengthening the DGMS, DGFASLI, CLI and RLIs, State factory Inspectorates with adequate manpower, infrastructure, Research and Surveys.

29. The setting up of a National Board for Accreditation and Certification of Institutes and Professionals in the area of Occupational Safety and Health is necessary.

30. The Ministry of Labour and Employment may also conduct in-depth multidisciplinary Occupational Safety and Health studies in the Mines, Construction, ITES/BPO and ship-breaking industries, and last but not the least, the unorganized sector, so that segment-specific Occupational Safety and Health guidelines taking into account the uniqueness of the socio-cultural context, general characteristics of the particular geographical region may be formulated. The needs for research and development in the Field of Occupational Safety and Health may be identified to improve the measures of Occupational Safety and Health, so that the process employment generation also leads to ‘healthy’ growth.

Recommendations :

31. The Steering Committee considers it important to recommend to the Planning Commission the following courses of action to improve the Occupational Safety and Health regime in the country

- (i) Formulation and declaration of a National Policy on Occupational Safety, Health and Environment at all workplaces (high-end as well as low-end) and establishment of an implementation mechanism therefor.
- (ii) Review of the safety policy for mines in view of the new policy of privatization and for further reducing death rates in mine accidents.
- (iii) Establishment of (a) Council for Mines Safety and Health to cater to the needs of small scale and unorganized mining ventures, and (b) Emergency Response and Disaster Management Systems and ensuring compliance with the regulations.
- (iv) Comprehensive review of the legal mechanism, including reporting of accidents in all factories, mines, ports and docks, analysis of the causes, improvement measures based on the analysis, prosecution of offenders and the judicial machinery.
- (v) Introduction of the concept of self-regulations in all factories, mines, ports and docks, taking into account the legal, social and cultural framework in India. By way of abundant caution, it is clarified that all the basic conditions which are required for making self-certification effective should be established and fulfilled before the ‘state’ delegates its responsibility towards the worker to his employer. It is reiterated that the primary responsibility of regulating the OSH mechanism rests with the State, which cannot be abdicated.
- (vi) Upgradation of DGMS and DGFASLI as nodal agencies with database and expertise.
- (vii) “Human Resources Development” should be viewed from all the three angles: (i) competency of the existing key safety personnel, (ii) competency certification of new personnel, and (iii) capacity building of the inspecting, research and other staff of the DGMS, DGFASLI, CLI, RLIs and State Factories Inspectorates.
- (viii) Adequate Research and Development capacities to be built in India for the field of Occupational Safety and Health.
- (ix) CBWE to be entrusted with organizing of awareness generation programmes among workers, especially relating the OSH aspects.

- (x) Setting up of a National Board for Accreditation and Certification of Institutes and Professionals in the area of Occupational Safety and Health.
- (xi) In-depth multidisciplinary Occupational Safety and Health studies in the Mines, Construction, ITES/BPO and ship-breaking industries, and the unorganized sector to be undertaken so that segment-specific Occupational Safety and Health guidelines in the light of unique features of the socio-cultural context and general characteristics of the particular geographical region may be formulated.
- (xii) Pilot projects to be undertaken in collaboration with the NGOs etc. to build reliable OSH database in the unorganized sector.

CHAPTER 7

SOCIAL SECURITY OF WORKERS

Introduction

Mankind has always faced adversity of natural hazards by mutual help and assistance by the community. However, social security does not begin and end with natural hazards; nor is it solely an act of charity. Where the citizen is not able to work in the event of sickness, retrenchment, accident, old age, disability etc., it is the duty of the society to protect him. The objective is usually achieved by creating some form of a Safety Net, and is also known as Social Protection. The ILO has adopted a convention No. 102, concerning Minimum Standards of Social Security in which provisions of medical care, sickness benefits, unemployment allowances, old-age and invalidity benefits, employment injury benefits, family and maternity benefits are required to be made.

2. However, the concept of social security should be treated as an inclusive one where the contributors also get benefit out of it, by including the wider aspects of housing, safe drinking water, sanitation, health, educational and cultural facilities for the society at large; and by ensuring living wages, distinct from the concept of minimum wages, which can guarantee the workers a decent life. It needs to be recognized that social protection could be instrumental in motivating the workers to work better and to increase the productivity insofar as it would enable them to work free from domestic worries to a great extent.

3. The existing social security system in India exhibits diverse characteristics. There are a plethora of schemes, administered by different agencies, with no coordination. Floated as they are by the Central and State Governments as well as by voluntary organizations in response to their own perceptions of needs, of the particular time, leading to wide gaps in coverage (a large population is still uncovered under any scheme), and overlapping of benefits (a section of the population is covered under two or more schemes). In the existing system, coverage varies from scheme to scheme, with different groups of people receiving different types of benefits. In other words, no one is insured against all risks of life. Further, the less said about the procedures the better.

Existing Social Security Scenario

WORKERS WITH INSTITUTIONALIZED SOCIAL SECURITY COVER

4. The Organised Sector includes primarily those establishments, which are covered by the Factories Act, 1948, the Shops and Establishments Acts of the States, Industrial Employment Standing Orders Act, 1946, etc. This sector already has a structure through which social security benefits are extended to its workers. While some of them such as Provident Fund, pension, insurance, medical and sickness benefits are contributory (workers alone, or workers and employers, sometimes supported by the State), others like employment injury benefits, gratuity, maternity benefit are purely non-contributory and are met by the employers alone. Most workers in the Organised sector are covered under the Institutionalized social security provided through Employees' Provident Fund Organisation (EPFO), and the Employees State Insurance Corporation (ESIC).

5. The EPFO in India is one of the largest provident fund institutions in the world in terms of members and volume of financial transactions that it has been carrying on. The EPFO caters to: (a)

Every establishment which is engaged in any one or more of the industries specified in the Act or any activity notified by Central Government, employing 20 or more persons; (b) all Cinema Theatres employing 5 or more persons, other than those under the control of central/state/local government which provide equivalent/better benefits of social security, and co-operative societies employing less than 50 persons and working without the aid of power, and (c) any other establishment seeking coverage under the scheme voluntarily. As on 31.03.2006, 429.53 lakh persons were members of the Employees' Provident Fund, while another 323.89 lakh persons were members of the Pension Fund.

6. The ESI Act was originally applicable to non-seasonal factories using power and employing 20 or more persons; but it is now applicable to non-seasonal power using factories employing 10 or more persons and non-power using factories employing 20 or more persons. The ESI Scheme has now been extended to shops, hotels, restaurants, cinemas including preview theatre, road motor transport undertakings and newspaper establishment employing 20 or more persons. The existing wage-limit for coverage is Rs.10,000/- per month (with effect from 1.10.2006). The ESI Scheme is being implemented area-wise by stages. The Scheme has already been implemented in different areas in the all States except Nagaland, Manipur, Tripura, Sikkim, Arunachal Pradesh and Mizoram; and in Union Territories of Delhi, Chandigarh and Pondicherry. It covers 84.0 lakhs Employees and 91.5 lakh Insured Person family units. A total of 3.55 Crore Beneficiaries are thus covered.

WORKERS WITHOUT INSTITUTIONALIZED SOCIAL SECURITY COVER

7. Workers in the informal economy include the vast majority of the workers in the country who are in the unorganized/informal sector, as well as the workers employed in an informal capacity in the organised sector. This category of the workforce is excluded from the institutionalized social security cover adverted to above.

8. A number of schemes and systems are in operation in favour of social security to workers in the informal economy, following four different major models⁷. However, the major deficiency in this approach is the limited coverage (geographical areas and industrial activity). The benefits are confined to only about 5 – 6 % of the informal sector workers.

Issues of Social Security in the Context of Inclusive Growth

9. It is not a mere coincidence that the majority of workers in the unorganized /informal sector come from the socially backward communities. Viewed in this light, the provision of social security to these workers should be seen as a form of social upliftment. Further, the absence of a viable and sensible social security arrangement is not merely the problem of individual workers and their families. It has also wider ramifications for the economy and society. In an economic sense, a worker with no social security cover is likely to have more domestic worries than the one with a reasonable cover. This, as noted above, debilitates the worker's efficiency and productivity. Lack of purchasing power, as a result of low earning power, mounted with vulnerabilities will have the effect of reducing the aggregate demand in the economy. Socially, the demonstration effect of the prospering section is likely to lead the uncovered section to disillusionment, dissatisfaction and disaffection. The overall well-being of the country as measured by health, education, longevity of life and access to resources will be affected adversely, though it may not always manifest in crimes and other illegal activities.

⁷ (i) Contributory Welfare Funds, Social Assistance through budgetary provision, (ii) Social Security Schemes for defined categories of workers, and (iv) Mutual Help, promoted and mediated by NGOs.

10. The anti-Poverty measures taken by the Government have been generally successful; but where the definition of poverty is tied to food (in calorie terms), it necessarily leaves the other aspects enumerated above out of the loop. Thus, the problem facing us is not merely of eradicating poverty; but it is of preventing destitution, by preventing deprivation and avoiding vulnerability to deprivation.

Need for an Inclusive Social Security System

11. A large section of workers who are able to secure employment in the organised (formal) sector of the economy have generally also been able to secure some protective social security for themselves and their families. However, it must be reiterated that more than 91 per cent of India's workforce consists of informal workers working either in the unorganised informal sector (85 per cent) or in the organised formal sector (6 per cent). A large majority of them face the problem of 'deficiency' or capability deprivation (of basic needs), as well as the problem of 'adversity' (arising out of such contingencies as sickness and accidents). The number of workers covered by EPFO, ESI and the various welfare funds will not exceed 40-50 million, after excluding the double counting of workers in under multiple schemes, whereas the estimate of total labour force is 471 million (UPSS basis) for the year 2004-05. Thus, the existing system excludes the majority of those in the labour force. With the exception of a small number of States with some social security cover for workers in the unorganised sector, a majority of the States do not offer any cover, especially for addressing such core concerns as healthcare and maternity.

12. Among the Central and State government initiatives that address the social security needs of the population, there are very few schemes addressed specifically for the unorganised workers. Kerala and Tamil Nadu are the only States which offer some reasonable coverage of both old age pension for the aged poor and other protective social security schemes for the workers in the unorganised sector. Some States like Maharashtra, Gujarat, West Bengal, Punjab and Haryana, Tripura, Karnataka and Goa have a number of schemes for the aged poor and vulnerable population, but except in Madhya Pradesh, no State has social security schemes specifically meant for the unorganised sector workers.

13. The indisputably best strategy to improve the lot of the unorganized labour is to improve the demand for labour. Employment is the first option in regard to social protection. Employment generation in each of the sub-sectors of the economy have to proceed simultaneously.

APPROACH AND STRATEGY IN THE 11TH FIVE YEAR PLAN

14. A protective social security mechanism, taking care of the adversity aspects of ill- health, accidents/death and old age has to be established at the core. The other vulnerability aspects due to in-built deficiencies as they exist now, such as lack of access for the poor to credit/finance (especially for the self-employed), loans for upgrading skills, loans for housing, children's education, etc. may also be added and tailored to meet the social security concerns of workers as workers in the unorganised/informal sector.

15. Considering the achievements made by the ESIC and the EPFO in providing institutionalized social security cover to a majority of the workers in the organized sector, it would be appropriate to widen the coverage and strengthen them. It would not suffice to entitle certain more people to benefits from the ESIC/EPFO, but it is also necessary to enhance their capability of these institutions to cope with the workload. To reduce harassment and corruption in these institutions, the delivery system in these institutions must be streamlines and the exercise of issuing National Social Security numbers be completed.

16. As a matter of principle, the benefits of EPF should be extended to the unorganized sector, in an unbundled manner, if need be. In providing social security to the unorganized sector workers, priority should be given to medical care, accident benefits and old age pensions within a legislative framework. Since the employer may not be identifiable, the exchequer will have to bring in lot of resources on a continuous basis over the next 20 – 30 years. The Government will also be required to take a proactive role in encouraging contribution-based social security schemes. Such schemes are likely to be self-financing and sustainable. Medical care should be under a simple procedure, for which lump sums may be collected from the workers who may be persuaded form co-operative groups.

17. The idea of appointing the Gram Sabhas as inspectors under the Minimum Wages Act in respect of certain types of occupations/ categories of employment as attempted in the State of Madhya Pradesh, which has made the implementation effective in that State, may be replicated in the Other States. The penalty against its violations be enhanced, and the power to grant exemptions be reviewed. A national policy for fixing minimum wages should be crystallized and made effective. Discrimination in wages based on gender and age should be abolished. The Act should be applicable across-the-board for all industry covered by it. The recovery of minimum wages should be made simple, and be equated with recovery due of land revenue. An information network should also be built to promote awareness and to prevent malpractices, with the help of the press, NGOs and PRIs.

18. The National Old Age Pension presently covers persons who are destitute and old aged. Some states cover the old aged Below Poverty Line persons. Till such time as a comprehensive social security policy is evolved, the benefit under this scheme should be extended to all old aged persons by deleting the “destitute” condition.

19. While devising the new social security schemes, agricultural labourers should be covered on a priority basis, at least in the NREG districts. The NREG scheme should be extended to all the 600 districts till satisfactory progress is made in all the sub-sectors to create/generate employment opportunities.

20. The National Social Security Numbers schemes should be extended to all citizens in the Country, so that the most vulnerable people who need it the most, including migrant labour and nomads could use it. In fact, considering that such persons do not even get the rations under the PDS, which is a stable social security measure, this exercise has to be taken up urgently.

Recommendations :

21. The Steering Committee recommends to the Planning Commission the following courses of action to improve the Social Security regime in the country

Approach and Strategy

- A protective social security mechanism, taking care of the adversity, aspects of ill-health, accidents/ death, and old age should be established at the core. The other vulnerability aspects due to in-built deficiencies as they exist now, such as lack of access for the poor to credit/ finance (especially, for the self-employed), loans for upgrading skills, loans for housing, children’s education, etc. should be tailored to meet the social security concerns

of workers qua workers in the unorganized/ informal sector, subject to the availability of resources.

- The National Old Age Pension presently covers persons who are destitute and old aged. Some States cover old aged BPL persons NSAP should be made more comprehensive. Major modifications in NSAP are separately under consideration for the 11th Plan so as to provide more comprehensive coverage to the old.
- EPFO and ESIC should widen their coverage so as to strengthen them to reach out to more number of beneficiaries, and measures should be taken to enhance the capabilities of these institutions to cope with the workload. To reduce harassment and corruption in these institutions, the Government should strive to streamline the delivery system in these institutions.
- Minimum Wages Policy should be crystallized and made more effective:
 - Discrimination in wages based on gender and age should be abolished/ penalized.
 - The recovery of minimum wages should be simplified and equated with the recovery of land revenue
 - An information network should also be built to promote awareness, to educate employers (some of whom do alternate as wage labour too) and to prevent malpractices (perpetrated by design or by ignorance) with the help of media, NGOs and PRIs.
- Identity to beneficiaries – Assigning an identity to beneficiary is an essential condition to create empowerment to lay a claim to what one is expected to receive. The National Social Security Numbers schemes should be extended to all citizens in the country so that the most vulnerable who need it the most, including migrant labour and nomads could use it. In fact, considering that such persons do not even get the rations under the PDS, which is an important social security measure, this exercise should be taken up urgently.

CHAPTER 8

LABOUR LAWS AND OTHER LABOUR REGULATIONS

1. Important Developments during the Tenth Plan

(a) The Second National Commission on Labour

1.1. The First National Commission on Labour was constituted on 24.12.1966 which submitted its report in August, 1969 after detailed examination of all aspects of labour problems, both in the organised and unorganised sectors. The need for setting up of the Second National Commission on Labour was felt due to the vast changes occurring in the economy during the last three decades especially in the nineties due to globalization, liberalization and privatization.

