
Unit - 6 □ Salient features, Compensation, Range of benefit and administration of old age pension, Maternity benefit, Women's compensation, Unemployment assistance

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6.0 Introduction

The Government has been increasingly concerned with the issue of ageing, health and income security during old age as well as its close links to the mental and emotional well being. The Poverty Alleviation Programmes directed at the aged alone cannot provide a solution to the income and social security problems of the elderly. Faced with such large numbers, it is imperative that the problem will have to be addressed through thrift and self-help, where people prepare for old age by saving accumulating through their decades in the labour force. The role that the Government can play in this enterprise is to create the necessary institutional infrastructure to enable and encourage each citizen to undertake this task.

6.1 Constitutional Provision

In the Constitution of India, entry 24 in list III of schedule Vn deals with the “Welfare of Labour, including conditions of work, provident funds, liability for worksmen’s compensation, invalidity and old age pension and maternity benefits. Further Article 41 of Directive Principles of State Policy has particular relevance to Old Age Social Security.”

Article 41 of the Indian Constitution, deals with the State’s role in providing social security to the aged

According to this article, “the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in case of unemployment, OLD AGE, sickness and disablement and in other cases of undeserved want.”

6.2 Oasis

As a culmination of this growing concern the Ministry of Social Justice and Empowerment commissioned the National Project titled “OASIS” (acronym for Old Age Social and Income Security) and nominated an 8 member Expert Committee headed by Dr. S.A. Dave, former Chairman of Unit Trust of India, to examine policy questions connected with old age income security in India.

As per the Report a person will open a single Individual Retirement Account

(IRA) with the pension system at as early a point in his life as possible. The account will provide the individual with a unique IRA number that will stay with the individual through life. The individual would save and accumulate assets into this account in his working life, subject to a minimum of Rs. 100 per contribution and Rs. 500 in total accretions per year.

Individuals would be free to decide the frequency of accretions into their accounts; there will be no pressure to make a fixed monthly contribution. The account would stay with the individual across job changes, spells of unemployment, and can be accessed at any location in India. The individual would always have access to an account balance statement showing his assets. Also the individual would be empowered in having control of how his pension assets should be managed. Finally, upon retirement, the individual would be able to use his pension assets to buy annuities from annuity providers and obtain a monthly pension.

At age 60, an individual would be able to derive benefits from his retirement account. The pension system would require that the first Rs. 2,00,000 of accumulations be used for buying an annuity and thus obtaining a monthly inflation-indexed pension of roughly Rs. 1500/- which is well above the poverty line. Beyond that, an individual would be free to decide how his assets should be deployed. This minimum mandatory annuitisation level (of Rs. 2,00,000) should be periodically revised to keep pace with inflation. Premature cessation of accumulation (e.g. owing to retirement before age 60) would be possible only if 100% of the assets are annuitised.

Other benefits including integration of a micro credit facility into the pension system whereby individuals can have access to the funds in the form of a loan against their pension savings. The bank branches can disburse these loans upto Rs. 5,000 provided the individual pension account has a balance in excess of Rs. 10,000. The premature withdrawal would be permitted once an individual accumulate Rs. 2 lakh in the Individual Retirement Account (IRA). Such withdrawals to a maximum of 30% of the accumulated balance above Rs. 2 lakh shall be permitted for housing, medical expenses for serious illness or other grounds specified by the Regulating Authority.

However, the recommendations of the Report are still under examination. Given the ground situation, the Working Group is of the opinion that, as part of the Tenth Plan a key focus area should be to establish a single national enumeration in the form a social security number for the workforce. This number should be used by all agencies of the Central and State Governments in the matter of delivery of social security benefits of workers.

Apart from the direct benefits at the operational level in the matter of collection, accumulation and accounting of contributions and distribution of benefits, valuable strategic data will be generated indicating information relating to the mobility of the

workforce, gender issues, seasonal movement in relation work, family status, income levels etc. in the work force which can be the basis for any future policy formulation at the strategic level.

6.3 National Policy Older Persons

The Government of India announced a National Policy on Older Persons in January, 1999. This policy provides a broad framework for inter-sectoral collaboration and cooperation both within the government as well as between government and non-government agencies. In particular, the policy has identified a number of areas of intervention - financial security, healthcare and nutrition, shelter, education, welfare, protection of life and property etc. for the well being of older persons in the country. Amongst others the policy also recognizes the role of the NGO sector in providing user friendly affordable services to complement the endeavours of the State in this direction.

6.4 National Old Age Pension (NOAP) Scheme

Under National Old Age Pension Scheme, Central Assistance is available on fulfillment of the following criteria

- The age of the application (male or female should be 65 years or more).
- The application must be a destitute in the sense that he/she has no regular means subsistence from his/her own source of income or through financial support from family members or other sources.
- The amount of old age pension is Rs. 75 per month. This scheme is implemented in the State and Union Territories through Panchayats and Municipalities. Both Panchayats and Municipalities are encourage to involve voluntary agencies as much as possible in benefiting the destitute elderly for whom this scheme is intended.

a. Weakness of National Old age Pension Scheme :

- the selection process of beneficiaries was too bureaucratic, as it involved too many offices and establishments which discouraged many prospective beneficiaries to participate,
- the process of bureaucratization also encourage room for mal practices and lured the unscrupulous elements to make foray into the process of selection.
- lack of awareness, due to lack of enviromental building exerciceses, also limited the scope of the programme,
- the ritualistic or casual approach of the programme functionaries on account of their heavy work load, also attracted amny duboius elements to take advantage of the situation,

- Lack of coordination between various departments, involved in the programme, also contributed to its poor performance.
- b. Suggestions :**
- panchayat-wise detail information about the beneficiaries be provided in the family as well as economic register maintained at the block offices, which should be regularly updated,
 - the list of beneficiaries identified on the basis BPL survey be uniformly accepted and followed by all the departments who are involved in the programme so that anomalies arising out, be taken care off,
 - the progress report of benefits given to panchayats, under different scheme, be prepared every which should also contain the detail information about beneficiaries,
 - effort be made, either with the help of some professional body, between blocks and other departments who are involved in the programmes to work in close liaison.

6.5 Pension and family pension

The centrally funded social assisted programmes include schemes for both rural and urban areas under the National Social Assistance Programme (NSAP), which has three components viz., National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS) & National Maternity Benefit Scheme (NMBS).

a. For Central Government employees

The revision of pension/family pension approved by the Central Government based on the 5th Pay Commission is given below :

i. Pension

People, who retired from service as 1-1-96, will get their pension at 50 per cent of their basic pay. Pension of those who retired before 1-1-96 will be fixed based on 50 per cent of the minimum of the new scale applicable in place of old scale in which he/she retired. Special provision has been made for people retire before completing 10 months of service after 1 January 1999 (before 30 September 1996) and have opted to come over to the revised scales of pay are eligible weight age at 40 per cent on the existing basic pay for arriving at the average pay fixation on pension.

ii. Family pension

Family pension of people who retired from service as on 1-1-96 will be fixed at 30 per cent of the pay drawn by the deceased employee based on the new pension formula subject to his having put in 33 years of service. Family pension of people who retired before 1-1-96 will be fixed at 30 per cent of the pay drawn by the deceased employee based on the new pension formula subject to his having put in 33 years service.

b. For Central Government employees who have been permanently absorbed in public sector undertakings/autonomous bodies.

i. Pension

Where the Government servants on permanent absorption in public sector undertakings/autonomous bodies continue to draw pension separately from the Government, the pension of such absorbees will be updated in terms of these orders. In cases where the Government servants have drawn one-time lump sum terminal benefits equal to 100 per cent of their pensions and have become entitled to the restoration of one-third commuted portion of pension as per Supreme Court judgment dated 15.12.1995, their cases will not be covered by these orders.

ii. Family pension

In cases where, no permanent absorption in public sector undertaking/autonomous bodies, the terms of absorption permit grant of family pension under the CCS (Pension) Rules, 1972 or the corresponding rules applicable to Railway employees/members of All India Services, the family pension being drawn by family pensioners will be updated in accordance with these orders.

6.6 Insurance Schemes Jeevan Dhara

This is a Pension Plan for the individuals who are self-employed, artists, cine artists, technicians, businessmen, businesswomen, professionals, as these individuals cannot have 'Pension' benefit after they cease to earn, when compared with State/Central Government's employees who are endowed with 'Pension' benefits.

6.7 The Employees' Pension Scheme, 1995

The Employees' Pension Scheme, 1995 was introduced w.e.f. 16.11.95, the pension scheme is compulsory for all members of the family pension scheme. It is also compulsory for persons who became members of provident fund from 16.11.95. Minimum 10 years membership of the fund is required for entitlement to pension.

Normal superannuation pension is payable on attaining the age of 58 years and at a proportionately reduced rate on attaining the age of 50 years. The Scheme also provides for monthly pension in the contingency of death, total permanent disablement etc. The amount of monthly pension depends upon pensionable salary and pensionable service. On completion of 33 years contributory service, 50% of pay is payable as pension. The minimum pension for the widow is Rs. 4507- per month and maximum may go up to Rs. 2,5007- per month payable as normal members' pension on completion of 33 years service. Family Pension up to Rs. 1,7507- per month is also payable to the widow of the member who has contributed to the pension fund just for one month.

In addition to widow pension the family is also entitled to children pension @ 25% of widow pension payable up to two children till they attain the age of 25 years. The employees have the option to accept the admissible pension of 10% reduced pension with return of capital equivalent to 100 times of original pension. The Scheme is financed by diverting employers' share of PF contribution @ 8.33% of wage to the pension fund. Accumulation of the ceased family pension scheme constitutes the corpus of the new pension fund. The Central govt. also contributes to the pension fund @ 1.16% of the wage.

6.8 Maternity Benefit Act, 1961

Maternity benefit is one of the of the most widespread social security measures that are there in the pro-people policies employed by both developing and developed countries alike. India is no exception. In fact, the article 42 of the constitution of India, 1950 imposes obligation upon the state to make provision for securing just and human conditions of work and for maternity relief. In view of this constitutional obligation the parliament has passed the maternity benefit act, 1961 to regulate the employment of women in specified organization/ institution/establishment for certain period before and after the child birth and to provide for maternity and other benefit.

6.8.1 Aims and objectives

The objective of maternity leave and benefit is to protect the dignity of motherhood by providing for full and health maintenance of women and her child when she is not working. With the advent of modern age, as the number of women employees is growing, the maternity leave and other maternity benefits are becoming increasingly common. But there was no beneficial piece of legislation in the horizon which is intended to achieve the object of doing social justice to women workers employed in factories, mines and plantation.

The maternity benefit act aims to regulate to employment of women employees in certain establishments for certain periods before and after child birth and provides for maternity and certain other benefits.

6.8.2. Extent and scope

The act extends to the whole of India and is applicable to :

- Every factory, mine or plantation (including those belonging to government) and
- An establishment engaged in the exhibition or equestrian, acrobatic and other performance, irrespective of the number of employees, and
- To every shop or establishment wherein 10 or more persons are employed or were employed on any day of the preceding 12 months.

The state government may extend the act to any other establishment or class or establishments; industrial, commercial, agriculture or otherwise.

However, the act **does not apply** to any such **factory/other establishment** to which the provisions of the **employees' state insurance act are applicable** for the time being.

But, where the. factory/establishment is governed under the employees' state insurance act, and the woman employee is not qualified to claim maternity benefit under section 50 of that act, because her wages exceed Rs. 3,000 p.m. (or amount so specified u/s 2(9) of the ESI act), or for any other reason, then such woman employee is entitled to claim maternity benefit under this act till she becomes qualified to claim maternity benefit under the E.S.I, act.

6.8.3 What is maternity benefit ?

Every woman shall be entitled to, and her employer shall be liable for, the payment of maternity benefit, which is the amount payable to her at the rate of the average daily wage for the period of her actual absence.

The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks in all whether taken before or after childbirth. However she cannot take more than six weeks before her expected delivery.

Prior to the amendment of 1989, a woman employee could not avail of the six weeks' leave preceding the date of her delivery; she was entitled to only six weeks leave following the day of her delivery. However, by the above amendment, the position has changed. Now in case a woman employee does not avail of six weeks' leave preceding the date of her delivery, she can avail of that leave following her delivery, providing the total leave period, i.e. Preceding and following the day of her delivery does not exceed 12 weeks.

6.8.4 Who is entitled to maternity benefit ?

- Every woman employee, whether employed directly or through a contractor, who has actually worked in the establishment for a period of at least 80 days during the 12 months immediately preceding the date of her expected delivery, is entitled to receive maternity benefit.
- The qualifying period of 80 days shall not apply to a woman who has immigrated into the state of Assam and was pregnant at the time of immigration.
- For calculating the number of days on which a woman has actually worked during the preceding 12 months, the days on which she has been laid off or was on holidays with wages shall also be counted.

There is neither a wage ceiling for coverage under the act nor there is any restriction as regards the type of work a woman is engaged in.