1.2. The Second National Commission on Labour was given two point terms of reference:

- i) to suggest rationalization of existing laws relating to labour in the organised sector; and
- ii) to suggest an umbrella legislation for ensuring a minimum level of protection to the workers in the unorganised sectors;

1.3. The Commission submitted its Report to the Government on 29.06.2002. The Commission has comprehensively covered various aspects of labour and given recommendations relating to review of laws, social security, women & child labour, wages, skill development, labour administration, unorganized sector etc.

1.4. The recommendations of Second National Commission on Labour inter-alia, included – (i) introduction of umbrella legislation for workers in the unorganized sector and agricultural labour, (ii) emphasis on up-gradation and development of skill of workforce by training/retraining of workers, (iii) encouragement of small scale industries, agri-business and rural sector for higher employment generation, (iv) bringing attitudinal change and change in the mindset and work culture where the employer and the worker work as partners with emphasis on participative management, (v) consolidation of social security legislations and establishment of social security system, (vi) abolition of child labour, etc.

1.5. The Ministry had held consultations and interactions with the workers representatives, employers' organizations, experts, professionals etc. The recommendations of the Commission were discussed in the 38th Session of Indian Labour Conference held on 28-29 September 2002, a National Seminar on Unorganized Sector Workers held on 7-8 November 2002, Tripartite Committee meeting held on 18-19 February 2003, and Consultative Committee Meetings of Ministry of Labour held on 07.02.2003 and 30.4.2003. The recommendations had again been discussed in the 39th Session of Indian Labour Conference held on 16-18 October, 2003. While carrying out the amendments in labour laws, the recommendations of Second National Commission on Labour are also taken into consideration.

(b) Announcements by the Finance Minister

1.6. The then Finance Minister, in his Budget Speech, 2001, announced amendments to the Industrial Disputes Act, 1947 and the Contract Labour (Regulation and Abolition) Act, 1970, as reproduced below:

- (i) **“Amendment to the provision of Chapter V-B of the Industrial Disputes Act – prior approval of appropriate Government Authority for effecting lay-off, retrenchment and closure after following prescribed procedures to now apply to industrial establishments employing not less than 1000 workers (instead of 100 workers at present) and separation of compensation (*for separation of worker from the employer - explanation added*) to be increased from 15 days to 45 days for every completed year of service. Appropriate legislation to amend the Act to be introduced by the Minister for Labour within this Session.”**
- (ii) **“Section 10 of the Contract Labour Act to be amended to facilitate outsourcing of activities without any restrictions as well as to offer contract appointments. It would not differentiate between core and non-core activities and provide protection to labour engaged in outsourced activities in terms of their health, safety, welfare, social security, etc. It would provide for larger compensation based on last drawn wage as retrenchment compensation for every year of service. Appropriate legislation to amend the Act to be introduced by Ministry of Labour within this Session.”**

1.7. Accordingly, in respect of the Industrial Disputes Act, 1947 comprehensive amendment proposals including inter-alia, setting up of Grievance Redressal Authority, relaxation of qualification of Presiding Officers of Central Government Industrial Tribunal-cum-Labour Courts (CGITs), direct reference of disputes connected with termination / dismissal / retrenchment / discharge to Industrial Tribunals etc. were prepared. In its meeting held on 22.02.2002, the Cabinet approved the proposals while directing that process of building a consensus to facilitate the introduction and passage of the Bill in the Parliament would simultaneously be initiated. Pursuant to the direction, wide-ranging consultations with all concerned were held to build up a consensus, including discussions in the Indian Labour Conference, Tripartite Industrial Committee etc. But it has so far proved elusive.

1.8 Section 10 of the Contract Labour (Regulation and Abolition) Act, 1970 provides for prohibition of contract labour under certain circumstances, such as, perennial nature of the process, operation or work etc. From time to time, workers and their representatives have been demanding prohibition of employment of contract labour in various categories of jobs in various establishments whereas there has been increasing resistance from the employers in the matter. In its judgment of December, 1996 in the Air India case the Supreme Court, inter-alia, ruled that where employment of contract labour has been prohibited in a process, operation or other work in an establishment, contract labour engaged in such activities would automatically become the employees of the principal employer. Subsequently, a five-judge Constitution Bench of the Supreme Court in the matter of SAIL vs. National Union of Waterfront Workers has quashed the Air India Judgment in August, 2001 prospectively diluting its impact, but the situation has not undergone much change. The workers have continued to demand for abolition of contract labour in the hope that they may force the employer to absorb them on a regular basis as they are entitled to get preference if the employer intends to take regular workmen in the prohibited job.

1.9. In the wake of economic liberalization, however, the previous Government had constituted a Group of Ministers (GoM) to consider the proposals for amending the Act. The GOM had several meetings between the years 2000 and 2003. One of the proposed amendments under consideration was to exempt certain activities from the application of Section 10 of the existing Act. The GOM identified the following ten (10) activities, which are in the nature of supportive services of an establishment for exemption:-

- (1) sweeping, cleaning, dusting and gardening;
- (2) collection and disposal of garbage and waste;
- (3) security, watch and ward ;
- (4) maintenance and repair of plant, machinery and equipments;
- (5) house keeping, laundry, canteen and courier;
- (6) loading and unloading
- (7) information technology;
- (8) support services in respect of an establishment relating to hospital, educational and training institution, guest house, club and transport;
- (9) export oriented units established in Special Economic Zones and Units exporting more than seventy five percent or more of their production; and
- (10) Construction and maintenance of buildings, roads and bridges.

1.10. However, there was no headway due to change in Government and subsequently absence of a consensus. Only the State Government of Andhra Pradesh has made amendments by defining core and non-core activity, prohibiting contract labour in all core activities except those normally done through contractors, part- time work or in case of sudden increase of work in a core activities. A designated authority enquires disputes as to whether an activity is core or non-core.

2. National Common Minimum Programme (NCMP)

2.1. The UPA Government has adopted a National Common Minimum Programme (NCMP). Some of the important points / issues which have a bearing on labour laws are as follows:

- (i) Comprehensive protective legislation will be enacted for all agricultural workers.
- (ii) The UPA Government is firmly committed to ensure the welfare and well being of all workers, particularly those in the unorganized sector who constitute 93% of our work force. Social Security, health insurance and other schemes for such workers like weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation labour beedi workers etc. will be expanded.
- (iii) The UPA rejects the idea of automatic hire and fire. It recognizes that some changes in labour laws may be required but such changes must fully protect the interests of workers and families and must take place after full consultation with trade unions. The UPA will pursue a dialogue with industry and trade unions on this issue before coming up with specific proposals. However, labour laws other than the Industrial Disputes Act that creates an Inspector Raj will be re-examined and procedures harmonized and streamlined. The UPA government firmly believes that labour-management relations in our country must be marked by consultations, cooperation and consensus, not confrontation. Tripartite consultations with trade unions and industry on all proposals concerning them will be actively pursued. Rights and benefits earned by workers, including the right to strike according to law, will not be taken away or curtailed.

The position with regard to the above is as under:

- (i) Comprehensive Legislation for Agricultural Workers:

2.2 The proposal of legislation of agricultural workers had been under consideration of the Government since 1975. The draft of the Bill was also prepared in 1997. However, due to lack of consensus amongst State Governments, the proposal could not be processed further. Presently, the Government is in the process of enactment of legislation for the workers in the unorganized sector including the workers in the agriculture sector. In view of this, the Ministry of Labour is of the view that the proposal could appropriately be left to the State Governments to act upon. However, the interests of the agricultural workers will be addressed in the proposed Unorganized Sector Workers' Bill, 2005.

(ii) Unorganized Sector Workers' Bill:

2.3. To ensure the welfare of workers in the unorganised sector which, inter-alia, include weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation labour, beedi workers, the Government propose to enact a comprehensive legislation for these workers. The Ministry of Labour & Employment drafted the 'Unorganised Sector Workers Bill, 2004' which, inter-alia, envisages provision for safety, social security, health and welfare matters. The draft Bill has been sent to all stakeholders including National Advisory Council (NAC) and National Commission for Enterprises in the Unorganised Sector. The Ministry has received a draft Bill namely, 'the Unorganised Sector Workers Social Security Bill, 2005 from NAC. The draft Bill is being examined in the Ministry in consultation with the State Governments, central trade unions, employers' organizations and NGOs and copies of the draft Bill have been sent to them. The NCEUS has now revised the Bills and have given two bills i.e. (i) Unorganized Sector Workers (Conditions of Work & Livelihood Promotion) Bill, 2005 and (ii) the Unorganized Sector Workers Social Security Bill, 2005 in place of earlier three Bills.

2.4. The draft Bills prepared by the Ministry of Labour and Employment, National Advisory Council (NAC) and National Commission for Enterprises in the Unorganized Sector (NCEUS) are still under examination. The proposal was discussed in the Meeting presided over by Hon'ble Prime Minister on 18th November 2005 and Members / Experts of NAC / National Commission for Enterprises in the Unorganized Sector on 22nd November 2005 .

2.5. As a follow up of the Minutes of the Meeting presided over by Hon'ble Prime Minister on 18th November 2005, a meeting was held with LIC under the Chairmanship of Prof. Bhalchandra Mungekar, Member, Labour & Employment, Planning Commission on 20th January, 2006 in Mumbai in which it was suggested that LIC should work out the projections of funds required for the scheme providing for (i) life cover of Rs.5000/- (ii) accidental cover of Rs.40,000/- (iii) health insurance @Rs.6000/- (iv) maternity benefit of Rs.1000/-for two births and (v) minimum pension of Rs.200 or 300 or 400 or 500 per month guaranteed for life.

2.6. Some models for financing the scheme were also suggested. The LIC has given some projections for requirement of funds required to implement the scheme. This was also discussed in the Meeting taken by Hon'ble Minister of State for Labour & Employment with the Chairman and Senior Officers of LIC on 16th May, 2006. The Consultative Committee attached to Ministry of Labour and Employment also discussed the proposal on 17th May 2006 when LIC explained requirement of funds and informed that a "Strategic Business Group"(SBG) has been constituted to examine various options as to whether (i) a separate corporation would be required (ii) a subsidy of LIC ; or (iii) a joint venture of LIC and non-life insurance companies would be required to undertake such a gigantic task of implementation of all components of the scheme. The report of SBG is awaited. The matter is being vigorously followed up with LIC by the Ministry of Labour & Employment.

2.7 In the meanwhile, the National Commission for Enterprises in the Unorganised Sector (NCEUS) has submitted its report to the Government on the Social Security for the Unorganized Sector Workers in May, 2006. Amongst its various recommendations the Commission has recommended old age pension of Rs.200/- per month to all workers aged 60 years and above and belonging to BPL families. Similarly, the Commission has also recommended provision of Provident Fund to all other workers (Above Poverty Line) with a minimum guaranteed return of ten per cent to the workers, under the proposed provident fund scheme. The Social Security Scheme, as recommended by the Commission includes health insurance, maternity benefit, personal and accident insurance cover.

2.8. A meeting of CoS in this regard has been held on 25.07.2006. As directed by the CoS, the meeting of the Group constituted to examine various drafts and proposals was held under the Chairmanship of Secretary (L&E) on 24.08.2006.

(iii) Tripartism

2.9. The Ministry of Labour & Employment continues to have consultations with its social partners to obtain a consensus for enacting new laws or for bringing about changes in the existing laws.

(iv) Inspector Raj

2.10. The National Common Minimum Programme (NCMP) states that labour laws other than the Industrial Disputes Act, 1947 that create an Inspector Raj will be re-examined and procedures harmonized and streamlined.

2.11. In pursuance of the deliberations in the meeting of Prime Minister's Council on Trade & Industry on 4th December 2004, a Committee was set up under the Chairmanship of Shri Anwarul Hoda, Member (Industry), Planning Commission to look into the requirements of multiple inspections and recommend on steps to be taken to streamline and simplify them. The Committee submitted its recommendations to the Prime Minister's Office on 22nd December 2005, the major ones being as follows:

(i) A system of third party inspection should be established to give to enterprises an option to get their regulatory compliance certified by reliable agencies {e.g. ISO 140-01 certification by the Quality Council of India, Occupational Health and Safety Standard (OHSAS 18001) by the British Standard Institute UK, Social Accountability Standard (SA 8000) by Social Accountability International, USA and corresponding standard developed by Bureau of Indian Standards (BIS)}. Once such certification has been obtained the unit should be exempted from routine inspection. Special Inspection would be authorized only on receipt of credible complaints;

(ii) Mechanisms of joint inspections and joint annual calendar of inspections to be developed;

(iii) Introduction of a scheme of self certification.

2.12. The Report also favoured enactment of the Small Enterprises (Employment Relations) Act for the establishments having less than 19 workers with a view to reduce the pressure on them and supported proposed amendments in the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988.

2.13. The action taken is as follows:

- (i) Labour being a concurrent subject, the copy of the Report has been forwarded to all State Governments and Union Territories and circulated among all Divisional Heads and legislative sections inside the Ministry of Labour and Employment for taking appropriate action;
- (ii) Some States like Gujarat, Punjab etc. have already introduced the system of self certification
- (iii) The Bill to amend the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988, which intends to provide relief to a large number of enterprises, especially small and medium ones by allowing them to maintain only two registers, that too on computer and send only one return, also by e-mail, has been introduced in the Rajya Sabha on 22.08.2005.
- (iv) In the Central Sphere, the enforcing agencies, viz. Chief Labour Commissioner (Central), Employees' Provident Fund Organisation, Employees State Insurance Corporation have taken steps to reduce arbitrariness in the system of inspection and make it mostly complaint driven.
- (v) The Ministry has circulated a Discussion Paper on "Making Labour Markets Flexible: Suggestions for Consideration" among all stakeholders for their consideration, which, inter-alia, provides for streamlining the inspection regime and use of Information & Communication Technology.
- (vi) So far as enactment of Small Enterprises (Employment Relations), Act in pursuance of Second National Commission on Labour recommendations is concerned, a view was taken in the Ministry of Labour and Employment that it is not necessary in view of the proposed amendments as indicated at (iii) above and the Ministry of Small Scale Industries itself enacting a separate legislation for such industries. Moreover, as this legislation would be impinging upon the Industrial Disputes Act, 1947, it appears doubtful whether its enactment would at all be possible with National Common Minimum Programme disallowing any tampering with the Industrial Disputes Act, 1947

2.14. Trade union leaders in various fora have criticized any attempt to dismantle inspector raj , as according to them , it would compromise the interests of vulnerable workers. So any consensus on this score is bound to remain elusive.

3. **Labour Laws: Amendments under Consideration / Undertaken**

3.1. The Present Status of amendments in certain Acts is as under:

- (i) The Factories (Amendment) Bill 2005 has been introduced in the Lok Sabha on 16th August 2005. The Bill proposes to amend the Section 66 of the Factories Act 1948, so as to provide flexibility in the matter of employment of women during night shift with adequate safeguards for their safety, dignity, honour and transportation from the factory premises to the nearest point of their residence.
- (ii) The Payment of Wages Act, 1936, ensures that wages payable to employed persons are timely disbursed and no unauthorized deductions are made from their wages. Presently, it covers only those employees whose wage ceiling is up to Rs.1600/- per month. The Payment of Wages (Amendment) Bill, 2005 has received the assent of the President on 5th September, 2005. The Payments of Wages (Amendment) Act, 2005 (41 of 2005) has been notified by the Ministry of Law and Justice on 6th September, 2005. Subsequently, the

Ministry of Labour and Employment has issued notification No. SO 1577(E) dated the 8th November 2005 to enforce the amended provisions w.e.f 9th November 2005 . With the amendments, the wage ceiling for applicability of the Act, gets increased from Rs.1600/- to Rs.6500/- per month while empowering the Central Government to further increase the ceiling by way of Notification. It also enhances the penal provisions.