6.8.5 Notice that is to be given for maternity benefit

A woman employee entitled to maternity benefit may give a notice in writing (in the prescribed form) to her employer, stating as follows :

- i. That her maternity benefit may be paid to her or to her nominee (to be specified in the notice);
- ii. That she will not work in any establishment during the period for which she receives maternity benefit; and
- iii. That she will be absent from work such date (to be specified by her), which shall not be earlier than 6 weeks before the date of her expected delivery.

The notice may be given during the pregnancy or as soon as possible, after the delivery.

On receipt of the notice, the employer shall permit such woman to absent herself from work after the day of her delivery. The failure to give notice, however, does not disentitle the woman to the benefit of the act.

6.8.6 Restriction on employment of pregnant woman

- No employer should knowingly employ a woman during the period of 6 weeks immediately following the day of her delivery or miscarriage or medical termination of pregnancy. Besides, no woman should work in any establishment during the said period of 6 weeks.
- Further, the employer should not require a pregnant woman employee to do an arduous work involving long hours of standing or any work which is likely to interfere with her pregnancy or cause miscarriage or adversely affect her health, during the period of 1 month preceding the period of 6 weeks before the date of her expected delivery, and any period during the said period of 6 weeks for which she does not avail of the leave.

6.8.7 Discharge or dismissal to be void

When a pregnant woman absents herself from work in accordance with the provisions of this act, it shall be unlawful for her employer to discharge or dismiss her during, or on account of, such absence, or give notice of discharge or dismissal in such a day that the notice will expire during such absence or to vary to her disadvantage any of the conditions of her services.

Dismissal or discharge of a pregnant woman shall not disentitle her to the maternity benefit or medical bonus allowable under the act except if it was on some other ground.

6.8.8 Other benefits

➤ Leave for miscarriage etc. and illness

In case of miscarriage or medical termination of pregnancy, a woman shall, on production of the prescribed proof, be entitled to leave with wages at the rate of

maternity benefit, for a period of 6 weeks immediately following the day of her miscarriage or medical termination of pregnancy.

➤ **Leave for tubectomy operation**

In case of tubectomy operation, a woman shall, on production of prescribed proof, be entitled to leave with wages at the rate of maternity benefit for period of two weeks immediately following the day of operation.

➤ **Leave for illness**

Leave for maximum period of one month with wages at the rate of maternity benefit are allowable in case of illness arising out of pregnancy, delivery, premature birth of child, miscarriage or medical termination of pregnancy or tubectomy operation.

➤ **Medical bonus**

Every woman entitled to maternity benefit shall also be allowed a medical bonus of Rs. 250, if no pre-natal confinement and post-natal care is provided for by the employer free of charge.

6.8.9 Duties of employers

Important obligations of employers under the act are :

1. to pay maternity benefit and/or medical bonus and allow maternity leave and nursing breaks to the woman employees, in accordance with the provisions of the act.
2. not to engage pregnant women in contravention of section 4 and not to dismiss or discharge a pregnant woman employee during the period of maternity leave.

6.8.10 Rights of employees

Important rights of an employee are :

1. To make a complaint to the inspector and claim the amount of maternity benefit improperly withheld by the employer.
2. To appeal against an order of the employer depriving her of the maternity benefit or medical bonus or dismissing or discharging her from service, to the competent authority, within 60 days of the service of such order.

6.8.11 Penalties for action in contravention of the act by an employer

1. For failure to pay maternity benefit as provided for under the act, the penalty is imprisonment upto one year and fine upto Rs. 5,000. The minimum being 3 months and Rs. 2,000 respectively.
2. For dismissal or discharge of a woman as provided for under the act, the penalty is imprisonment upto one year and fine upto Rs. 5,000. The minimum being 3 months and Rs. 2,000 respectively.
3. For trying to disentitle the woman to the benefit of the act. Apart from the Act

that is enforceable more in the organized sector, there is a scheme that even unorganized sector workers can avail of:

6.9 National Maternity Benefit Scheme (NMBS)

Under NMBS there is a provision for the payemtn of Rs. 500 per pregnancy to women belonging to poor households for pre-netal and post-netal maternity care up to first two live births. The benefit is provided to eligible women of 19 years and above.

This scheme regarding Maternity benefit was launched by the erstwhile Department of Family Welfare. For Implementation of the Scheme meetings are convened by Deputy Commissioner (North_ and MLAs, Councilors, CDMO, District and DHO of MCD, Head of Department of Delhi Govt. Hospital of District North, Assistance Director of Food & Supply and NGOs are the members of the Committee. The Scheme was launched with the object to decrease Maternity Mortality Rate and to improve the status of health of women especially those falling below poverty line. A grant of Rs. 20,0007- was given by the Family and Health Welfare Department during the year 2004-05. The benefit has been given to those women who are having BPL Card and for first two live births at least 12 to 18 weeks before due dates of delivery and in exceptional cases it can be paid after delivery. A sum of Rs. 5007- was paid to each women in March 2005.

The guidelines are as follows :

1. should be a permanant resident of a village
2. should belong to a BPL category
3. one can enjoy the benefit during her 1st and 2nd pregnancy only.
4. one can apply during 8-9 months pregnancy only.

The Workmen's Compensation Act, 1923

A beginning in social security in India was made when workmen's Compensation Act was passed in 1923 providing for payment of compensation to workmen and their families in case of industrial accidents and certain occupational diseases arising out of and in course of employment and resulting in death or disablement.

The Act has prescribed separate scales of compensation for death, permanent total disablement and temporary disablement. It covers workers employed in certain specified hazardous occupations except those who are covered under the Employees' State Insurance Act, 1948. The Act provides for cheaper and quicker disposal of disputes relating to compensation through special tribunals than is possible under the Civil Law.

The Act considers compensation payable by an employer to his workmen in case of an accident as a measure of relief and social security. It enables a workmen to get compensation irrespective of his negligence. It also lays down the various amount

payable in case of an accident depending upon the type and extent of injury. The employer now knows the amount of compensation he has to pay and is saved many uncertainties to which he was subject before the Act came into force.

The main purpose of the Act is to provide special machinery to deal with the cases of compensation in case of accidents and to make arrangement for some prompt compensation to the injured workman who cannot afford to go to the Court of Law. The Act has proved of immense utility to both the workman and the employers and has resulted in bringing about better relations among them. It provides a simple cheap and prompt procedure for the recovery of compensation and relieves the parties of unnecessary litigation.

The Workmen's Compensation Act, 1923 provides for payment of compensation to workmen and their dependants in case of injury and accident (including certain occupational disease) arising out of and in the course of employment and resulting in disablement or death. The Act applies to railway servants and persons employed in any such capacity as is specified in Schedule I of the Act. The schedule II includes persons employed in factories, mines, plantations, mechanically propelled vehicles, construction works and certain other hazardous occupations.

The amount of compensation to be paid depends on the nature of the injury and the average monthly wages and age of workmen. The minimum and maximum rates of compensation payable for death (in such cases it is paid to the dependents of workmen) and for disability have been fixed and is subject to revision from time to time.

A Social Security Division has been set up under the Ministry of Labour and Employment, which deals with framing of social security policy for the workers and implementation of the various social security schemes. It is also responsible for enforcing this Act. The Act is administered by the State Governments through Commissioners for Workmen's Compensation.

6.9.1 THE MAIN PROVISIONS OF THE ACT ARE :-

- An employer is liable to pay compensation:- (i) if personal injury is caused to a workman by accident arising out and in the course of his employment; (ii) of a workman employed in any employment contracts any disease, specified in the Act as an occupational disease peculiar to that employment
- However, the employer is not liable to pay compensation in the following cases :-
 - if the injury does not result in the total or partial disablement of the workman for a period exceeding three days.
 - If the injury, not resulting in death or permanent total disablement, is caused by an accident which is directly attributable to :- (i) the workman

having been at the time of the accident under the influence of drink or drugs; or (ii) the willful disobedience of the workmen to an order expressly given, or to a rule expressly framed, for the purpose of securing the safety of workmen; or (iii) the willful removal or disregard by the workman of any safety guard or other device which has been provided for securing safety of workmen.

- The State Government may, by notification in the Official Gazette, appoint any person to be a Commissioner for Workmen's Compensation for such area as may be specified in the notification. Any Commissioner may, for the purpose of deciding any matter referred to him for decision under this Act, choose one or more persons possessing special knowledge any matter relevant to the matter under inquiry to assist him in holding the inquiry.
- Compensation shall be paid as soon as it falls due. In cases where the employer does not accept the liability for compensation to the extent claimed he shall be bound to make provisional payment based on the extent of liability which he accepts, and such payment shall be deposited with the Commissioner or made to the workman, as the case may be.
- If any question arises in any proceedings under this Act as to the liability of any person to pay compensation (including any question as to whether a person injured is or is not a workman) or as to the amount or duration of compensation (including any question as to the nature or extent of disablement), the question shall, in default of agreement, be settled by a Commissioner. No Civil Court shall have jurisdiction to settle, decide or deal with any question which is by or under this Act required to be settled, decided or dealt with by a Commissioner or to enforced any liability incurred under this Act.
- The State Government may, by notification in the Official Gazette, direct that every person employing workmen, or that any specified class of such persons, shall send at such time and in such form and to such authority, as may be specified in the notification, a correct return specifying the number of injuries in respect of which compensation has been paid by the employer during the previous year and the amount of such compensation together with such other particulars as to the compensation as the State Government may direct.
- Whoever, fails to maintain a notice-book which he is required to maintain; or fails to send to the Commissioner a statement which he is required to send; or fails to send a report which he is required to send; or fails to make a return which he is required to make, shall be punishable with fine.

6.9.2 THE MAIN PROVISIONS OF THE ACT ARE :-

The Workmen's Compensation Act, aim to provide workmen and/or their dependents some relief in case of accidents arising out of and in the course of employment and causing either death or disablement of workmen.

It provides for payment by certain classes of employers to their workmen compensation for injury by accident.

a. WHO IS A WORKMAN

Workman means any person (other than a person whose employment is of a casual nature and who is employed otherwise than for the purpose of the employer's trade or business) who is-

- i) a railway servant as defined in section 3 of the Indian Railways Act, 1890 not permanently employed in any administrative, district or sub-divisional office of a railway and not employed in any such capacity as is specified in Schedule II, or
- ii) employed in any such capacity as is specified in Schedule II,

Whether the contract of employment was made before or after the passing of this Act whether such contract is expressed or implied, oral or in writing.

The provisions of the Act have been extended to cooks employed in hotels, restaurants using power, liquefied petroleum gas or any other mechanical device in the process of cooking.

b. EMPLOYEES ENTITLED TO COMPENSATION

Every employee (including those employed through a contractor but excluding casual employees), who is engaged for the purposes of employer's business and who suffers an injury in any accident arising out of and in the course of his employment, shall be entitled for compensation under the Act.

c. EMPLOYER'S LIABILITY FOR COMPENSATION (ACCIDENTS)

The employer of any establishment covered under this Act, is required to compensate an employee :

- Who has suffered an accident out of and in the course of his employment, resulting into (i) death (ii) permanent total disablement, (iii) permanent partial disablement, or (iv) temporary disablement whether total or partial, or
- Who has contracted an occupational disease.

d. HOWEVER THE EMPLOYER SHALL NOT BE LIABLE

- In respect of any injury which does not result in the total or partial disablement of the workmen for a period exceeding three days;
- In respect of any injury not resulting in death, caused by an accident which is directly attributable to-

- i. the workmen having been at the time thereof under the influence of drugs, or
- ii. the willful disobedience of the workman to an order expressly given, or to a rule expressly framed, of the purpose of securing the safety of workmen, or
- iii. the willful removal or disregard by the workmen of any safeguard or other device which he knew to have been provided for the purpose of securing the safety of workmen.

The burden of proving intentional disobedience on the part of the employee shall lie upon the employer.

- iv. when the employee has contracted a disease which is not directly attributable to a specific injury caused by the accident or to the occupation; or
- v. when the employee has filed a suit for damages against the employer or any other person, in a Civil Court.

e. CONTRACTING OUT

Any contract or agreement which makes the workmen give up or reduce his right to compensation from the employer is null and void insofar as it aims at reducing or removing the liability of the employer to pay compensation under the Act.

6.9.3 WHAT IS DISABLEMENT

Disablement is the loss of the earning capacity resulting from injury caused to a workman by an accident.

- Disablement's can be classified as (a) Total, and (b) Partial. It can further be classified onto (i) Permanent, and (ii) Temporary, Disablement, whether permanent or temporary is said to be total when it incapacitates a worker for all work he was capable of doing at the time of the accident resulting in such disablement.
- Total disablement is considered to be permanent if a workman, as a result of an accident, suffers from the injury specified in Part I of Schedule I or suffers from combination of injuries specified in Part n of Schedule I as would be the loss of earning capacity when totaled to one hundred per cent or more. Disablement is said to be permanent partial when it reduced for all times, the earning capacity of a workman in every employment, which he was capable of undertaking at the time of the accident. Every injury specified in Part II of Schedule I is deemed to result in permanent partial disablement.
- Temporary disablement reduces the earning capacity of a workman in the employment in which he was engaged at the time of the accident.