- (iii) The Cabinet had approved a proposal to amend the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988 on 11.05.2005, which intends to introduce simplified forms of registers to be maintained by the employees under certain labour laws. The amendments proposed include applicability of the Act to the establishments employing up to 500 persons instead of 19 persons, as at present. Consequently, establishments, which employ not more than 500 persons, shall not be required to file multiple returns and maintain separate registers under various labour laws. This will result in reducing the number of registers from 53 to 2 and number of returns from 11 to 1 under various labour laws, allowing maintenance of registers on computers and transmitting the annual reports or other reports by e-mail, enhancing the applicability of these provisions from 16 Scheduled Acts instead of 9, at present and prescribing uniform penalty for obstruction and non-maintenance of records under the Scheduled Acts. The Bill was introduced in Rajya Sabha on 22.08.2005. Subsequently it was referred to Parliamentary Standing Committee on Labour for its examination. As directed by the Committee , two tripartite meetings were held with the representatives of Employers' and Employees' Group on 23rd January, 2006 and 22nd June, 2006 respectively to arrive at consensus on the Bill. However, no consensus was reached in these Meetings and further direction of the committee is awaited.
- (iv) Amendment of the Apprentices Act, 1961 has been introduced in the Rajya on 19th May, 2006 to provide (i) reservation for Other Backward Classes, (ii) related instructions to be imparted at the cost of employer and (iii) flexibility in respect of ratio's prescribed for Apprenticeship Scheme. The Bill has been referred to Parliamentary Standing Committee on Labour for examination. The Parliamentary Standing Committee on Labour examined the Bill on 3rd July,2006 and decided that after receiving the recommendations of Shri M. Veerappa Moily Committee in case of reservation for OBC, the Bill be reviewed again.

3.2. Further amendments to certain other labour laws like the Payment of Bonus Act, 1965 by increasing the eligibility and calculation ceilings from Rs.3500/- to Rs.7500/- per month and from Rs.2500/- to Rs.3500/- per month respectively and the Minimum Wages Act, 1948 are at various stages of consideration.

4. Attaining Flexibility in Labour Laws

4.1. In line with the NCMP, and with a focus to spearhead consultation process amongst the stake holders for carrying out labour reforms, The Hon'ble Labour & Employment Minister held a meeting with the representatives of industry, economists and academicians on 29.3.2005, wherein following broad points emerged:-

- (i) In order to compete in this global market, the management would require operational flexibility which includes power to right-size the work force;
- (ii) The industry is prepared to consider paying higher compensation to the retrenched workers; and

(iii) There is need for having adequately trained manpower. The training facilities need to be upgraded.

4.2. Similarly, on the same subject Hon'ble Minister for Labour & Employment held meeting with the representatives of Central Trade Unions on 31.3.2005 wherein following broad points emerged:-

(i) While considering labour reforms, the spirit of the NCMP, the mandate of the Ministry of Labour and Employment and the interest of the workers should not be lost sight of / compromised.

(ii) Any proposal for labour reforms should be conceptualized only after the trade unions are duly consulted.

4.3. Further, a Discussion Paper on "Making Labour Markets Flexible: Suggestions for Consideration", had been circulated among various stake holders for eliciting their views. The suggestions, inter-alia, included:

(i) amendment in the Contract Labour (Regulation and Abolition) Act, 1970 by placing certain activities in a separate schedule so that provisions of Section 10 may not apply to them, and by replacing the term "emergency" with the term "public interest" in Section 31 of the Act; and

(ii) amendment in the Industrial Disputes Act, 1947 by raising the number filter from 100 to 300 for applicability of chapter VB and raising the compensation ceiling payable to workers on retrenchment and on closure of the establishment, from 15 days' average pay to 45 days' average pay for every completed year of continuous service or any part thereof in excess of six months subject to the condition that such retrenchment compensation shall not be less than 90 days of average wages and by extending the powers of exemptions in the industrial Disputes Act, 1947 under Section 36 B to include any Government Undertaking.

4.4. The Ministry of Labour and Employment had made a presentation on the aforesaid Discussion Paper before the Hon'ble Prime Minister on 18.11.2005. The PMO had suggested that the National Commission on Enterprises in Unorganized Sector (NCEUS), under Prof. Arjun Sengupta should be requested to prepare the paper by undertaking the review of the Indian labour laws, consistent with labour rights, in order to improve productivity, ensure greater competitiveness and generate greater employment in various sectors, like textiles, IT and SEZs, which would subsequently be considered by the CoS and GoM. Accordingly the NCEUS was requested to take immediate action in this regard. The paper from the Commission is awaited.

5. Initiatives Proposed by State Governments to Rationalize Labour Laws

5.1. The State Governments of Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh and Maharashtra have proposed to seek relaxation in some provisions of the Central Laws through State Governments so as to facilitate setting up of Special Economic Zones and Special Enclaves in their respective States. These proposals broadly relate to regulating the working hours, empowering the Development Commissioner to fix for minimum wages, making provisions for allowing the women workers to work in night shift etc.

5.2. The views of the Central Government on these bills are generally based on the following principles:

- (a) the provisions framed for ensuring safety and health aspects of the workers need not be relaxed;
- (b) the provisions of the Central Acts , which are mostly implemented by the Central machinery, need not be relaxed by the State Governments;
- (c) the provisions in the State Bill should not be in contravention of the provisions in the Central Bill, presently under consideration , on the same subject , such as provisions for employment of women in night shift under the Factories Act, 1948;
- (d) the principles enshrined in the National Common Minimum Programme with regard to hire and fire and the amendment of labour laws through consensus should be scrupulously observed; and
- (e) the powers and functions of the State Government, where there is no provision to further delegate such powers and functions, should not be allowed to be delegated further.

6. Approach Paper to the Eleventh Five Year Plan:

6.1. The Approach Paper has suggested that amendments to the Chapter V B of the Industrial Disputes Act, 1947 and the Contract Labour (Regulation and Abolition) Act, 1970 be carried out by arriving at a consensus, the position relating to which has been indicated above

7. Written Comments

7.1. During the meeting of the Working Group, the participants were requested to furnish their observations in writing, if they so desire. Accordingly, comments have been received from Hind Mazdoor Sabha (HMS) , Employees State Insurance Corporation (ESIC), State Government of Uttar Pradesh, Government of NCT of Delhi and Teamlease Services.

7.2. Briefly stated, HMS feels that job creation is an important issue at present. But job creation shall be intended for full employment as well as decent employment. The principles given in the preamble, fundamental rights and the directive principles of our constitution and guidelines given in the ILO Conventions cannot be ignored. The entire intention of labour legislation is to protect labour from exploitation, as they are the weaker section. Trade unions are not bargaining for status quo but are requesting for protection of the existing rights and from further exploitation.

7.3 The ESIC has stated that annual phased programme has been drawn up by the Corporation in consultation with the state Governments for implementation of ESI Scheme in new areas/centres. The Corporation has since approved extension of ESI Schemes to educational and private medical institutions and some State Governments have issued the final notification. Ministry of Labour & Employment has issued a notification on 20.07.2006 inviting objections and suggestions on the proposal to enhance the existing wage ceiling from Rs.7,500/- per month to Rs.10,000/- per month.

7.4. In their comments, Labour Commissioner, Government of NCT of Delhi has taken an exception to the excessive criticism of the enforcement machinery under labour laws by using terms such as '*inspector raj*', (*and that the approach to solution of the problem that is perceived lies in creating more awareness of the law – the responsibilities of the employers and duties of the workers-elaboration added*). The problem of inspector raj is perhaps over-exaggerated as the paucity of inspectorate staff has made inspection almost complaint driven. It can be best tackled by making the laws more rational, pragmatic and contemporary, providing exemption clauses in different laws which can be invoked judiciously to provide relief, and incorporating transparency

by resorting to self-certification and placing employee-related information obtained through this method in the website. The system of giving Failure of Conciliation (FOC) Report under the Industrial Disputes Act, 1947 should be dispensed with as the Government has to take decisions in the national interest, even though no consensus is possible.

7.5. The Government of Uttar Pradesh has offered a number of suggestions. The Industrial Disputes Act may be amended to increase the number filter from 100 to 300 for seeking permission for retrenchment, closure and lay-off. Simultaneously, the retrenchment compensation should be increased from 15 to 45 days wages for each year of service rendered along with certain additional benefits. These relate to three months notice or payment in lieu thereof, all terminal benefits as stipulated under various laws, making the retrenchment effective only after the terminal dues are paid, provided further that if there are sufficient reasons, the appropriate Government may declare the lay-off, closure or retrenchment illegal. Besides, the Industrial Disputes Act, 1947 may be amended to incorporate a time limit of three years for filing claims or taking disputes under conciliation or adjudication. For promoting healthy industrial relations and increasing productivity among workers, taking into account the recommendations of the Bipartite Committee on new Industrial Relations Committee (Ramanujam Committee) and the Second National Commission on Labour, Section 9 (c) of the Industrial Disputes Act, 1947 relating to Grievance Redressal Authority may be amended as follows:-

- (a) Every establishment employing 50 or more workmen must have one or more Grievance Redressal Committee.
- (b) The said Committee shall consist of equal number of representatives from the management and the workmen. The size of the Committee should not be less than 2 and more than 6.
- (c) Setting up of Grievance Redressal Committee will in no way affect the right of the workmen to raise disputes under the ID Act.
- (d) The Grievance Redressal Committee shall finalize its proceedings within 45 days.

7.6. The State Government also feels that in order to strike a balance between protecting the interest of labour and the need for providing operational flexibility to enterprises, it may be necessary to amend certain labour laws (like licence of a factory of non-hazardous nature may be renewed for five calendar years at a time, whereas the factories of hazardous nature may be renewed every calendar year under the Factories Act, 1948), exemption under the existing provisions of labour laws (like allowing women to work during night time), simplification of procedure (like amendments proposed to the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988), and providing special measures for Special Economic Zones, Export houses etc. which are expected to foster creation of large employment opportunities (like self-certification, declaring them as public utility services, giving equivalent power of the Labour Commissioner to Development Commissioner of SEZ while providing latter with support services for effective administration and enforcement of labour laws). The State Government, however, does not support third party inspection for the compliance of health and safety provisions in SEZs. Besides, there is need for providing effective social security cover to workers engaged in smaller establishments and to contract workers.

7.7. The Teamlease Services has advocated that the provident fund needs to be paid on basic pay plus D.A., centralized compliance for Employees State Insurance Corporation and issuance of identity cards to members by employers may be allowed, there should be State and nation-wide registration of contractors, default compliance with Employees' Provident Fund

Organisation should be simplified and compliance with the payment of minimum wages should be assessed taking into account on all types of compensation being paid to workers.

8. Recommendations

8.1 Taking into account the deliberations in the Working Group and the comments received, the recommendations of the Working Group are stated below:

- (i) As mandated in the National Common Minimum Programme, the amendments in the labour laws need to be based on a consensus, taking into account the interests of stakeholders. This applies to any suggested amendment in respect of the Industrial Disputes Act, 1947 and the Contract Labour (Regulation and Abolition) Act, 1970 as well.
- (ii) The Report of the National Commission for Enterprises in the Unorganized Sector, which is preparing a paper by undertaking the review of Indian Labour Laws, consistent with labour rights, in order to improve productivity, ensure greater competitiveness and generate employment in various sectors like textiles, IT and SEZs, as directed by the Prime Minister's Office, may be examined on receipt.
- (iii) In case any sector-specific relaxations in labour laws is sought, the administrative Ministries/ Departments should first formulate them, discuss with all stakeholders including Central Trade Unions and refer them for the consideration of Ministry of Labour & Employment only after a consensus is reached.
- (iv) The unorganised sector workers need social security cover, preferably through legislation. Especially the interests of the agricultural workers need to be protected.
- (v) Since inspections are becoming complaint driven, the problems of inspector raj may not be as formidable as it is made out to be. The system of inspections cannot be eliminated, as it would compromise with the interests of workers, especially those who are vulnerable. Hence it would be more pragmatic to promote transparency by resorting to self-certification system and placing employee-related information obtained through this method in the website.
- (vi) The recommendation of the Second National Commission on Labour, ILO Conventions, tripartite fora like Indian Labour Conference & Industrial Committees and bipartite bodies like Ramanujam Committee should be taken into account while formulating amendment proposals of various labour laws.
- (vii) Proposals pending consideration for a long time like the Workers Participation in Management Bill, 1990 amendment to the Payment of Bonus Act, 1965 and the Minimum Wages Act, 1948 etc. should be expedited.
- (viii) The possibility of expanding the scope of the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 to cover even certain segments of unorganised sector workers may be considered.
- (ix) Judiciary is overburdened and valuable time of inspectors is wasted in visiting courts. The possibility of giving power of Executive Magistrate to Officers of the Labour Department to dispose of cases relating to minor offences may be explored.
- (x) More emphasis is to be placed on building up of an effective labour eco-system. While labour laws should be respected, what cannot be enforced should not be legislated. It makes

effective implementation of labour laws feasible while making the environment conducive to job creation and friendly to small scale and unorganised sector enterprises.

CHAPTER 9

CHILD LABOUR

A child is an invaluable asset of any civilized society and has a definite role to play in the development of a nation. In fact, the future of the country depends on how children are groomed to become future citizens and backbone of a nation. Some of the children are forced by their socio economic conditions to take up work at their formative age. The deprivation of education and other activities of child hood leads to under development of their capacity which perpetuates poverty, illiteracy, under development, besides putting the child worker, under an immense psychological strain. The problem of child labour exists in India in spite of clear provisions in Indian Constitution safeguarding the interests of children in terms of compulsory education. Various surveys conducted to study the problem of child labour indicate that child labour is the result of poverty and illiteracy of the parents.

A child worker is a child aged between 5-14 years and doing paid or unpaid labour and is kept working at any hour of the day within or outside the family. It implies all children working in factories, workshops, establishments, mines and in domestic sector are child labours. The absolute number of child labour has increased as per 2000 census 1.13 crore in 1990-91 census. However, the activity rate has gone down marginally from 5.45 percent to 5%. The State-wise distribution of child labour has shown mixed trend between the two censuses that decline in some states and increase in other states. The state with the highest population of child labour in the country is Uttar Pradesh followed by Andhra Pradesh. Of the total child labour about 10.5% are working in the hazardous occupations viz. beedi, construction, domestic workers etc.

As per the Global Report on Child Labour released by ILO, there are 191 million economically active children in the world in the age group of 5-14 year in the 2004 of which 70% are working in agriculture sector, 22% in services and 9% in industry including mining, construction and manufacturing.

Law, Policy and Programme

To protect the child, against abuse at work, provisions have been made in the Constitution of India, Child Labour (Prohibition and Regulation) Act 1986 and various Governmental Policies and programmes. The Article 24 of the Constitution Prohibits employment of child below the age of 14 years in any factory or hazardous employment and Article 39 of the Constitution requires States to direct its policies for ensuring that children are not abused and are not forced to perform jobs unsuited to their age by economic necessity.

The Government of India enacted Child Labour (Prohibition and Regulation) Act in 1986 in consonance with the Constitutional provisions. As per the Act, no children below the age of 14 would work in hazardous occupations and processes and also regulates working conditions in other employments. Over the years, the number of hazardous occupations/ processes has increased to 57 from 18 and occupations from 7 to 13. Considering the complexity of child labour problem, Government of India in October 2006 banned child labour as domestic servants, in dhabas/ road side eateries etc. and has put them in the category of hazardous occupations.