6.9.4 ACCIDENT ARISING OUT OF AND IN THE COURSE OF EMPLOYMENT

An accident arising out of employment implies a casual connection between the injury and the accident and the work done in the course of employment. Employment should be the distinctive and the proximate cause of the injury. The three tests for determining whether an accident arose out of employment are :

1. At the time of injury workman must have been engaged in the business of the employer and must not be doing something for his personal benefit;
2. That accident occurred at the place where he was performing his duties; and
3. Injury must have resulted from some risk incidental to the duties of the service, or inherent in the nature condition of employment.

The general principles that are evolved are :

- There must be a casual connection between the injury and the accident and the work done in the course of employment;
- The onus is upon the applicant to show that it was the work and the resulting strain which contributed to or aggravated the injury;
- It is not necessary that the workman must be actually working at the time of his death or that death must occur while he was working or had just ceased to work; and

Where the evidence is balanced, if the evidence shows a greater probability which satisfies a reasonable man that the work contributed to the causing of the personal injury it would be enough for workman to succeed. But where the accident involved a risk common to all humanity and did not involve any peculiar or exceptional danger resulting from the nature of the employment or where the accident was the result of an added peril to which the workman by his own conduct exposed himself, which peril was not involved in the normal performance of the duties of his employment, then the employer will not be liable.

6.9.5 COMPENSATION IN CASE OF OCCUPATIONAL DISEASES

Workers employed in certain types of occupation are exposed to the risk of contracting certain diseases, which are peculiar and inherent to those occupations. A worker contracting an occupational disease is deemed to have suffered an accident out of and in the course of employment and the employer is liable to pay compensation for the same.

Occupational diseases have been categorized in Parts A, B and C of Schedule HI. The employer is liable to pay compensation :

- a When a workman contracts any disease specified in Part B, while in

service for a continuous period of 6 months under one employer. (Period of service under any other employer in the same kind of employment shall not be included,

- b. When a workman contracts any disease specified in Part C, while he has been in continuous service for a specified period, whether under one or more employers. (Proportionate compensation is payable by all the employers, if the workman had been in service under more than one employer).

If an employee has after the cessation of that service contracted any disease specified in the said Part B or Part C, as an occupational disease peculiar to the employment and that such disease shall be deemed to be injury by accident within the meaning of the Act.

6.9.6 CALCULATION OF COMPENSATION

The amount of compensation payable by the employer shall be calculated as follows:

(a) In case of death - 50% of the monthly wages X Relevant Factor or Rs. 50,000, whichever is more. And Rs. 1,000/- for funeral expenses.

(b) In case of total permanent disablement Specified under Schedule I- 60% of the monthly wages X Relevant Factor or Rs. 60,000/-, whichever is more.

(c) In case of partial permanent disablement specified under Schedule I - Such percentage of the compensation payable in case (b) above as is the percentage of the loss in earning capacity (specified in Schedule I).

(d) In case of partial permanent disablement not specified under Schedule I - Such percentage of the compensation payable in case (b) above, as is proportionate to the loss of earning Capacity (as assessed by qualified medical practitioner).

(e) In case of temporary disablement (whether total or partial). A half- monthly installment equal to 25% of the monthly wages, for the period of disablement or 5 years, which is shorter.

6.9.7 WHEN COMPENSATION TO BE DEPOSITED WITH COMMISSIONER ?

The amount of compensation is not payable to the workman directly. It is generally deposited along with the prescribed statement, with the Commissioner who will then pay it to the workman. Any payment made to the workman or his dependents, directly, in the following cases will not be deemed to be a payment of compensation:

- i. in case of death of the employee;
- ii. in case of lump sum compensation payable to a woman or minor or a person of unsound mind or whose entitlement to the compensation is in dispute or a person under a legal disability.

Besides, compensation of Rs. 10 or more be deposited with the Commissioner on behalf of the person entitled thereto.

The receipt of deposit with the Commissioner shall be a sufficient proof of discharge of the employer's liability.

6.9.8 AMOUNT PERMISSIBLE TO BE PAID TO THE WORKMAN DEPENDENTS DIRECTLY

Following amounts may be paid directly workman or his dependents :

- a. In case of death of the workman, any advance on amount of compensation upto [an amount equal to three months' wages of such workman] may be paid to any dependent.
- b. In case of lump sum compensation payable to an adult make worker not suffering from any legal disability.

In case on half-monthly payments payable to any workman.

6.9.9. REGISTRATION OF AGREEMENTS OF COMPENSATION

1. Where the amount payable as compensation has been settled by agreement a memorandum thereof shall be sent by the employer to the Commissioner, who shall, on being satisfied about its genuineness, record the memorandum in a registered manner.
2. However where it appears to the Commissioner that the agreement ought not to be registered by reason of the inadequacy of the sum or amount, or by reason that the agreement has been obtained by fraud or undue influence or other improper means he may refuse to record the agreement and may make such order including an order as to any sum already paid under the agreement as he thinks just in the circumstances.
3. An agreement for payment of compensation which has been registered shall be enforceable under this act notwithstanding anything contained in the Indian Contract Act, or any other law for the time being in force.

6.9.10 EFFECT OF FAILURE TO REGISTER AGREEMENT

When a memorandum of any agreement is not sent to the Commissioner for registration, the employer shall be liable to pay the full amount compensation, which he is liable to pay under the provisions of this Act.

6.9.11 FILLING OF CLAIMS

- A claim for the compensation shall be made before the Commissioner.
- No claim for compensation shall be entertained by the Commissioner unless the notice of accident has been given by the workman in the prescribed manner, except in the following circumstances :
 - a. in case of death of workman resulting from an accident which occurred on the premises of the employer, or at any place where the workman at

- the time of the accident was working died on such premises or such place in the vicinity of such premises or place;
- b. in case the employer has knowledge of the accident from any other source, at or about the time of its occurrence;
 - c. In case the failure to give notice or prefer the claim, was due to sufficient cause.

6.9.12 LIMITATION

Workman, to the Commissioner, may file the claim for accident compensation in the prescribed form, within 2 years from the occurrence of the accident or from the date of death. The claim must be preceded by

- (i) a notice of accident, and
- (ii) the claimant-employee must present himself for medical examination if so required by the employer.

6.9.13 ATTACHMENT AND ASSIGNMENT OF COMPENSATION

No compensation payable under this Act, whether in lump sum or half-monthly payments, can be attached, charged or passed on to any person other than workman by operation of law, nor can it be set off against any other claim.

6.9.14 DUTIES OF EMPLOYERS / EMPLOYEES

- To pay compensation for an accident suffered by an employee, in accordance with the Act.
- To submit a statement to the Commissioner (within 30 days of receiving the notice) in the prescribed form, giving the circumstances attending the death of a workman as result of an accident and indicating whether he is liable to deposit any compensation for the same.
- To submit accident report to the Commissioner in the prescribed form within 7 days of the accident, which results in death of a workman or a serious bodily injury to a workman ?
- To maintain a notice book in the prescribed form at a place where it is readily accessible to the workman.
- To submit an annual return of accidents specifying the number of injuries for which compensation has been paid during the year, the amount of such compensation and other prescribed particulars.

6.9.15. DUTIES OF EMPLOYEES

- To send a notice of the accident in the prescribed form, to the Commissioner and the employer, within such time as soon as it is practicable for him. The notice is precondition for the admission of the claim for compensation.
- To present himself for medical examination, if required by the employer.

Unemployment Assistance

Unemployment rates in a developing country like India are always on the rise as its population booms and the Central and State Govt.'s struggle to provide opportunity for adequate and suitable employment to more persons. The latest data shows :

Table 10.5 : Unemployment rates for 55th round (1999-2000) and 61st round (2004-05) of the NSSO						(all-India)
			Rural			
Males			Females			
Round	Usual	CWS	CDS	Usual	CWS	CDS
55th (1999-2000)	2.1	3.9	7.2	1.5	3.7	7.0
61st (2004-05)	2.1	3.8	8.0	3.1	4.2	8.7
			Urban			
			Males	Females		
Round	Usual	CWS	CDS	Usual	CWS	CDS
55th (1999-2000)	4.8	5.6	7.3	7.1	7.3	9.4
61st (2004-05)	4.4	5.2	7.5	9.1	9.0	11.6
Usual : Usual Principle Status, CWS : Current Weekly Status, CDS : Current Daily Status Source : NSSO's 61st Round Survey on Employment and Unemployment conducted during July 2004 - June 2005.						

Unemployment assistance brings to mind the concept of handing out a lump sum amount to an unemployed person periodically on a weekly, monthly, etc. basis. Most countries of the world view unemployment assistance as a part of supportive policy this point of view. However India one the largest (in terms of population) developing countries also has a large public debt burden which makes it nigh impossible for her to provide for monetary assistance to her unemployed citizens. Thus, in so far as India has taken measures to provide some protection for the unemployed and underemployed, these have tended to take the form of a myriad of employment-intensive programmes. These programmes can both generate employment and reduce poverty by using labour-based techniques for mainstream investment programmes and by directing investments increasingly towards the productive and social needs of the low-income groups in the population. Some programmes of this type operate on a large scale. For example, the Jawahar Rozgar Yojana (JRY) programme in India by the mid-1990s covered over one- third of the country's underdeveloped districts and provided some 20 days' work a year to each participant.

Unemployment Assistance vis-a-vis Policies for Promoting Employment in India

Ever since the initiation of planning in India in 1950, the Government has stressed the goal of increasing employment opportunities and eventually eradicating

unemployment from the country. Awareness about the difficulties of eliminating unemployment has, over the three decades, led the successive governments at the centre and in the states to formulate and implement several schemes for eradicating unemployment and promoting employment. High rates of unemployment among the youth have been recognized by the planners (India, Planning Commission, 1970). It is generally stressed as the problem of unemployment among the “educated” or those who have passed the high school certificate examination (matriculates) or the higher educated. The problem is seen as part of the overall problem of employment creation or development.

Yet, some of the special employment schemes have been aimed specifically at the youth to improve their training and skills and to promote self-employment and entrepreneurship. They included : an effort to reorient the Indian educational system in the direction of Vocational Educational; an Apprenticeship Training Scheme supported by legislation passed in 1961 and amended in 1973 and 1986; the centrally sponsored scheme of TRYSEM (Training of Rural Youth for Self-Employment); and a Self- Employment Scheme for Educated Unemployed Youth (SEEUY) in urban areas. These schemes were intended to address the problems of urban youth. Some of the schemes have been modified in the light of experience and the findings of evaluations undertaken by various agencies and institutions on behalf of the government. Yet, the overall problem of high rates of unemployment among the youth continues to be virtually intractable.

Some of the schemes still in operation or have been merged with other schemes over the years for greater efficacy can be enumerated as follows :

1. National Employment Service or Employment Exchanges

National Employment Service, operated by the Directorate General of Employment and Training, Ministry of Labour, runs nearly 900 Employment Exchanges in order to bring about a better matching of the demand for and the supply of work opportunities. However, over the years, the number of persons registered with these exchanges each year for help in finding a job has far exceeded the number of placements. During 1995, for example, the 895 exchanges had registered 5.9 million job-seekers, but the number of vacancies notified to them was no more than 386,000; and after 3.6 million submissions, the placements numbered only 215,000. At the end of the year, 6.7 million persons were on the “live register”. The Draft Ninth Plan has recognised that “within the public sector, including the government administration, the role of employment exchanges in personnel selection has ... practically vanished”. (Planning Commission, 1998, Vol. II, p. 453).

2. Prime Minister’s Scheme for Unemployed Urban Youth

Between 1983 and 1993-94, India also had a scheme for Self-employment for

Educated Urban Youth, which has not been subsumed under a new scheme called the Prime Minister's Rozgar (Employment) Scheme (PMRY) since 1994-95. Self-employment for Educated Urban Youth was designed to help the urban educated unemployed youth aged 18-35 in non-metropolitan towns and cities (with a population of less than one million), with an annual family income not exceeding Rs. 10,000.

The central government provided a capital subsidy of 25 percent of the loan from a bank to take up self-employment ventures in industry, services and business. The entrepreneur was not required to find any margin money for the bank loan. Over a decade, nearly 39.6 million urban youth were given loans amounting to Rs.31.9 billion. The average amount works out to less than Rs.20,000 per assisted person. (Planning Commission 1996, p-84).