The enormity and complexity of the problem requires a multi pronged approach involving project based plan of action for elimination of child labour in child endemic areas and focus on general

development programmes to target families of child workers. The Government has embarked on a holistic strategy to eliminate child labour, in all its forms, both hazardous and non hazardous processes and occupations, from the country in a phased manner. A holistic, multipronged and concerted National endeavour to tackle this problem can bring in the desired results. The National Policy on Child Labour, 1987 emphasized on the need for strict enforcement measures in areas of high child labour concentration along with appropriate rehabilitative measure. Government has adopted so far gradual and sequential approach to withdraw and rehabilitate children working in hazardous activities. The present approach aims at enforcement of the existing legal provisions along with economic rehabilitation of parents and educational rehabilitation of children withdrawn from workforce.

The enormity and complexity of the problem requires a multi pronged approach involving project based plan of action for elimination of child labour in child endemic areas and focus on general development programmes to target families of child workers. The Government has embarked on a holistic strategy to eliminate child labour from the country in a phased manner. The National Policy on Child Labour, 1987 emphasized on the need for strict enforcement measures in areas of high child labour concentration along with appropriate rehabilitative measure. Government has adopted so far gradual and sequential approach to withdraw and rehabilitate children working in hazardous activities. The present approach aims at enforcement of the existing legal provisions along with economic rehabilitation of parents and educational rehabilitation of children withdrawn from workforce.

In order to translate Constitutional, legal and policy commitment into action, Government initiated the National Child Labour Project Scheme in 1988 in the districts afflicted with the problem of child labour and expanded subsequently to 250 districts. Under the plan working children are identified, withdrawn from work, put in special schools and mainstreamed into formal education. As a result of persistent efforts of the Central and the State Governments, a large number of working children have been mainstreamed. Efforts are also being made to target the families of these children to cover them under various developmental and income/employment generation programmes. Steps are taken by Government to sensitize the public about problem of child labour through media campaign, effective enforcement of Child Labour Act, Zonal conferences to involve NGOs for help in the rehabilitation measures.

Government has taken steps for effective convergence with the schemes of other Ministries like HRD, Rural Development by incorporating a specific component in their schemes; economic rehabilitation of the parents of the working children, development of standard curriculum and learning materials at the state level through linkage with state education department and teachers training in association with the Sarva Shiksha Abhiyan.

Review of present approach and Strategy for Eleventh Five Year Plan

The review of the present approach indicates that govt. is committed to elimination of child labour in all its form in the country with special focus on hazardous activities. There is need to cover all the children engaged in hazardous activities during the 11th plan under the NCLP scheme. Child labour being essentially a manifestation of illiteracy and poverty requires not only providing simple school education but upgrading vocational skills of these children to earn livelihood later in their lives. It is necessary to upgrade the pre-vocational education in the special schools to enable children withdrawn from work to be equipped in employable skills. In other words, there is a need to change the curriculum of NCLP schools in such a way to have synergy between basic education and well rounded planned vocational training to enter the job market and generating sustenance

income for children and their families. This would change the attitude of the families positively for withdrawing their children from work and motivating them to complete the primary education and acquiring technical skills.

The strategy to the 11th Five Year Plan needs to address above issues. But first, it is necessary to evaluate the extent of child labour so that policies have requisite impact and there is efficient utilization of resources for solving the problem of child labour. The perusal of the available data indicates that the problem of child labour is confined only to few States and to 5 to 8% of population. Therefore, it is not a national problem; it is a regional problem and regionally adjusted solutions are required. Compared to this, the problem of child deprivation is confined to 45% of population. From the plan point of view child deprivation is to be disaggregated from child labour and there is a need to concentrate on the age group of 10 - 14 years rather than 5- 15 years. The remedy of child labour does not lie only in terms of up scaling NCLP but also in terms of adopting inter sectoral projects especially with rural development and education department, intensive awareness generation, monitoring and tracking of children, effective convergence with other Ministries at National level, special schools, residential schools, market survey, incentives for functionaries, award scheme etc. The parental literacy and panchayats have an important role to play in elimination of child labour and this constituency of the society should also be tapped to attack the problem.

To tackle the problem of child labour in terms of educational rehabilitation of the child labour and economic rehabilitation of the families of the child labour, the Working Group on Child Labour suggested:

1. Imposition of stiffer penalties for violation of the Act
2. Covering all children working in hazardous occupations in all districts of the country
3. Strengthening implementation of the NCLP scheme
4. Provisions of the act to be uniformly enforceable in all parts of the country
5. Minimum age of 14 for describing child labour
6. child labour problem to be tackled differently in metros and larger cities

Recommendations:

1.To improve the effectiveness of the ongoing programme, the following steps are required:

- a) Conducting child labour survey in all the districts of the country to have a current and realistic estimate of child labour.
- b) Tracking and monitoring the child labour withdrawn from work and mainstreamed and rehabilitating economically the families of withdrawn child labour.
- c) Developing an improved and standardized curriculum of basic education in all the special schools for providing uniformity and linkage with normal schools.
- d) Training the teachers and gearing them up to take the challenge to make learning a joyful and reaching experience for the children.
- e) Providing vocational training in skills that have marketability and linkages with training institutes in the area.

- f) Strengthening health facilities for child workers in the special school for timely detection of ailments and their treatment.
- g) Putting in place an effective monitoring mechanism to ensure that stated objectives are achieved.

2. The focus of efforts to eradicate child labour has to be location specific, confined to those pockets where employers are prone to be exploitative in accessing the cheapest cost labour. High per-capita income locations (metro towns, in particular), destinations of migrant worker families and 'industrial belts', where informal work relationships for labour intensive occupations thrive, have therefore to be closely monitored through innovative mechanisms that provide intelligence to the enforcement agencies.

3. Any expansion of the Child Labour Eradication Plan has to be made only after a careful evaluation of the existing scheme with regard to:

- Its effectiveness in dovetailing SSA and ICDS;
- The ability to involve state administrations which implement the Centrally Sponsored Schemes pertaining to the development, education, nutrition, and protection of children;
- A purely Central Plan funded effort should be in the nature of an emergent action over a limited duration at the location, where the local administration are, by ignorance or by design, seem to be aiding the use of cheap child labour for serving the profit motive of the citizens at that location.
- A suitable form of penalization should be imposed in such local and state governments that seem to be paying only 'lip service' to curb the problem of the use of 'cheap cost child labour'.

4. Convergence of child labour eradication programmes with other sectoral programs of poverty alleviation and employment generation of different central Ministries. The Working Group has identified for convergence 12 schemes in 3 Central Departments, all of which are the Centrally Sponsored Schemes, implemented by the State Governments, with funds provided to State Government by the Centre. Considering that Convergence of Central Schemes with a CSS may not be easy, it is recommended that during the Eleventh Plan, the expansion of the Child Labour Project should be as a Centrally Sponsored Scheme.

CHAPTER 10

FINANCIAL IMPLICATIONS

Allocation of Plan resources for the Labour and Employment Sector in the past, although not very substantial in terms of size and percentage to the total Public Sector outlay, yet it has been progressively increasing from Plan to Plan. In a way, allocation of resources for the Labour and Employment Sector has been responding to the emerging needs of its target groups as is evident from the data given below:

Table 10.1: Share of Labour and Employment Sector in Public Sector Outlay in the Five Year Plans

Rs. in million

	Total Public Sector Outlay	Outlay for Labour & Emp. Sector	%
Fifth Plan (1974-79)	388532	501	0.13
Sixth Plan (1980-85)	975000	1996	0.20
Seventh Plan (1985-90)	1800000	3337	0.19
Eighth Plan (1992-97)	4341000	13140	0.30
Ninth Plan (1997-2002)	8592000	20793	0.24

Source: Five Year Plan Documents, Planning Commission.

Taking into consideration of the expansion of the on-going programmes and new starts in the Tenth Five Year Plan, the following Working Groups have recommended outlay as noted below against each of them:

Table 10.2: Outlay for the Labour & Employment Sector – Central Plan – Recommendations of the Working Groups for selected Programmes

(Rs. in lakhs)

Sl. No	Name of the Working Group	CS / CSS	Outlay recommended for the Eleventh Plan by the respective Working Groups ¹		
			For Cont. Schemes	For New Schemes	Total
1.	Skill Development & Trg.	CS	15490	102100	117590
		CSS	227510	750000	877510
		CS+CSS	243000	852100	1095100
2.	Occupational Safety & Health i) DGMS ii) DG(FASLI) iii) Unorganized Sector	CS			3400
		CS			2500
		CS			900
3.	National Child Labour Project (NCLP)	CS			373892
¹ These are the recommendations received from three Working Groups and thus do not imply a consolidated position for the entire Labour and Employment Head.					

The financial outlays should be finalized for the 11th Plan having regard to the relative priorities outlined above and the resources position of the Governments at Centre and States. However, a major initiative in regard to skill development should be mounted in the 11th Plan for which appropriate financial allocations are required.

Chapter 11

RECOMMENDATIONS

1. Alternatives for Measurement of Labour Force and Employment

1.1 The choice between the alternative basis of measurement

The Working Group on Labour Force and Employment Projections has recommended that the analysis of trends in labour force and employment be done on the basis of UPSS and CDS measures. The projections should be made on the basis of CDS measure following the practice used in the 10th Plan. The Steering Committee accepts this recommendation of the Working Group.

1.2 Regular and more frequent inflow of Facts on Employment Data, its Analysis and Interpretation of facts– full scale NSSO Survey on Employment / Unemployment every year:

Collection and dissemination of employment data from the households is a critical input to understand the employment outcomes, across locations and through time, the impact of economic policies and programmes of the Central and the State Governments. At present a thin sample of households is canvassed every year, which cannot be used for State-wise analysis of employment / unemployment situation, and for study of situation of employment / un-employment / under-employment of specific groups of persons in the labour force, because the sample size is too small.

Planning Commission had recommended to the Department of Statistics in 2003 that a full scale household enquiry on employment and unemployment should be conducted every year. Such an enquiry is done at present through a large scale sample survey of households once in five years. NSSO has been considering this proposal through its various technical fora. The Steering Committee reiterates again the need for carrying out a full-scale annual survey of households on the subject of employment & unemployment by NSSO.

1.3 A regionally differentiated approach to employment planning

- A differential approach across regions is required. Elements of this are perceptible in the region specific programmes and policies, including the District specific programmes such as the NREGA.
- At present labour and employment issues receive little or no priority in the deliberations on State Plans. There is need to carry out the regional analysis of labour and employment issues, in a quantitative manner immediately, prior to the MTA of 11th Plan, so that a regionally differentiated approach to employment in the future Planning exercises may be devised. This would provide us the factual base for a dialogue with the State Governments on the developmental efforts made.
- Compilation, processing and release of State Sample Surveys Data on Employment & Unemployment are in a state of utter neglect in most of the States.

- While National level surveys on employment and unemployment bring out a comprehensive picture of the characteristics of labour force and patterns in employment and unemployment, the real action to address the labour and employment issues is taken at the level of States and Districts Administration. This requires availability of objective information, duly supported by quantifiable facts at the level of sub regions within a State. However, the most of the State Planning Departments, and the State Statistical Bureaus do not process the survey schedules filled up at the level of households as a part of the State Sample of Employment and Unemployment Surveys. In its absence, certain very broad conclusions for State and sub-State level employment situations are available to support programme and policy planning at the level of States. This impedes the ability of the planning process to address the labour and employment planning issues in a regionally differentiated manner.
- The State Governments should accord a high priority to processing of State sample data of employment and unemployment surveys.

2. Labour Force Projections

2.1 The Approach Paper to 11th Plan (A.P. 11th) projected an increase in labour force by 52 million, in the baseline case, and also gave a scenario of 65 million increase:

“On the supply side, the labour force will increase by about 52 million during 11th Plan if it grows at the same rate as current projections of working age population. The increase could be much higher, around 65 million, if female participation rates rise at the pace observed during 1999-2005.”

(Approach to 11th Plan; Para 5.3.3)

However, the projection by the Working Group on Labour Force & Employment Projections is an increase of 49.2 million in labour force.

2.2 The Approach Paper’s projection of 65 million increase in labour force during the 11th Plan period is based upon a 13 million additional increase in female labour force. This is based upon an extrapolation of the near 10% increase in female LFPR observed during the recent five years (2000-2005). The longer term trends, however, show a fluctuating pattern.

2.3 While there was indeed an increase in participation in labour force by the female persons (LFPR_{female}) during 2000 to 2005, it needs to be noted that this was on a low base of 1999-2000, since in that year LFPR_{female} had dropped by 10.04 per cent compared to 1993-94. Over the 11 year period (1994 to 2005), the LFPR_{female} increased only by 1.5 per cent. Thus extrapolation of past five years’ (2000–2005) increase of 10% in LFPR_{female}, into the future, is not an acceptable proposition.

2.4 The Approach Paper has thus projected an increase in labour force based on aggregates, which when decomposed by various characteristics of age and education reveal a more realistic scenario for the future. Hence, the Steering Committee has accepted the Working Group projection of 49.2 million increase in labour force in the 11th Plan period.

3. Employment Projections

3.1 The detailed projections of employment by sectors of production have to be based on sectoral, and sub-sectoral output growth profile, which emerges as the Plan approaches towards finalization. As these details were not firmed up, the Steering Committee decided to adopt the Working Group recommendation that the target of employment as suggested in the Approach Paper may be accepted, purely for the purpose of using this as a baseline scenario with reference to which the employment impact of various policy and programme initiatives can be articulated.

3.2 The employment projection can be firmed up as the detailed sectoral and sub-sectoral programmes and output growth profile are finalized by the respective subject-specific Working Groups, and the Steering Committees.

4. Employment Strategy for the 11th Plan

4.1 The employment strategy for the 11th Plan should be such as to yield the following employment outcomes:

Additional Employment Opportunities over and above the Autonomous Employment created in the base line scenario

- i) At least 10 million more agricultural workers should find gainful employment in non agricultural activities than in the normal trends scenario.
- ii) In the unorganized sector, micro and village enterprises in rural areas should provide non-farm employment to at least 25 million more persons, compared to the baseline scenario, during the Plan.
- iii) Private organized establishments should absorb 8 million more workers, over and above 2 million, which in any case would occur under normal growth in the baseline scenario.
- iv) Government and public establishments should absorb, at least 2 million more workers over and above the normal growth of 3 million through the ongoing programmes in education and health.

4.2 Employment outcome of the strategy cannot and should not always be seen in terms of more of the same kind of employment. The types of employment outcomes required at sectoral levels vary from sector to sector. Broadly these are of the following types:

- a. Better wage levels, and better income of the self employed workers
- b. Reducing income uncertainty
- c. Improvement in the physical environment of work

- d. Better ability to cope with the risks to life and health i.e., a better risk cover – social security
- e. More employment of a better quality.

4.3 The Steering Committee emphasises on an approach that sensitises the various development programmes to their employment outcomes measured as outlined above. The Report of the Working Group has identified a number of developmental initiatives of the 11th Plan Approach in regard to:

- i) Development programmes for agricultural activities
- ii) The Public Sector flagship programmes
- iii) The Private Corporate Sector
- iv) The Unorganised Sector
- v) Programmes that have a direct bearing on rural non-farm employment, and ,
- vi) The Livelihood Sector.

The details on expectations in regard to employment outcomes from these developmental initiatives are given in Chapter 4.

5. Skill Development & Training

5.1 National Skill Development Mission (NSDM)'s orchestration of private sector initiatives in concert with government action could give different results in different sectors, such as:

- Setting up of a domain-specific Apex Skill Development Institute for:
 - Domain specific skill development need assessment and performance rating of institutions/service providers
 - Domain standard setting and quality bench marking
 - Curriculum setting
 - Framework setting for end of programme testing and certification
 - Running special skill development programmes in niche requiring superior skills
- Setting up of Regional Institutes/Workshops/ Toolrooms and Online Mentoring Groups.
- Providing last mile employability training to engineering/ management/ or other graduates from lesser known colleges.
- Establishing two-way Sabbatical Exchange Programme between Industry and Faculty of University/ Colleges/ VET Schools/ ITI, etc.
- Collaborative action for faculty development.

- Collaborative action for Online ‘Skill Development-content-creation’
- Private management – take over of public sector institutions, viz. ITIs , polytechnics, vocational schools, etc.

5.2 Public-Private Partnership (PPP)

- 5.2.1 PPP mode should be the major vehicle for absorbing public expenditure in skill development in the Eleventh Five Year Plan.
- 5.2.2 Government should create an Enabling Environment for Private Investment in Skill Training along with the financial contribution from the Government.
- 5.2.3 The facilities for career tracking and placement- biometric smartcard based ID, and a national database for location-wise availability and shortage of skilled personnel should be established.
- 5.2.4 Provision for fee vouchers for BPL/ SC/ST/ OBC/ Minority should be made
- 5.2.5 To overcome the regional disparity due to diverse socio-economic factors, Viability Gap Funding (VGF) approach would be adopted to address regional imbalances through PPP.

5.3 Action by State Governments

- Transform employment exchanges to act as Career Counseling Centres (CCC)
- Upgrade and strengthen State Council of Vocational Training
- Revamp Institute Management Committee and ensure genuine PPP
- Personnel Policy to ensure accountability and outcomes

5.4 State Skill Development Missions

- 5.4.1 The State Governments may establish State level missions to gear skill development activities in the Mission mode, with appropriate structure.

6. **Occupational Safety and Health**

The Steering Committee recommends to the Planning Commission the following courses of action to improve the Occupational Safety and Health regime in the Country:

- i. Formulation and declaration of a National Policy on Occupational Safety, Health and Environment at all workplaces (high-end as well as low-end) and establishment of an implementation mechanism therefor.
- ii. Review of the safety policy for mines in view of the new policy of privatization and for further reducing death rates in mine accidents.

- iii. Establishment of (a) Council for Mines Safety and Health to cater to the needs of small scale and unorganized mining ventures, and (b) Emergency Response and Disaster Management Systems and ensuring compliance with the regulations.
- iv. Comprehensive review of the legal mechanism, including reporting of accidents in all factories, mines, ports and docks, analysis of the causes, improvement measures based on the analysis, prosecution of offenders and the judicial machinery.
- v. Introduction of the concept of self-regulations in all factories, mines, ports and docks, taking into account the legal, social and cultural framework in India. By way of abundant caution, it is clarified that all the basic conditions which are required for making self-certification effective should be established and fulfilled before the 'state' delegates its responsibility towards the worker to his employer. It is reiterated that the primary responsibility of regulating the OSH mechanism rests with the State, which cannot be abdicated.
- vi. Upgradation of DGMS and DGFASLI as nodal agencies with database and expertise.
- vii. "Human Resources Development" should be viewed from all the three angles: (i) competency of the existing key safety personnel, (ii) competency certification of new personnel, and (iii) capacity building of the inspecting, research and other staff of the DGMS, DGFASLI, CLI, RLIs and State Factories Inspectorates.
- viii. Adequate Research and Development capacities to be built in India for the field of Occupational Safety and Health.
- ix. CBWE to be entrusted with organizing of awareness generation programmes among workers, especially relating the OSH aspects.
- x. Setting up of a National Board for Accreditation and Certification of Institutes and Professionals in the area of Occupational Safety and Health.
- xi. In-depth multidisciplinary Occupational Safety and Health studies in the Mines, Construction, ITES/BPO and ship-breaking industries, and the unorganized sector to be undertaken so that segment-specific Occupational Safety and Health guidelines in the light of unique features of the socio-cultural context and general characteristics of the particular geographical region may be formulated.
- xii. Pilot projects to be undertaken in collaboration with the NGOs etc. to build reliable OSH database in the unorganized sector.

7. Social Security of Workers

7.1 Approach and Strategy

- 7.1.1 A protective social security mechanism, taking care of the adversity, aspects of ill-health, accidents/ death, and old age should be established at the core. The other vulnerability aspects due to in-built deficiencies as they exist now, such as lack of access for the poor to credit/ finance (especially, for the self-employed), loans for upgrading skills, loans for housing, children's education, etc. should be tailored to meet the social security concerns of workers qua workers in the unorganized/ informal sector, subject to the availability of resources.

- 7.1.2 The National Old Age Pension presently covers persons who are destitute and old aged. Some States cover old aged BPL persons. NSAP should be made more comprehensive. Major modifications in NSAP are separately under consideration for the 11th Plan so as to provide more comprehensive coverage to the old.
- 7.1.3 EPFO and ESIC should widen their coverage so as to strengthen them to reach out to more number of beneficiaries, and measures should be taken to enhance the capabilities of these institutions to cope with the workload. To reduce harassment and corruption in these institutions, the Government should strive to streamline the delivery system in these institutions.
- 7.1.4 Minimum Wages Policy should be crystallized and made more effective:
- 7.1.4.1 Discrimination in wages based on gender and age should be abolished/ penalized.
 - 7.1.4.2 The recovery of minimum wages should be simplified and equated with the recovery of land revenue.
 - 7.1.4.3 An information network should also be built to promote awareness, to educate employers (some of whom do alternate as wage labour too) and to prevent malpractices (perpetrated by design or by ignorance) with the help of media, NGOs and PRIs.
- 7.1.5 Identity to beneficiaries

Assigning an identity to beneficiary is an essential condition to create empowerment to lay a claim to what one is expected to receive. The National Social Security Numbers schemes should be extended to all citizens in the country so that the most vulnerable who need it the most, including migrant labour and nomads could use it. In fact, considering that such persons do not even get the rations under the PDS, which is an important social security measure, this exercise should be taken up urgently.

8. Labour Laws and Regulations

- 8.1 Taking into account the deliberations in the Steering Committee and the comments received by the relevant Working Group, the recommendations of the Steering Committee are:
- i. As mandated in the National Common Minimum Programme, the amendments in the labour laws need to be based on a consensus, taking into account the interests of stakeholders. This applies to any suggested amendment in respect of the Industrial Disputes Act, 1947 and the Contract Labour (Regulation and Abolition) Act, 1970 as well.
 - ii. The Report of the National Commission for Enterprises in the Unorganized Sector, which is preparing a paper by undertaking the review of Indian Labour Laws, consistent with labour rights, in order to improve productivity, ensure greater competitiveness and generate employment in various sectors like textiles, IT and SEZs, as directed by the Prime Minister's Office, may be examined on receipt.

- iii. In case any sector-specific relaxations in labour laws is sought, the administrative Ministries/ Departments should first formulate them, discuss with all stake holders including Central Trade Unions and refer them for the consideration of Ministry of Labour & Employment only after a consensus is reached.
- iv. The unorganised sector workers need social security cover, preferably through legislation. Especially the interests of the agricultural workers need to be protected.
- v. Since inspections are becoming complaint driven, the problems of inspector raj may not be as formidable as it is made out to be. The system of inspections cannot be eliminated, as it would compromise with the interests of workers, especially those who are vulnerable. Hence it would be more pragmatic to promote transparency by resorting to self-certification system and placing employee-related information obtained through this method in the website.
- vi. The recommendation of the Second National Commission on Labour, ILO Conventions, tripartite fora like Indian Labour Conference & Industrial Committees and bipartite bodies like Ramanujam Committee should be taken into account while formulating amendment proposals of various labour laws.
- vii. Proposals pending consideration for a long time like the Workers Participation in Management Bill, 1990 amendment to the Payment of Bonus Act, 1965 and the Minimum Wages Act, 1948 etc. should be expedited.
- viii. The possibility of expanding the scope of the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 to cover even certain segments of unorganised sector workers may be considered.
- ix. Judiciary is overburdened and valuable time of inspectors is wasted in visiting courts. The possibility of giving power of Executive Magistrate to Officers of the Labour Department to dispose of cases relating to minor offences may be explored.
- x. More emphasis is to be placed on building up of an effective labour eco-system. While labour laws should be respected, what cannot be enforced should not be legislated. It makes effective implementation of labour laws feasible while making the environment conducive to job creation and friendly to small scale and unorganised sector enterprises.

9. Child Labour

- a) The Government has embarked on a holistic strategy to eliminate child labour, in all its forms, both hazardous and non hazardous processes and occupations, from the country in a phased manner. A holistic, multipronged and concerted National endeavour to tackle this problem can bring in the desired results.
- b) Convergence of child labour eradication programmes with other sectoral programs of poverty alleviation and employment generation of different central Ministries. The Working Group has identified for convergence 12 schemes in 3 Central Departments, all of which are the Centrally Sponsored Schemes, implemented by the State Governments, with funds provided to State Government by the Centre. Considering that Convergence of Central Schemes with a CSS may not be easy, it is recommended that during the Eleventh Plan, the expansion of the Child Labour Project should be as a Centrally Sponsored Scheme.

- c) Further, any expansion of the Child Labour Eradication Programme should be made only after a careful evaluation of the existing scheme with regard to:
- i. Its effectiveness in dovetailing SSA and ICDS;
 - ii. The ability to involve state administrations which implement the Centrally Sponsored Schemes pertaining to the development, education, nutrition, and protection of children;
 - iii. A purely Central Plan funded effort should be in the nature of an emergent action over a limited duration at the location, where the local administration are, by ignorance or by design, seem to be aiding the use of cheap child labour for serving the profit motive of the citizens at that location.
 - iv. A suitable form of penalization should be imposed in such local and state governments that seem to be paying only 'lip service' to curb the problem of the use of 'cheap cost child labour'.
- d) To improve the effectiveness of the ongoing programme, the following steps be taken:
- i. Conducting child labour survey in all the districts of the country to have a current and realistic estimate of child labour.
 - ii. Tracking and monitoring the child labour withdrawn from work and mainstreamed and rehabilitating economically the families of withdrawn child labour.
 - iii. Developing an improved and standardized curriculum of basic education in all the special schools for providing uniformity and linkage with normal schools.
 - iv. Training the teachers and gearing them up to take the challenge to make learning a joyful and reaching experience for the children.
 - v. Providing vocational training in skills that have marketability and linkages with training institutes in the area.
 - vi. Strengthening health facilities for child workers in the special school for timely detection of ailments and their treatment.
 - vii. Putting in place an effective monitoring mechanism to ensure that stated objectives are achieved.

10. Financial Outlays

10.1 The financial outlays should be finalized for the 11th Plan having regard to the relative priorities outlined above and the resources position of the Governments at Centre and States. However, a major initiative in regard to skill development should be mounted in the 11th Plan for which appropriate financial allocations are required.

ANNEXURE I

No.Q-20017/01/2005-LEM/LP
Government of India
Planning Commission
(Labour, Employment & Manpower Division)

Yojana Bhawan, Sansad Marg,
New Delhi-1, dated: 2nd March 2005

ORDER

Subject: Constitution of Steering Committee on Labour and Employment for the Eleventh Five Year Plan (2007-2012)

In the context of preparation of the Eleventh Five Year Plan, it has been decided to set up a Steering Committee on Labour and Employment. The composition of the Steering Committee will be as follows: -

- | | |
|---|----------|
| 1. Prof. B.L. Mungekar, Member, Planning Commission,
Sansad Marg, New Delhi-1100 01. | Chairman |
| 2. Prof. Subhashish Gangopadhyay, Director,
India Development Foundation, 245-F, Sector-18, Udyog Vihar,
Phase IV, Gurgaon-122015, Haryana. | Member |
| 3. Dr. Bibek Debroy, Secretary General, PHDCCL, 4/2, PHD House,
Siri Institutional Area, August Kranti Marg, New Delhi-1100 49. | Member |
| 4. Prof. S. Mahendra Dev, Director, Centre for Economic and
Social Studies, Nizamiah Observatory Campus, Begumpet,
Hyderabad, 5000 16 | Member |
| 5. Prof. P.N. Maribhat, Institute of Economic Growth, University
Enclave, Maurice Nagar, New Delhi-1100 07 | Member |
| 6. Dr. Ram S. Taneja, Chairman, Bombay School of Business
Gote Joy Building (Near Indu Clinic), Ramthan Salgaonkar, Marg,
Cuffe Parade, Mumbai-4000 05. | Member |
| 7. Shri S.K. Thorat, Chairman, University Grant Commission
Bahadur Shah Jaffar Marg, New Delhi-1100 02 | Member |
| 8. Dr. T.S. Papola, Institute for Studies in Industrial Development,
Narendra Nandan, I.P. Estate, P.O.Box No.7151, New Delhi-1100 02. | Member |
| 9. Prof. K.P. Kannan, Director, Centre for Development Studies,
Ulloor, Thiruvananthapuram, Kerala, 695011 | Member |
| 10. Prof. Jayati Ghosh, 1514, Poorvanchal,
TNU Campus, New Delhi-110067 | Member |
| 11. Prof. Amit Bhaduri, Professor Emeritus, TNU-IFS Flats,
A-12, Mayapuri Phase-I, New Delhi-110091 | Member |
| 12. Dr. V.S. Reju, House No.74, Road No.9, Jubilee Hills,
Hyderabad-500034. | Member |

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13. Shri A. Ramakrishna, M-6, Anna Nagar East, Chennai-600102	Member
14. Dr. M.K. Panche, President, CITU, B.T. Ranadive Bhavan, 13/A Rouse Avenue, New Delhi- 1100 07	Member
15. Secretary, Ministry of Labour and Employment Sharan. Shakti Bhavan, Rafi Marg, New Delhi- 1100 01.	Member
16. Secretary, Ministry of Rural Development Krishi Bhavan, Rajendra Prasad Road, New Delhi- 1100 01.	Member
17. Secretary, Ministry of Urban Employment & PA Nirman Bhavan, Maulana Azad Road, New Delhi-1100 11.	Member
18. Secretary, Ministry of Food Processing Panchsheel Bhavan, August Kranti Marg, New Delhi-1100 49.	Member
19. Secretary, Ministry of Textiles Udyog Bhavan, Maulana Azad Road, New Delhi-1100 11	Member
20. Registrar General of India 2A, Mansingh Road, New Delhi-1100 11.	Member
21. Smt. Sthantha Sinha, M.V. Foundation, 201 Narayan Apartment West Marredpally, Sikanandabad-500026, Andhra Pradesh.	Member
22. Shri A.K. Shukla, Chairman, LIC, Yogakshema, LIC of India, Jeevan Bima Building, Mumbai-4000 21.	Member
23. Smt. Ila Bhat, Chairman, SEWA, SEWA Reception Centre, Opposite Lokmanya Tilak Bagh, Bhadra, Ahmedabad, 3800 01.	Member
24. Chairman, Tata Sons (or his nominee), Bombay House, 24 Homi Mocji Street, Mumbai- 4000 01	Member
25. Shri N. Srinivasan, Director General, CII, 23-26, Institutional Area, Lodhi Road, New Delhi- 1100 03.	Member
26. Dr. Amit Mitra, Secretary General, FICCI, Federation House, Tansen Marg, New Delhi- 1100 01	Member
27. Shri C. Chandaran, CEO & Commissioner, KVIC, 3, Irla Road, Vile Parle (West), Mumbai-4000 05.	Member
28. Labour Secretary, Government of Tamil Nadu, Secretariat, Fort St. George, Chennai-6000 09.	Member
29. Pr. Secretary, Labour, Government of Uttar Pradesh, Room No 810, Bapu Bhavan, Sachivalaya, Lucknow-2660 01	Member
30. Labour Secretary, Government of Madaya Pradesh, B-9, CHARIMLLI, Bhopal-4520 04	Member
31. Labour Secretary, Government of Assam, Assam Secretariat, Dispur-7810 06	Member
32. Shri Manish Sabharwal, Director, Team Lease Services Pvt. Ltd, Team Lease House, 26 Palm Grove Road, Off Victoria Road Bangalore-560047.	Member
33. Prof. C.S. Venkataratnam, Director, International Management Institute, B-10, Tara Crescent, Qutub Institutional Area, New delhi-110016	Member
34. Adviser (LEM), Planning Commission, Sansad Marg, New Delhi-1100 01.	Convener

-Contd.3/-



2. Terms of Reference of Steering Committee on Labour & Employment will be as under:

- a) To project the labour force and work opportunities that should form the basis for Eleventh Plan strategy with respect to employment and suggest strategies for creating specific work opportunities.
- b) To suggest policies and programmes to provide vocational training for all the new entrants to labour force, particularly the youth in the rural areas.
- c) To review labour laws and regulations and suggest modifications which would help to expand regular wage employment.
- d) To review existing social security measures for organized and unorganized workers, and suggest a strategy for providing social security cover to the unorganized workers, particularly the landless agricultural labour.
- e) To suggest measures for improving occupational safety and health for all the workers.
- f) To review the present status and approach to the problem of child labour and to suggest a framework to reduce drastically the incidence of child labour.
- g) To eliminate bonded labour and secure its proper rehabilitation.
- h) Any other issue(s) concerning labour and employment policy & programme, with the consent of the Chairman of the Steering Committee.