Since October 2, 1993, the Government has been implementing Prime Minister's Rozgar Yojana (PMRY) or a Scheme for Educated Unemployed Youth has been implemented to assist one million educated unemployed youth (from both rural and urban areas) by March 31, 1997 (up to the end of the Eighth Plan). The youth are encouraged and helped to set up micro enterprises, covering manufacturing, service and business ventures. The scheme caters to youth aged 18 to 35 from families with an annual income of less than Rs.24,000, who are expected to propose schemes for setting up small enterprises with a bank loan of up to Rs. 100,000, without any collateral guarantee. If two or more eligible persons join together, more costly projects can also be assisted under the scheme. The entrepreneurs are given a subsidy of 15 percent, subject to a ceiling of Rs.7500/=, and they are required to bring in 5 percent of the project cost as the margin money, i.e., the amount to be invested by the person seeking a bank loan. The eligible entrepreneurs include youth, who have passed or failed in matriculation examination, or graduates from Industrial Training Institutes or those who have undergone training in a government-sponsored technical course for a minimum of six months. The applicants are expected to be permanent residents of an urban area for three years and are to be assisted by the District 'Industries Centres (DICs) and/or NGOs with the requisite background. The scheme envisages compulsory training of the entrepreneurs for four weeks after the sanctioning of the loan; a stipend of Rs.300 is paid during the four weeks. The Prime Minister's Office and the Reserve Bank of India monitor the progress of the scheme on a monthly basis and advise all the Indian scheduled commercial banks to meet the targets prescribed at the start of the year.

During 1993-94, the first year of the scheme, about 32,000 youth were granted loan. The target for 1994-95 was to help 220,000 persons. Relative to the SEEUY, PMRY envisaged a larger scale of effort but it also covered a much larger territory, including all metropolitan cities and rural areas under its scope.

3. Training of Rural Youth for Self-Employment (TRYSEM)

TRYSEM was initiated on August 15, 1979, “to provide basic technical and managerial skills to rural youth from families below the poverty line” to enable them to take up “self employment and wage employment in the broad fields of agricultural and allied sectors, namely industries, services and business services”. Rural youth aged 18-35 are eligible; age is relaxed to 16 inmates of orphanages in rural areas and up to 45 in the case of widows, freed bonded labourers, freed convicts, persons displaced from large development projects, and cured leprosy patients. The programme is expected to cover a minimum of 50 percent of the youth from the scheduled caste and tribe communities and a minimum of 3 percent from the ranks of the physically handicapped. Training is imparted through formal institutions, including industrial and servicing units, commercial and business establishments and through master craftsmen.

The District Rural Development Agency (DRDA) is expected to approve the syllabus for each trade and it is expected to impart not only job skills but also managerial and entrepreneurial capability. Subject to the approval by the State Level Co-ordination Committee, the duration of a course does not exceed six months. The states bear 50 percent of the expenditure on the scheme, with the central government 40 covering the rest. (In the union territories, the central government covers the entire expenditure). The government covers the recurring costs towards the stipend paid to the trainees, the honoraria for the trainers, etc.; and also assists the training institutions to develop the requisite infrastructure in the form of building, equipment, and training aids.

The trainees are supplied free tool-kits (costing up to Rs.2000 since 1994-95, and up to Rs.600/= until March 31, 1994) during their training. The tool-kits are supplied to help the trainees to gain the practical experience in the use of their tools. The trainees are eligible for loans from the banks under the Integrated Rural Development Programme, being implemented in all the districts of the country. Over a 16 year period, nearly 3.9 million rural youth were trained. Except during 1990-92 (when the eighth plan was being drafted), the reports indicated that the targets relating to training were “very nearly fulfilled”. However, only about 53 percent of the trained rural youth were employed; and almost a quarter of them had found work as wage employees rather than as self-employed. The total cost of training was close to Rs.1535 per trained person (Rs.1210 or almost 79 percent as recurring cost and the balance on the infrastructure for training). According to the available data, 42 percent of the trained persons were women, and 39 percent were scheduled caste or tribe persons. During the Eighth Plan period 1992-97, nearly 1.5 million youth had been trained under TRYSEM. About 49 percent of the trained youth had been employed, nearly 69 percent as self-employed and the rest as wage-employees. (Planning Commission,

1998. P.56). During June-August, 1993, the Monitoring Division of the Ministry of Rural development had commissioned a “Quick Evaluation” of TRYSEM by contacting and interviewing 1220 beneficiaries from 122 blocks of 61 districts, drawn from 10 major states of the country. (Government of India, Ministry of Rural Development, 1994). According to the results of the “quick evaluation”, only 4 percent of the TRYSEM beneficiaries had received any previous training. About one-third of the beneficiaries were trained in “mechanical & electrical trades”, another one-third in handicrafts, about 18 percent in hand-loom, 2 percent each in animal husbandry and food processing/ preservation, and 11 percent in other crafts or trades. Excluding those who had “just completed training”, about 48 percent of the trained beneficiaries were employed and 52 percent were unemployed; among the employed, the self-employed and employees formed 28 and 20 percent, respectively. The tabulations based on the study are not necessarily consistent; but according to another table, one-third of the trainees had taken up self-employment, a large majority of them in the trades in which they had received training. (About 62 percent of the self-employed trainees had taken up work in the secondary sector and one-third were engaged in the tertiary sector). Almost 63 percent of the trainees reported the monthly stipend to be inadequate. However, only 21 percent reported receipt of a tool-kit. Almost 92 percent reported acquisition of vocational/technical knowledge; the remainder had acquired entrepreneurial knowledge. Over two-thirds of the trainees found the duration of training inadequate; others found the training facility “not satisfactory”, practical training “not enough”, or training infrastructure “inadequate”.

4. Other special Employment Schemes

The unemployed youth are also eligible for benefits from other employment schemes of the Government of India and the states. These include:

- a. Scheme of Urban Micro Enterprises (SUME), under which the eligible beneficiaries in all urban areas are helped to secure technical training and to set up micro enterprises, with the seed money provided by the government as subsidy and bank loan.
- b. Scheme of Urban Wage Employment (SUWE) aims to provide wage employment opportunities to the urban poor through the construction of socially and economically useful public assets in towns with a population of up to 100,000.
- c. Scheme of Shelter and Housing Upgradation (SHAHU) is operated in towns with a population of between 100,000 and 2 million to provide training in construction trades. The trained persons are eligible for loan and subsidy from Housing and Urban Development Corporation (HUDCO) to enable the urban poor to upgrade their shelter with improvements, relation to roof, flooring, etc.

- d. In addition to the urban schemes listed above, there is also the Employment Guarantee Scheme (EGS) of Maharashtra, with its counterpart in the National Employment Assurance Scheme (NBAS), launched in October 1993. The latter is the central government's effort to extend the key features of EGS to the entire country. The EAS is demand-driven and seeks to give to a maximum of two adults (18-60) per family, assured unskilled manual work for 100 days during the lean agricultural season. The scheme initially covered 1,775 identified backward blocks in 261 districts, located mainly in drought-prone areas, desert areas, tribal areas and hill areas; but subsequently, its scope was widened to cover an additional 668 blocks (or a total of 2446 blocks), including flood-prone blocks. From Effective January 1, 1996, the 120 districts (722 blocks) covered by the second stream of Jawahar Rozgar Yojana were brought under the EAS. With effect from April 1, 1997, rural areas of the entire country have been brought under the EAS. (Planning Commission, 1998).