3. The Steering Committee may co-opt such official(s) or non-official(s) as member(s) of the Committee as may be considered necessary.

4. The expenditure on TA/DA of official members in connection with the meetings of the Committee will be borne by the parent Department/Ministry to which the official belongs as per the rules of entitlement applicable to them. The non-official members of the Committee will be entitled to TA/DA as permissible to Grade I officers of the Government of India under SR190(a) and this expenditure will be borne by the Planning Commission.

5. The Steering Committee will work through a set of Working Groups which will be given 2 months time to submit their report on the respective areas. The Steering Committee, after considering the reports of the Working Groups, will submit its report to the Deputy Chairman, Planning Commission by the end of June, 2006.

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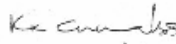
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Annexure I (Concl.)

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6. The Labour, Employment and Manpower Division of the Planning Commission will provide the Secretariat for the Steering Committee.

7. Smt. Padmaja Mehta, Director (Labour, Employment & Manpower Division), Room No. 551, Yojana Bhawan, New Delhi (Telephone No. 23096541), will be the Nodal Officer for this Steering Committee for all further communications.



(K.K.Chhabra)

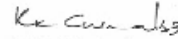
Under Secretary to the Government of India

To

Chairman and all Members (including Convener) of the Steering Committee on Labour and Employment.

Copy to:

1. PSs to DCH/MOS (Planning)/Members/Member-secretary, Planning Commission.
2. All Principal Advisers/Advisers/HODs in Planning Commission.
3. Prime Minister's Office, South Block, New Delhi.
4. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
5. Information Officer, Planning Commission



(K.K.Chhabra)

Under Secretary to the Government of India

ANNEXURE II

No. C-200173/06/LF/VLP
Government of India
Planning Commission
(Labour, Employment & Manpower Division)

Yojana Bhawan, Sansad Marg,
New Delhi-1, dated 3rd March 2006

ORDER

Subject: Constitution of Working Group on Labour Force and Employment Projection for the Eleventh Five-Year Plan (2007-2012)

In the context of preparation of the Eleventh Five-Year Plan, it has been decided to set up a Working Group on Labour Force and Employment Projection. The composition of the Working Group will be as follows:

- | | |
|---|----------|
| 1. Prof. B.L. Mungekar, Member, Planning Commission,
Sansad Marg, New Delhi-1100 01. | Chairman |
| 2. Dr. Ms. Jeemol Unni, Gujarat Institute of Development Research,
Gota, Ahmedabad-380060. | Member |
| 3. Prof. Amit Bhaduri, Professor Emeritus, JNU-IFS Flats,
A-12, Mayapuri Vihar Phase-II, New Delhi-110091 | Member |
| 4. Prof. Subhashish Gangopadhyay, Director,
India Development Foundation, 249-F, Sector-18, Udyog Vihar,
Phase IV, Gurgaon-122015, Haryana. | Member |
| 5. Dr. Bibek Debroy, Secretary General, PHDCCI, 4/2, PHD House,
Siri Institutional Area, August Kranti Marg, New Delhi-1100 49. | Member |
| 6. Dr. Surjit S. Bhalla, Principal, OXUS Investment, S-160,
Second Floor, Panchsheel Park, New Delhi-110017. | Member |
| 7. Dr. T.S. Papola, Institute for Studies in Industrial Development,
Narendra Niketan, I.P. Estate, P.O. Box No.7151, New Delhi-1100 02. | Member |
| 8. Shri N. Srinivasan, Director General, CII, 23-26, Institutional Area,
Lodhi Road, New Delhi-1100 03. | Member |
| 9. Dr. Amit Mitra, Secretary General, FICCI, Federation House,
Tansen Marg, New Delhi-1100 01. | Member |
| 10. Prof. P.N. Maribhat, Institute of Economic Growth, University
Enclave, Maurice Nagar, New Delhi-1100 07. | Member |
| 11. Prof. Arup Mitra, Institute of Economic Growth, University
Enclave, Maurice Nagar, New Delhi-1100 07. | Member |
| 12. Director General, National Sample Survey Organisation,
Sardar Patel Bhawan, Parliament Street, New Delhi-110 001. | Member |
| 13. Registrar General of India, 2A, Mansingh Road,
New Delhi-1100 11. | Member |
| 14. Shri C. Chandaran, CEO & Commissioner, KVIC, 3, Irla Road,
Vile Parle (West), Mumbai-400 05. | Member |

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Annexure II (Contd.)

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15. Secretary (Employment), Government of Maharashtra, Mantralaya, Mumbai-400032.	Member
16. Labour Secretary, Government of Gujarat, Block No.5, New Sachivalaya, Gandhinagar-382010.	Member
17. Labour Secretary, Government of Tamil Nadu, Secretariat, Fort St. George, Chennai-600009.	Member
18. Labour Secretary, Government of Orissa, Orissa Secretariat, Bhubaneswar-751001.	Member
19. Labour Secretary, Government of Madhya Pradesh, B-9, CILARIMLI, Bhopal-452004.	Member
20. Director, IAMR (or his nominee), Plot No.25, Sector A-7, Institutional Area, Narela, Delhi-110040.	Member
21. Adviser (LEM), Planning Commission, Sansad Marg, New Delhi-110 001.	Member
22. Director (Employment Studies Unit), (LEM Division), Planning Commission, Sansad Marg, New Delhi.	Convener

2. The Terms of Reference of the Working Group will be as under:

- To review the employment situation in general and in respect of specific groups like women and educated persons, and in different regions of the country.
- To project the labour force and work opportunities that should form the basis of the strategy for the Eleventh Plan.
- To suggest strategies for creating work opportunities.
- To assess the unemployment situation in general and among groups such as youth and the educated and to suggest ways to deal with it.
- Any other issue(s) concerning employment policy & programmes, with the consent of the Chairman of the Working Group.

3. The Chairman of the Working Group may co-opt any other person as Member of the Working Group, if considered necessary.

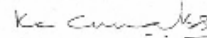
4. The Working Group will submit its report by April 30, 2006. LEM Division of the Planning Commission will provide Secretariat for the Working Group.

5. The expenditure on TA/DA of official members in connection with the meetings of the Committee will be borne by the parent Department/Ministry to which the official belongs as per the rules of entitlement applicable to them. The non-official members of the Committee will be entitled to TA/DA as permissible to Grade I officers of the Government of India under SR190(a) and this expenditure will be borne by the Planning Commission.

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Annexure II (Contd.)

Smt. Padmaja Mehta, Director, Labour, Employment & Manpower Division, Room No. 561, Yojana Bhawan, New Delhi (Telephone No. 23096541), will be the Nodal Officer for this Steering Committee for all further communications.



(K.K. Chhabra)

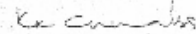
Under Secretary to the Government of India

To

Chairman and all Members (including Convener) of the Working Group on Labour Force and Employment Projection

Copy to:

1. PSs to DCH/MOS (Planning)/Members/Member-secretary, Planning Commission.
2. All Principal Advisers/Advisers/HODs in Planning Commission.
3. Prime Minister's Office, south Block, New Delhi.
4. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
5. Information Officer, Planning Commission.



(K.K. Chhabra)

Under Secretary to the Government of India

Annexure II (Contd.)

ANNEXURE II (Contd.)

No. Q-20017/1/06/LEM/LP
Government of India
Planning Commission
(Labour, Employment & Manpower Division)

Yojana Bhawan, Sansad Marg,
New Delhi-110001 dated: 6th March, 2006

ORDER

Subject: Constitution of Working Group on Skill Development & Vocational Training.

In the context of preparation of the Eleventh Five Year Plan, it has been decided to set up a Working Group on Skill Development & Vocational Training with the following composition.

- | | | |
|-----|---|----------|
| 1. | Secretary, Ministry of Labour and Employment, Govt. of India(GOI)
Shram Shakti Bhawan, Rafi Marg, New Delhi- 110001. | Chairman |
| 2. | Secretary (Department of Secondary & Higher Education), GOI
or his nominee, C- Wing, Shastri Bhawan, New Delhi- 110001. | Member |
| 3. | Secretary (Department of Women & Child Development), GOI
or his nominee, Shastri Bhawan, New Delhi-110001. | Member |
| 4. | Secretary (Ministry of Rural Development), GOI or the nominee
Krishi Bhawan, New Delhi- 110001. | Member |
| 5. | Secretary (Labour & Employment), Govt. of Karnataka
Secretariat, M.S. Building, Bangalore- 560001. | Member |
| 6. | Secretary (Labour & Employment), Govt. of Haryana
New Secretariat, Sector-17, Chandigarh -160001. | Member |
| 7. | Secretary (Labour & Employment), Govt. of Assam
Assam Secretariat, Guwahati- 781006. | Member |
| 8. | Secretary (Labour & Employment), Govt. of Maharashtra
Mantrayala, Mumbai- 400032. | Member |
| 9. | Secretary (Labour & Employment), Govt. of Rajasthan
Secretariat, Jaipur- 302005. | Member |
| 10. | Chairman, AICTE,
Indira Gandhi Sports Complex, IP Estate, New Delhi- 110002. | Member |
| 11. | Chairman, Medical Council of India
Combined Council's Building, Kotla Road, New Delhi- 110002. | Member |
| 12. | Shri N. Srinivasan, Director General, CII
23-26, Institutional Area, Lodhi Road, New Delhi- 110003. | Member |
| 13. | Dr. Amit Mitra, Secretary General, FICCI
Federation House, Tansen Marg, New Delhi- 110001. | Member |
| 14. | Representative of NASSCOM
1, Second Floor, Circular Road, Charakypuri, New Delhi- 110021. | Member |
| 15. | Dr. V.S.Raju, Former Director of Delhi IIT,
House No. 74, Road No. 9, Jubilee Hills, Hyderabad- 500034. | Member |
| 16. | Prof. N.K.Bansal, Vice Chancellor, Shri Mata Vaishno Devi University,
Campus, J & K State, Kakrial P.O. Kakrial, Distt. Udhampur-182181. | Member |

-Contd.2/-

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Annexure II (Contd.)

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17.	Shri A. Ramakrishna, Former Vice Chairman of L. & T M-6, Anna Nagar East, Chennai- 600102.	Member
18.	Shri G.S. Sethi, Former DDG, DGE&T H/No. 95, Phase- IV, Mohali - 160059, Punjab.	Member
19.	Director, Central Institute for Vocational Education PSSCIVE -131, Zone-I, M.P. Nagar, Bhopal-462011.	Member
20.	Principal Advisor (Health, Nutrition & FW), Planning Commission, Sansad Marg, New Delhi- 110001.	Member
21.	Advisor (Tourism), Planning Commission, Sansad Marg, New Delhi- 110001.	Member
22.	Advisor (VSE), Planning Commission Sansad Marg, New Delhi- 110001.	Member
23.	Advisor (LEM), Planning Commission Sansad Marg, New Delhi- 110001.	Member
24.	Joint Secretary & DGE&T, M/o Labour & Employment (GOI) Shram Shakti Bhawan, Rafi Marg, New Delhi- 110001.	Convener

2. The Terms of Reference of the Working Group will be:

- (a) To assess the impact of on-going programmes for skill development under different streams like craftsmen and vocational training including non-formal training system and skill development efforts in the unorganized sector with regard to their relevance in the context of technological change taking place in the economy as well as in achieving the objectives like productivity and incomes, specially in the unorganized sector of the economy;
- (b) To evaluate the feasibility of providing vocational skills to all entrants to labour force and the feasibility of attaining this target by the end of Eleventh Plan and to suggest a strategy for accomplishing this objective;
- (c) To review the growth of vocational Training Industry outside the domain of public sector since inception and to suggest appropriate framework for Vocational Training Policy in order to foster its growth.
- (d) To identify emerging requirements of training, both formal and non-formal; and assess the capacity and potential of the existing institutional set up in relation to the emerging skills requirements
- (e) To recommend appropriate labour market intelligence system for better matching of demand and supply of marketable skills.
- (f) To suggest measures for augmenting the role of industry from merely advisory level to that of supplementing inputs for managerial level to further strengthen the industry-institute interaction in ITIs.
- (g) To examine the aspects of providing autonomy to Institute Management Committees (IMCs) as contrasted with the options like (i) adoption of ITI by Industry Associations and/or (ii) restricting the scope to that of merely technical input rendered by Industry Associations.
- (h) To examine the functioning of the existing institutions, at national and state level, such as National and State Councils for Vocational Training, Apprenticeship Council, etc.,
- (i) To suggest appropriate framework for skill development of rural youth.
- (j) To suggest appropriate framework for skill development needed for women as a means for women empowerment in particular in the rural areas and also in low-income occupations in urban areas.

-Contd.3/-

Annexure II (Contd.)

3

(k) To suggest a mechanism for developing a framework of National Qualification Pathway to interlink vocational education, vocational training and academic education in order to facilitate inter-stream movement of students and vocational trainees.


3. The Chairman of the Working Group may include additional term (s) of reference in consultation with Member (Labour and Employment), Planning Commission, who is Chairman of the Steering Committee on Labour and Employment.

4. The Chairman of the Working Group may co-opt any other Expert as Member of the Working Group.

5. The Working Group will submit its report by April 30, 2006. The Ministry of Labour and Employment will provide the Secretarial assistance for the Working Group.

6. The expenditure on TA/DA of official members in connection with the meetings of the Group will be borne by the parent Department/ Ministry to which the official belongs as per the rules of entitlement applicable to them. The non-official members of the Group will be entitled to TA/DA as permissible to Grade I officers of the Government of India under SR190(a) and this expenditure will be borne by the Ministry of Labour and Employment.

7. Smt. R.K. Bhatnagar, Director, Room No. 407, Yojana Bhawan, Sansad Marg (Tel. 23096535) will act as Nodal Officer and any further communication in this regard may be made with the Nodal Officer.


(K.K. Chhabra)

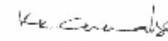
Under Secretary to the Government of India

To

Chairman and all the Members (including Convener) of the Working Group

Copy to:

1. PSs to DCH/ MOS (Planning)/ Members/ Member-Secretary, Planning Commission.
2. All Principal Advisers/Advisers/ HODs in Planning Commission.
3. Prime Minister's Office, South Block, New Delhi.
4. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
5. Information Officer, Planning Commission.
6. Joint Secretary (Administration), Ministry of Labour and Employment.
7. Controller of Accounts, Ministry of Labour and Employment.


(K.K. Chhabra)

Under Secretary to the Government of India

Annexure II (Contd.)

ANNEXURE II (contd.)