5. Swarnjayanti Gram Swarajgar Yojana (SGSY)

SGSY, a holistic self-employment generation programme, was launched from April 1, 1999 by restructuring the earlier Integrated Rural Development Programme (IRDP) and allied programme. The emphasis of SGSY is on a focused approach to poverty alleviation, capitalising advantages of group lending and overcoming the problems associated with a multiplicity of programmes. SGSY is funded on the same sharing basis as IAY. Up to December 31, 2006, 24.38 lakh self-help groups (SHGs) have been formed and 73.25 lakh swarajgaris have been assisted with a total outlay of Rs. 16,443.66 crore.

6. Sampoorna Grameen Rozgar Yojana (SGRY)

SGRY, launched on September 25, 2001 to provide additional wage employment in the rural areas, has a cash and food grains component. The cash-component of SGRY is funded on the same sharing basis as IAY and SGSY, while foodgrains are provided free of cost to the States and UTs. In 2005-06, 82.18 crore person-days of employment were generated with the Centre releasing Rs.5497.43 crore as cash component and about 37.30 lakh tonnes of food grains to the States/UTs. Besides, under the special component of the SGRY, with the States/UTs meeting the cash components, Centre released 15.64 lakh tonnes of food grains to the 11 calamity affected States. In 2006-07 up to October 31, 2006, the number of person-days of employment generated under SGRY was 18.41 crore while the Centre's contributions in terms of cash and food grains component up to December 31, 2006 were Rs.2,762 crore and 16.67 lakh tonnes, respectively. Under the special component, about 4.44 lakh tonnes of food grains have been released to calamity-hit States in the current year up to December 2006.

7. Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

In December 1997, the Urban Self-Employment Programme (USEP) and the Urban Wage Employment Programme (UWEP), which are the two special components of the SJSRY, substituted for various programmes operated earlier for urban poverty alleviation. The SJSRY is funded on the same sharing basis as IAY and SGSY. The number of urban poor assisted for setting up micro/group enterprises in 2005-06 was 0.98 lakh against a target of 0.80 lakh; while in the current year, against a target of 1.20 lakh, 0.53 lakh was achieved by December 31, 2006. The number of urban poor imparted skill training in 2005-06 was 1.42 lakh against a target of 1 lakh. In the current year, against a target of 1.50 lakh, 0.72 lakh was achieved by December 31, 2006. Under UWEP, the mandays of employment generated was 43.48 lakh in 2005-06 and 1.78 lakh in the current year till now. Coverage of beneficiaries under the community structure component was 337.4 lakh both in 2005-06 and the current year up to December 31, 2006.

8. National Rural Employment Guarantee Scheme (NREGS)

With the NREG Act being passed in September, 2005, the NREGS was implemented from February 2, 2006 in 200 identified districts of the country with the objective of providing 100 days of guaranteed unskilled wage employment to each rural household opting for it. The ongoing programmes of SGRY and National Food for Work Programme (NFFWP) have been subsumed under NREGS in these districts. NREGS will cover all districts of the country within five years. The NREGS, a demand-driven scheme, has its focus on works relating to water conservation, drought proofing (including afforestation/ tree plantation), land development, flood-control/ protection (including drainage in waterlogged areas) and rural connectivity in terms of all-weather roads. Of the Rs. 11,300 crore allocated for NREGS in 2006-07 (BE), Rs. 6,714.98 crore was released up to January 31, 2007. Till January 31, 3.47 crore job cards have been issued; and of the 1.50 crore household who have demanded employment, 1.47 crore household have been provided employment. Under the scheme, up to December 2006, of the 53.65 crore person-days of employment generated, 21.13 crore were for women; and of about 5.81 lakh works taken up, 2.34 lakh were completed.

However, apart from these schemes there are also a few indirect ways and means through which the Indian govt. over the years have tried to promote self-employment and entrepreneurship, especially among the youth since it neither practically possible nor feasible to guarantee 100% employment, for a country like India with her teeming masses on the one hand and comparatively scarce resources on the other. These include:

1. Role of Employers' Organisations and Trade Unions

The Indian trade unions have been quite effective in safeguarding the interests

of their membership; but they have taken little interest in issues of promoting employment of the unemployed persons seeking work for the first time. The employees have been forced to participate in the efforts to raise the skills of the potential young workforce through training. Many employers recognise such activities to be in their own medium and long term interest and help to identify the skills in short supply or those likely to become important in the years ahead. However, the scale of the problem is much larger than what the employers can grapple with and it needs a larger perspective such as only the development planners and those concerned with educational planning are likely to have.

2. Vocational Guidance and Education

Since the late 1950s, there has been a widespread recognition of the need to reorient the Indian educational system towards various vocations to minimise the problem of mismatch between the demand for and the availability of white-collar jobs. As noted above, the Employment Exchanges set up as the agencies operating the National Employment Service, were assigned the task of vocational guidance and employment counselling. By late 1996, 314 of the 895 Employment Exchanges and 84 University Employment Information and Guidance Bureaux were equipped to provide the service. Unfortunately, these bureaux cater to the needs of those who approach them and do not take the initiative to reach the youth through schools and colleges and other informal channels. Also, their outreach remains limited to urban centres and has little rural impact (except insofar as the “educated” in rural areas also register with them for placement assistance). More importantly, under the National Policy on Education, adopted in 1986 and revised in 1992, high priority has been assigned to “vocationalisation” of secondary education. The goals for 1995 and 2000 envisage the diversion of 10 and 25 percent of the students studying beyond the High School Certificate examination to the vocational stream. The objectives are to enhance the employability of individual students, to reduce the mismatch between the demand for and the supply of skilled manpower and to provide an alternative to those seeking to pursue higher education without a particular interest or purpose.

About 150 vocational courses have been introduced in six major areas of agriculture, business and commerce, engineering and technology, health and paramedical services, home science and humanities. Sixty additional vocational courses have been notified under the Apprenticeship Act of 1961.

The Eighth Plan had adopted a goal of diverting about 1.16 million higher secondary school students to the vocational stream. By March 31, 1994, almost 0.91 million were enrolled in 16,450 vocational sections in 5,701 schools. However, the quality of the vocational courses was a cause for concern. The progress was considered sluggish and the links with industry were weak. A central Institute for Vocational Education was established at Bhopal in July 1993 to strengthen the activities in the field of vocational education. (Planning Commission, 1996, p. 128.)