No. Q-200/7/5/06/LEM/1.7
Government of India
Planning Commission
LEM Division

Yojana Bhawan, Sansad Marg,
New Delhi-1 dated March, 2006

3rd

ORDER

Subject: Constitution of Working Group on Occupational Safety and Health

In the context of preparation of the Eleventh Five Year Plan (2007-2012), it has been decided to set up a Working Group on Occupational Safety and Health with the following composition:

- | | |
|--|----------|
| 1. Secretary, Ministry of Labour and Employment, Government of India, Shram Shakti Bhavan, New Delhi - 110001. | Chairman |
| 2. Secretary (or his nominee), Ministry of Agriculture, Government of India, Krishi Bhavan, New Delhi - 110001. | Member |
| 3. Secretary (or his nominee), Ministry of Mines, Government of India, Shastri Bhavan, New Delhi - 110001. | Member |
| 4. Secretary (or his nominee), Ministry of Road Transport & Highways, Government of India, Transport Bhavan, 1, Parliament Street, New Delhi - 110 001. | Member |
| 5. Principal Adviser (Health), Planning Commission. | Member |
| 6. Director, National Institute of Occupational Health, Meghaji Nagar, Ahmedabad - 380016 | Member |
| 7. Director General, National Safety Council, Plot No. 98-A, Institutional Area, Sector 15, CBD Belapur, Post Box No. 62, P.O. Konkan Bhavan, Navi Mumbai-400 0614 | Member |
| 8. Director General, Indian Council of Medical Research, Post Box No. 4911, Ansari Nagar, New Delhi - 110029 | Member |
| 9. Secretary (Labour), Government of Maharashtra, Mantralaya, Room No. 520-A, Mumbai - 400032. | Member |
| 10. Secretary (Labour), Government of Karnataka, M.S. Building, Bangalore - 560001. | Member |
| 11. Secretary (Mines), Government of Madhya Pradesh, D-4/13, Chaurimli, Bhopal, Bhopal - 452004. | Member |
| 12. Secretary (Mines), Government of Jharkhand, HEC, Mantralaya, Project Bldg., Dhurba, Ranchi - 834001. | Member |

-contd. 2/-

Annexure II (Contd.)

-2-

- | | |
|--|----------|
| 13. Secretary (Labour), Government of Rajasthan, secretariat, Jaipur – 302005. | Member |
| 14. Secretary (Labour), Government of Haryana, Haryana Civil Secretariat, Chandigarh – 160001. | Member |
| 15. Adviser (Labour, Employment and Manpower), Planning Commission. | Member |
| 16. Joint Secretary (Occupational Safety and Health), Ministry of Labour and Employment, Government of India, Rafi Marg, New Delhi – 110001. | Convener |


2. The Terms of Reference of the Working Group will be :
- (a) To review the existing set up for Occupational Safety and Health in the work place and to suggest ways to improve it.
 - (b) To examine the efficacy of the administrative machinery under the State Governments to ensure Occupational Safety and Health to the workers in factories and other non-agricultural establishments through the institution of "Factory Inspector" which exists under the Factories Act, and any other relevant Act(s).
 - (c) To suggest the modalities for setting up of a National Board of Occupational Safety and Health so as to develop service providers /a band of professionals who are proficient in assessing the health and occupational safety at workplace.
 - (d) To suggest such other measures as may be necessary to ensure occupational health and safety of workers in (i) the agricultural occupations and (ii) non-agricultural occupations, in particular, workers in non-registered factories, road transport, shops, eating establishments, printing, dyeing chemical storage and handling etc.
 - (e) To suggest ways to improve occupational safety and health practices in low income but high workers density occupation clusters.
 - (f) To examine the efficacy of regulations concerning the health and safety implemented by Government Departments other than 'Labour' such as Explosive Act, Boiler Act, etc.
3. The Chairman of the Working Group may include any additional term(s) of reference in consultation with Member (Labour and Employment), Planning Commission, who is also the Chairman of the Steering Committee on Labour and Employment.
4. The Chairman of the Working Group may co-opt any other expert as Member of the Working Group.
5. The Working Group will submit its report by April 30, 2006. The Working Group will be serviced by the Ministry of Labour and Employment.

Ku -contd..3/-

-3-

6. The expenses towards TA/DA of the official members will be met by their respective Government Departments / Institutions to which they belong as per the rules of entitlement applicable to them. The TA/DA of non-official Members will be borne by the Ministry of Labour and Employment as admissible to Class I officers of the Government of India as per SR 190(a).

7. Shri S.K. Saha, Joint Adviser, Room No. 277, Yojana Bhawan, Sansad Marg (Tel. 23096771) will act as the Nodal Officer and any further communication in this regard may be made with him.



(K.K. Chhabra)

Under Secretary to the Government of India

Copy to: Chairman and all the Members and Convener of the Working Group.

Copy for information to:

1. PSs to Deputy Chairman/ MOS (Planning)/ Members/Member-Secretary, Planning Commission.
2. Prime Minister's Office (Shri Jawed Iqsmati), South Block, New Delhi.
3. Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
4. Principal Advisers / Advisers, Planning Commission.
5. PC Division, Planning Commission.
6. Joint Secretary (Administration), Ministry of Labour and Employment.
7. Controller of Accounts, Ministry of Labour and Employment.



(K.K. Chhabra)

Under Secretary to the Government of India

Annexure II (Contd.)

No. Q-20017/6/06/LEM/LP
Government of India
Planning Commission

ANNEXURE II
(Contd.)

Yojana Bhawan, Sansad Marg,
New Delhi-1, dated March, 2006
3rd

ORDER

Subject: Constitution of Working Group on Social Security.

In the context of preparation of the Eleventh Five Year Plan (2007-2012), it has been decided to set up a Working Group on Social Security with the following composition:

- | | |
|--|----------|
| 1. Secretary, Ministry of Labour and Employment, Government of India, Room No. 112, Saran Shakti Bhavan, Rafi Marg, New Delhi - 110001. | Chairman |
| 2. Secretary (or his nominee), Ministry of Social Justice and Empowerment, Government of India, Shastri Bhavan, New Delhi - 110001. | Member |
| 3. Secretary (or his nominee), Ministry of Rural Development, Government of India, Krishi Bhavan, New Delhi - 110001. | Member |
| 4. Secretary (or his nominee), Department of Posts, Government of India, Dak Bhavan, New Delhi - 110001. | Member |
| 5. Dr. A. K. Shiva Kumar, Member, National Advisory Council and Adviser, UNICEF, 73, Lodhi Estate, New Delhi - 110003. | Member |
| 6. Joint Secretary (Capital Market Division), Pension Fund Regulatory and Development Authority, Ministry of Finance, North Block, New Delhi - 110001. | Member |
| 7. Director General, Employees' State Insurance Corporation, Panchdeep Bhavan, CIG Marg, New Delhi-110002. | Member |
| 8. Central Provident Fund Commissioner, Bhavishya Nidhi Bhavan, 14, Bhikai Cama Place, New Delhi - 110066. | Member |
| 9. Secretary (Labour), Government of Kerala, Thiruvananthapuram-695 001. | Member |
| 10. Secretary (Labour), Government of Tamil Nadu, Chennai-600 001. | Member |
| 11. Secretary (Labour), Government of Uttar Pradesh, Lucknow-226 003. | Member |
| 12. Secretary (Labour), Government of Madhya Pradesh, DNE-1, Charimli, Bhopal - 452004. | Member |
| 13. Secretary (Labour), Government of Gujarat, Gandhinagar-382 010. | Member |
| 14. Secretary (Labour), Government of West Bengal, Calcutta-700 001. | Member |
| 15. Secretary (Labour), Government of Assam, Guwahati 781 006. | Member |

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Annexure II (Contd.)

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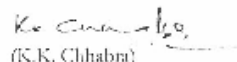
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|---|----------|
| 16. Shri T.S. Sankaran, Former Chairman, Construction Workers Advisory Board, No. 9, 3 rd Seaward Road, Valmiki Nagar, Tiruvanmiyur, Chennai - 600041. | Member |
| 17. Shri K.P. Kannan, Member, National Commission for Enterprises in the Unorganised Sector, 16 th Floor, Jawahar Vihar Bhavan, 1, Tolstoy Marg, New Delhi - 110001. | Member |
| 18. Shri Nilesh Sathe, Chief (SBI- P&GS), Yogakshema, Life Insurance Corporation of India, Jeevan Bima Building, Mumbai - 400021. | Member |
| 19. Shri R.K.A. Subrahmanya, Secretary General, Social Security Association of India, 573, 10 th Cross, J.P. Nagar, 3 rd Phase, Bangalore - 560078. | Member |
| 20. Smt. Renana Jhabvala, Secretary, Self-Employed Women's Association, SEWA Reception Centre, Lok Manya Tilak Marg, Bhadra, Ahmedabad - 380001. | Member |
| 21. Adviser (Labour, Employment and Manpower), Planning Commission. | Member |
| 22. Joint Secretary (Social Security), Ministry of Labour and Employment, Government of India, Shram Shakti Bavan, Rafi Marg, New Delhi - 110001. | Member |
| 23. Joint Secretary/DG (I.W), Ministry of Labour and Employment, Government of India, Room No. 9, Jaisalmer House, Man Singh Road, New Delhi - 110011. | Convener |

2. The Terms of Reference of the Working Group will be :

- (a) To review the existing social security measures for organized and unorganized workers and to suggest a strategy for providing social security cover to the unorganized workers.
- (b) To review the implementation of Minimum Wages Act at the State Level and recommend institutional mechanism and legislative measures that would ensure at least the minimum income to most of the wage employed.
- (c) To suggest division of responsibility for implementation of a wider social security system among the Centre, State, Employers and Employees.
- (d) To suggest prioritization for extending social security coverage by category of workers, such as agricultural workers, weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation workers, beedi workers, construction workers etc.
- (e) To examine the functioning of institutions such as ESIC, BIFC, Welfare Boards, etc. and to suggest necessary reforms so as to strengthen these Organizations.

 contd./3/-

3. The Chairman of the Working Group may include any additional term(s) of reference in consultation with Member (Labour and Employment), Planning Commission, who is also the Chairman of the Steering Committee on Labour and Employment.
4. The Chairman of the Working Group may co-opt any other expert as Member of the Working Group.
5. The Working Group will submit its report by April 30, 2006. The Working Group will be serviced by the Ministry of Labour and Employment.
6. The expenses towards TA/DA of the official members will be met by their respective Government Departments / Institutions to which they belong as per the rules of entitlement applicable to them. The TA/DA of non official Members will be borne by the Ministry of Labour and Employment as admissible to Class I officers of the Government of India as per SB 1906a).
7. Shri S.K. Saha, Joint Adviser, Room No. 277, Yojana Bhawan, Sansad Marg (Tel. 23095771) will act as the Nodal Officer and any further communication in this regard may be made with him.

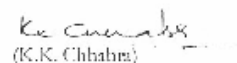

(K.K. Chhabra)

Under Secretary to the Government of India

Copy to: Chairman and all Members (including Convener) of the Working Group.

Copy for information to:

1. PSs to Deputy Chairman/ MOS (Planning)/ Members/Member Secretary, Planning Commission.
2. Prime Minister's Office (Shri Jawed Iqbal), South Block, New Delhi.
3. Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
4. Principal Advisers / Advisers, Planning Commission.
5. PC Division, Planning Commission.
6. Joint Secretary (Administration), Ministry of Labour and Employment.
7. Controller of Accounts, Ministry of Labour and Employment.


(K.K. Chhabra)

Under Secretary to the Government of India

Annexure II (Contd.)

No. Q-20017/4/06/LEM/LP
Government of India
Planning Commission
I.M. Division

ANNEXURE II (Contd.)

Yojana Bhawan, Sansad Marg,
New Delhi-1 dated 3rd March, 2006

ORDER

Subject: Constitution of Working Group on Labour Laws and other Labour Regulations.

In the context of preparation of the Eleventh Five Year Plan (2007-2012), it has been decided to set up a Working Group on Labour Laws and Labour Regulations with the following composition:

- | | |
|---|----------|
| 1. Secretary, Ministry of Labour and Employment, Government of India, Shram Shakti Bhavan, Rafi Marg, New Delhi - 110001. | Chairman |
| 2. Secretary (or his nominee), Ministry of Law and Justice, Government of India, A-Wing, Shastri Bhavan New Delhi - 110 001. | Member |
| 3. Secretary (or his nominee), Ministry of Heavy Industries and Public Enterprises, Government of India, Udyog Bhavan, New Delhi - 110 001. | Member |
| 4. Secretary (or his nominee), Ministry of Small Scale Industries and Agro based Rural Industries, Government of India, Udyog Bhavan, New Delhi - 110 001. | Member |
| 5. Dr. Birek Debroy, Secretary-General, PHD Chamber of Commerce and Industry, 4/2 PHD House, Siri Institutional Area, August Kranti Marg, New Delhi - 110016. | Member |
| 6. Prof. C.S. Venkara Ratnam, Director, International Management Institute, B-10, Qutab Institutional Area, Tara Crescent, New Delhi - 110016. | Member |
| 7. Dr. Subhashish Gangopachyay, India Development Foundation, 249 F, Sector 18, Udyog Vihar Phase IV, Gurgaon - 122015. | Member |
| 8. Director General, V.V. Giri National Labour Institute, Sector-24, NOIDA, District- Gauram Budh Nagar, U.P.- 201 301. | Member |
| 9. Dr. M.K. Pandhe, CITU, 13-A, Rouse Avenue, New Delhi - 110002. | Member |
| 10. President, All India Trade Union Congress, 24, Canning Lane, New Delhi -110001. | Member |
| 11. President, Indian National Trade Union Congress, "Sitamik Kendra", 4, Bhai Veer Singh Marg, New Delhi - 110001. | Member |


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Annexure II (Contd.)

- | | |
|---|----------|
| 12. Representative of the Employers' Federation of India, Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai - 400 001. | Member |
| 13. Secretary (Labour), Government of Madhya Pradesh, DXE-1, Charimili, Bhopal - 452004. | Member |
| 14. Secretary (Labour), Government of Andhra Pradesh, Hyderabad - 500022. | Member |
| 15. Secretary (Labour), Government of Gujarat, Block No. 5, New Sachivalaya, Gandhinagar - 382010. | Member |
| 16. Secretary (Labour), NCT of Delhi, 5, Sham Nath Marg, Delhi 110006. | Member |
| 17. Adviser (Labour, Employment and Manpower), Planning Commission | Member |
| 18. Shri Munish Subbarwal, Director, Team Lease Services Pvt. Limited, House no. 26, Palmgrove Road of Victoria Road, Bangalore-560047. | Member |
| 19. Shri Vishram Jandkar, President, Laghu Udyog Bharti, Anant Rao Vade Smriti Parisar, 184, Shivaji Nagar, Nagpur - 440016. | Member |
| 20. Shri Ashish Sharma, Advocate, K-14B, Saket, New Delhi-110017. | Member |
| 21. Labour and Employment Adviser, Ministry of Labour and Employment, Government of India, Shram Shakti bhavan, New Delhi 110001. | Convener |

2. The Terms of Reference of the Working Group will be :
- (a) To review Labour Laws and other labour regulations and to suggest modifications which would help to expand regular wage employment.
 - (b) To suggest appropriate measures so as to ensure healthy industrial relations and promote productivity among workers.
 - (c) To suggest initiatives in the legislative and administrative domain that will strike a balance between protecting the interests of labour and the need for providing operational flexibility to companies which might contribute to a faster growth in employment in organized sector.
 - (d) To examine the need for special measures that need to be taken for Special Economic Zones, Industrial Parks, Export Zones, and other locations/ activities that foster creation of large new employment opportunities.
 - (e) To examine the nature of existing labour laws in relation to regulatory activities, provision of social security and labour welfare in the smaller establishments.
 - (f) To suggest an approach towards contract labour, in particular the measures to provide social security.

 -contd.3/-

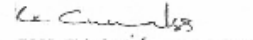
Annexure II (Contd.)

-3-

(g) To Identify the Laws, which (i) are no longer needed and need to be repealed; (ii) are in harmony with the climate of the economic liberalization and hence need no change; and (iii) require changes and revision in the rules, regulations, orders and notifications etc. issued thereunder.

(h) To examine the extent of coverage of labour through the monitoring and reporting system at state and Central Government level in regard to the implementation of labour laws.

3. The Chairman of the Working Group may include any additional term(s) of reference in consultation with Member (Labour and Employment), Planning Commission, who is also the Chairman of the Steering Committee on Labour and Employment.
4. The Chairman of the Working Group may co-opt any other expert as Member of the Working Group.
5. The Working Group will submit its report by April 30, 2006. The Working Group will be serviced by the Ministry of Labour and Employment.
6. The expenses towards TA/DA of the official members will be met by their respective Government Departments / Institutions to which they belong as per the rules of entitlement applicable to them. The TA/DA of non-official Members will be borne by the Ministry of Labour and Employment as admissible to Class I officers of the Government of India as per SR 190(a).
7. Shri S.K. Saha, Joint Adviser, Room No. 277, Yojana Bhawan, Sansad Marg (Tel 23096771) will act as the Nodal Officer and any further communication in this regard may be made with him.



(K.K. Chhabra)

Under Secretary to the Government of India

Copy to: Chairman and all the Members and Convener of the Working Group.

Copy for information to:

1. PSs to Deputy Chairman/ MOS (Planning)/ Members/Member-Secretary, Planning Commission.
2. Prime Minister's Office (Shri Jawed Usmani), South Block, New Delhi.
3. Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
4. Principal Advisers / Advisers, Planning Commission.
5. PC Division, Planning Commission.
6. Joint Secretary (Administration), Ministry of Labour and Employment.
7. Controller of Accounts, Ministry of Labour and Employment.


(K.K. Chhabra)

Under Secretary to the Government of India

Annexure II (Contd.)

No.Q-20017/206/LEM/LP
Government of India
Planning Commission
(Labour, Employment & Manpower Division)

ANNEXURE II
(Contd.)

Yojana Bhawan, Sansad Marg,
New Delhi-1, dated 6th March, 2006

ORDER

Subject: Constitution of Working Group on Child Labour for the Eleventh Five-Year Plan (2007-2012).

In the context of preparation of the Eleventh Five-Year Plan, it has been decided to set up a Working Group on Child Labour. The composition of the Working Group will be as follows:

- | | |
|---|----------|
| 1. Secretary, Ministry of Labour and Employment
Sharam Shakti Bhavan, Rafi Marg, New Delhi- 1100 01. | Chairman |
| 2. Secretary, Ministry of Social Justice and Empowerment
(or the nominee), Shastri Bhawan, New Delhi-110001. | Member |
| 3. Secretary, Department of Elementary Education
(or the nominee), Shastri Bhawan, New Delhi-110001. | Member |
| 4. Secretary, Ministry of Rural Development (or the nominee),
Krishi Bhavan, Rajendra Prasad Road, New Delhi- 1100 01. | Member |
| 5. Labour Secretary, Government of Gujarat,
Block No.5, New Sachivstaya, Gandhinagar-382010. | Member |
| 6. Labour Secretary, Government of Karnataka,
M.S. Building, Bangalore-560001. | Member |
| 7. Labour Secretary, Government of Bihar,
Vikas Sadan, Patna-8000015. | Member |
| 8. Pr. Secretary, Labour, Government of Andhra Pradesh,
Hyderabad-500022. | Member |
| 9. Labour Secretary, Government of Orissa,
Orissa Secretariat, Bhubaneswar-751001. | Member |
| 10. Pr. Secretary, Labour, Government of West Bengal,
Kolkata-700001. | Member |
| 11. Pr. Secretary, Labour, Government of Uttar Pradesh,
Room No.8.0, Bapu Bhavan, Sachivalaya, Lucknow-2660 01. | Member |
| 12. Smt. Siantha Sinha, M.V. Foundation, 201 Narayan
Apartment, West Marredpally, Sikandrabud-500026,
Andhra Pradesh. | Member |
| 13. Sri Shamshad Khatt, Secretary, Centre for Rural
Education and Development Action (CREDA),
490, Awas Vikas Colony, Mirzapur- 231001, Uttar Pradesh | Member |
| 14. Adviser (LEM), Planning Commission, Sansad Marg,
New Delhi-1100 01. | Member |
| 15. Joint Secretary (Child Labour), Ministry of Labour
Sharam Shakti Bhavan, Rafi Marg, New Delhi- 1100 01. | Convener |

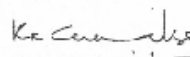
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Annexure II (Contd.)

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2. The Terms of Reference of the Working Group will be as under:
 - a) to review the stock of child labour in the country, region wise.
 - b) to make an assessment of child workers in hazardous occupations.
 - c) to review the existing programmes for rehabilitation of child labour, and achievements made in the Tenth Plan.
 - d) to review the present approach to curb the problem of child labour and to suggest appropriate measures for mitigating the evil of child labour.
 - e) to suggest appropriate measures to deal with the problems in rehabilitating a child worker.
 - f) to suggest modalities for utilizing the activities in other (than labour) development head in central sector, and in the States Sector to curb the evil of child labour.
 - g) to examine the working of relevant Act (s), the manner of their implementation, in particular, those concerning child labour.
3. The Chairman of the Working Group may include additional term(s) of reference in consultation with Member, Planning Commission; the Chairman of the Steering Committee on Labour and Employment.
4. The Chairman of the Working Group may co-opt any other person as Member of the Working Group.
5. The Working Group will submit its Report by April 30, 2006. The Ministry of Labour will provide Secretariat for the Working Group.
6. The expenditure on TA/DA of official members in connection with the meetings of the Working Group will be borne by the parent Department/Ministry to which the official belongs as per the rules of entitlement applicable to them. The non-official members of the Working Group will be entitled to TA/DA as permissible to Grade 1 officers of the Government of India under SR190 (a) and this expenditure will be borne by the Ministry of Labour and Employment.
7. Smt. Padmaja Mehta, Director (Labour, Employment & Manpower Division), Room No. 561, Yojana Bhawan, New Delhi (Telephone No. 23096541), will be the Nodal Officer for this Working Group for all further communications.


(K.K.Chhabra)

Under Secretary to the Government of India
-Contd.3/-

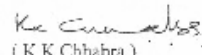
Annexure II (concl.)

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To
Chairman and all Members (including Convener) of the Working Group on Child Labour.

Copy to:

1. PSs to DCH/MOS (Planning)/Members/Member-secretary, Planning Commission.
2. All Principal Advisers/Advisers/HODs in Planning Commission.
3. Prime Minister's Office, South Block, New Delhi.
4. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
5. Information Officer, Planning Commission
6. Controller of Accounts, Ministry of Labour and Employment, Shram Shakti Bhawan, Rafi Marg, New Delhi-110 001.


(K.K.Chhabra)

Under Secretary to the Government of India

Annexure III

Participants in the Meetings of the Steering Committee

S.No.	Committee Composition and the special invitees	17.04.2006 First Meeting	23.11.2006 Second Meeting	18.01.2007 Third Meeting
(0)	(1)	(2)	(3)	(4)
1.	Chairman – Member (Labour & Employment) Planning commission	Dr. B.L. Mungekar	Dr. B.L. Mungekar	Dr. B.L. Mungekar
2.	Prof. Subhashish Gangopadhyay	Prof. Subhashish Gangopadhyay	Prof. Subhashish Gangopadhyay	
3.	Dr. Bibek Debroy	-	-	-
4.	Prof. S. Mahendra Dev	-	-	Prof. S. Mahendra Dev
5.	Prof. P.N. Mari Bhat	Prof. P.N. Mari Bhat	-	Prof. P.N. Mari Bhat
6.	Dr. Ram S. Tarneja, Chairman, Bombay School of Business	-	-	Dr. Ram S. Tarneja
7.	Prof. S.K. Thorat, Chairman, UGC	Additional Secretary, UGC	-	-
8.	Dr. T.S. Papola	Dr. T.S. Papola	-	Dr. T.S. Papola
9.	Prof. K.P. Kannan	-	-	Prof. K.P. Kannan
10.	Prof. Jayati Ghosh	-	Prof. Jayati Ghosh	-
11.	Prof. L.K. Deshpande, Retired Professor, University of Mumbai	-	-	Prof. L.K. Deshpande
12.	Dr. V.S. Raju, former Director, IIT, Delhi	Dr. V.S. Raju	-	Dr. V.S. Raju
13.	Shri A. Ramakrishna	-	Shri A. Ramakrishna	Shri A. Ramakrishna
14.	Dr. M.K. Pandhe, President, CITU	Dr. M.K. Pandhe	-	-
15.	Secretary, M/o Labour & Employment	Shri J.P. Singh, Addl. Secretary	Sh. J.P. Singh Special Secretary <i>In attendance</i> Sh. R.C. Ray, LEA Ms. Gurjot Kaur, J.S. Sh. S.K. Srivastava, JS Dr. Ashok Sahu, EA Sh. A.V. Singh, Director (Finance) Sh. Suraj Bhan, Director Sh. C.A. Bhaskaran, Director Sh. S.K. Mukhopadhyay, Chief Labour Commissioner Sh. M.M. Sharma, DGMS	Smt. Sudha Pillai, Secretary <i>In attendance</i> Sh. R.C. Ray, LEA Sh. Anil Swaroop, DG(LW)/JS Sh. Sharda Prasad, DGE&T Sh. A. Vishwanathan, CPFC Sh. R.I. Singh, DG, ESIC Dr. Ashok Sahu, EA Dr. Harcharan Singh, DDG Sh. Ashok Kumar, DDG(DGE&T) Sh. A.V. Singh, Director (Finance) Sh. Shahid Meezan, Director

S.No.	Committee Composition and the special invitees	17.04.2006 First Meeting	23.11.2006 Second Meeting	18.01.2007 Third Meeting
(0)	(1)	(2)	(3)	(4)
			Sh. S.K. Saxena, DG(FASLI) Sh. A.J. Pawar, Insurance Commissioner(ESIC) Sh.K.V. Sarveswaran, R.P.F. Commissioner,EPFO	Smt. Harjot Kaur, Director Sh. B. S. Bhanu, Dy. CLC
16.	Secretary, M/o Rural Development	Director, M/o RD		Sh. Balram Sharma, Director
17.	Secretary, Urban Employment & Poverty Alleviation	Sh. S.C. Sharma, Director	Dr. P.K. Mohanty, JS	Sh. S.L. Meena, Under Secretary
18.	Secretary, M/o Food Processing Industries	Director, M/o FPI	-	-
19.	Secretary, M/o Textiles	Joint Secretary	Sh. J.K. Sharma, J.S. Sh.R.S.Kanade, E.A.	Sh. R.S. Kanade, E.A.
19A	Other Central Ministries (1)			Dr. Chandra Pal, Secretary (SSI)
19B	Other Central Ministries (2)			Smt. Padamja Mehta, Adviser (DESA), M/o Agriculture
20.	Registrar General of India	Dy. RGI	-	Sh. D. Roy Chaudhari
21.	Smt. Shantha Sinha, M.V. Foundation, A.P.	-	-	-
22.	Sh. A.K. Shukla, Chairman, LIC, Mumbai	Sh. R.L.Narasimhan	Sh. K.K. Nagpal, Regional Manager	Sh. Nilesh Sathe, Chief , LIC N.P.Chawla, Regional Manager
23.	Smt. Ila Bhat, Chairperson, SEWA, Ahmedabad	Ms. Manali Ben Shah, Vice President, SEWA	-	-
24.	Chairman, Tata Sons (or his Nominee), Mumbai	Sh. A.N. Singh, Dy. Managing Director	-	-
25.	Director General, CII	Sh. S. Sen	-	Sh. N.B. Mathur, Adviser
26.	Secretary General, FICCI	-	Ms. Swapna Thomas, Asstt. Dir.	-
27.	CEO & Commissioner, KVIC	-	-	-
28.	Labour Secretary, Government of Tamil Nadu	Principal Secretary (Labour)	-	Dr.R. Baskaran Das Special Secretary
29.	Principal Secretary (Labour), Government of Uttar Pradesh	Principal Secretary (Labour)	Sh. R.K. Pandey, Secretary Labour	Sh. S.P. Singh, Jt. Secretary (Labour) Sh. Pankaj Kumar, Addl. Labour Commissioner
30.	Labour Secretary, Government of Madhya Pradesh	Shri Rakesh Bansal, Principal Secretary (Labour)	-	Shri Rakesh Bansal, Principal Secretary Labour
31.	Labour Secretary, Government	-	-	-

S.No.	Committee Composition and the special invitees	17.04.2006 First Meeting	23.11.2006 Second Meeting	18.01.2007 Third Meeting
(0)	(1)	(2)	(3)	(4)
	of Assam			
32.	Sh. Manish Sabharwal, Director, Team Lease Services Pvt. Ltd, Bangalore	Sh. Manish Sabharwal	Sh. Manish Sabharwal	Sh. Manish Sabharwal
33.	Prof. C.S. Venkataratnam, Director, International Management Institute, Delhi	Prof. C.S. Venkataratnam	Prof. C.S. Venkataratnam	-
34.	Sh. Subhash Lomte	Sh. Subhash Lomte	-	-
35.	Sh. De Ramakrishnan	-	Sh. De Ramakrishnan	Sh. De Ramakrishnan
36.	Adviser(Labour, Employment & Manpower)(LEM), Planning Commission – Convenor of Steering Committee	Sh. Shailendra Sharma, Adviser(LEM) <u>In attendance</u> Smt. Padamja Mehta, Director (LEM) Sh. Rajendra Singh, E.O.	Smt. Padamja Mehta, Director (LEM) <u>In attendance</u> Sh. Shailendra Sharma, Consultant (LEM)	Sh. S.K. Saha, Joint Adviser (LEM) <u>In attendance</u> Smt. Sunita Sanghi, Director (LEM) Sh. Shailendra Sharma, Consultant (LEM) Sh. Raj Kumar, SRO(LEM) Ms. Nitika Gupta, SRO(LEM) Sh. Kailash Chand, RO (LEM)

Contributions to the Report by the Labour, Employment & Manpower Division

Chapter No.	Title	Preparation of First draft of Chapter in LEM Division	Second and the Final Draft of the Report
1	The Background	S.K. Saha, the then Joint Adviser(LEM) and E. Nagachandran, SRO (LEM)	Final Draft of the Report was prepared by Shailendra Sharma, Consultant (LEM), utilising Chapters 5 to 9 of the first draft of Report.
2.	Measurement of Labour Force, Work Force and Employment – The Concepts	This Chapter did not exist in the first draft.	
3.	Labour Force and Employment Projections	This Chapter did not exist in the first draft in its present form.	
4.	The Approach and Strategy For Employment Generation	This Chapter did not exist in the first draft in its present form.	
5.	Skill Development and Vocational Training	Shailendra Sharma, Consultant (LEM)	
6.	Occupational Safety and Health	S.K. Saha, the then Joint Adviser(LEM) and E. Nagachandran, SRO (LEM)	
7.	Social Security of Workers	S.K. Saha, the then Joint Adviser(LEM) and E. Nagachandran, SRO (LEM)	
8.	Labour Laws and Other Labour Regulations	Shailendra Sharma, Consultant (LEM)	
9.	Child Labour	Sunita Sanghi, Director (LEM) and S.K. Saha, the then Joint Adviser (LEM)	
10.	Financial Implications	S.K. Saha, the then Joint Adviser(LEM) and E. Nagachandran, SRO (LEM)	
11.	Recommendations	This Chapter did not exist in the first draft.	