



## Chapter -12: Labour, Skill Development and Employment

### Labour

- The **Ministry of Labour and Employment** is entrusted with the responsibility to **protect and safeguard** the interests of workers in general and the poor, deprived and disadvantaged sections of the society, in particular.
- It also aims to **create a healthy work environment** for higher production and productivity and to develop and coordinate vocational skill training and employment services.
- The Ministry's attention is **focused on promotion of welfare** of labour and providing social security to the labour force both in the organised and unorganised sectors. This is done through implementation of various labour laws.
- Labour being the subject in the **Concurrent List** under the Constitution of India, the state governments are also empowered to enact legislations.

### New Initiatives

#### Pradhan Mantri Shram Yogi Maan-Dhan Yojana (PM-SYM)

- It is a **voluntary and contributory pension scheme on a 50:50** basis, where prescribed age specific contribution will be made by the beneficiary and the matching contribution by the central government. The scheme has been **launched by the Government of India** to ensure **old age protection for unorganised workers**. Enrolment under the scheme has started since February 2019.
- The subscriber's contributions to **PM-SYM** is through an 'auto-debit' facility from his/her saving bank account/Jan-Dhan account and it ranges from **`55/- to `200/-per month** depending at the entry age of the subscriber.
- The unorganised workers whose monthly income is **`15,000 or less** are eligible to enroll under the scheme subject to the following conditions:
  - These should belong to the entry age group of **18-40 years**.
  - Should not be covered under New Pension Scheme (**NPS**); Employees' State Insurance Corporation (**ESIC**) Scheme or Employees' Provident Fund Organisation (**EPFO**);
  - **Should not be an income tax payee**.
- A subscriber of the scheme would receive the following benefits:
  - **Minimum Assured Pension:** Each subscriber shall receive minimum assured monthly pension of **`3,000** after attaining the age of **60 years**.
  - **Family Pension:** During the receipt of pension, if the subscriber dies, only the spouse of the beneficiary shall be entitled to receive **50%** of the pension received by the beneficiary as family pension.
  - If a beneficiary has given regular contribution and died due to any cause (**before age of 60 years**), his/her spouse will be entitled to join and continue the scheme subsequently by payment of regular contribution or exit the scheme as per provisions of exit and withdrawal.

### National Career Service

- Directorate General of Employment (**DGE**) under the Ministry is implementing the National Career Service (**NCS**) project, which was launched in **2015**.

- **NCS is a one-stop solution** that provides a wide array of employment and career related services to the citizens. It works towards bridging the gap between candidates and employers; candidates seeking training and career guidance and agencies providing training and career counselling.
- **NCS is working closely with Ministry of Skill Development & Entrepreneurship** by integrating with the Skill India Portal and Ministry of Education (**AICTE and AISHE**) to ensure that its benefits are reaching to prospective students/candidates.
- Online integration with **EPFO and ESIC** has been done to link the willing employers for enabling them to shortlist right candidates through a countrywide database of workforce on NCS portal.
- NCS has also **integrated with DigiLocker** to enable candidates to upload their documents/certificates and make them available to the employers to quicken the hiring process.

## Aatmanirbhar Bharat Rojgar Yojana

- **Aatmanirbhar Bharat Rojgar Yojana (ABRY)** was announced to boost the economy, increase the employment generation in post Covid recovery phase and **to incentivize creation of new employment** along with social security benefits and restoration of loss of employment during the pandemic.
- **ABRY**, being implemented through the Employees Provident Fund Organisation (**EPFO**), reduces the financial burden of the employers of various sectors/industries and encourages them to hire more workers.
- **Under ABRY**, the Government of India is crediting for a period of two years both the employees' share (**12 per cent of wages**) and employers' share (**12 per cent of wages**) of contribution payable or only the employees' share, depending on employment strength of the **EPFO** registered establishments.
- Under ABRY benefits are provided to every establishment registered with **EPFO and their new employees (earning wage less than `15,000/- per month)** if the establishments take new employees.

## Labour Inspection Scheme

- A **computerised list of inspections is generated** randomly based on risk based objective criteria. Serious matters are to be covered under the mandatory inspection list. Mandatory uploading of inspection reports is to be done within **48 hours**.

## Shram Suvidha Portal

- It is a **unified web portal** developed to bring **transparency and accountability** in enforcement of labour laws and ease complexity of compliance.
- It caters to **four major** organisations under the Ministry namely;
  - Office of Chief Labour Commissioner (**Central**);
  - Directorate General of Mines Safety;
  - Employees' Provident Fund Organisation; and
  - Employees' State Insurance Corporation.

## Single Unified Annual Return

- The **Ministry has started Single Unified Annual Return for eight Labour Acts**. This facilitates filing of simplified Single Online Return by the establishments instead of filing separate Returns, under these Acts.
- **These eight Acts are:** The Payment of Wages Act, 1936; The Minimum Wages Act, 1948; The Contract Labour (Regulation and Abolition) Act, 1970; The Maternity Benefit Act, 1961; The Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996; The Payment of Bonus Act, 1965; The Inter-State Migrant Workmen (Regulation of Employment and conditions of Service) Act, 1979; and The Industrial Disputes Act, 1947.

## Common Registration

- The facility for **Common Registration under five Central Labour Acts has been developed on Shram Suvidha Portal.**
- **The Acts covered under this include:** The Employees Provident Fund and Miscellaneous Provisions Act, 1952; The Employees State Insurance Act, 1948; The Building & Other Construction Workers (RECS) Act, 1996; The Contract Labour (Regulation & Abolition) Act, 1970; and The Inter-State Migrant Workmen (RECS) Act, 1979.

## Labour Codes

- **The Government has notified four Labour Codes:** The Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 by simplifying, amalgamating and rationalizing the relevant provisions of **29 Central Labour laws.**
- This will **reduce multiplicity, facilitate implementation in enforcement of labour laws and bring transparency and accountability** in enforcement which would promote setting up of more enterprises, thus catalysing the creation of employment opportunities in the country.
- It will prove to be an important milestone for the welfare of the workers. Highlights of these codes include: **a statutory right has been created for minimum wages and timely payment of wages of all workers.**
- Besides, a statutory concept of '**Floor Wage**' is introduced; a "**Re-skilling Fund**" for training of **retrenched employees** has been set-up from the contribution to be made by an industrial establishment for an amount equal to **15 days' wages** for every worker retrenched. This is in addition to retrenchment compensation.

## Social Security

### Employees' State Insurance Corporation (ESIC)

- To provide medical care and cash benefits in case of sickness, maternity facilities and employment injuries, the Employees' **State Insurance Act was enacted in 1948.** ESIC has been implementing the **ESI Scheme since 1952.**
- A series of Health Reforms Agenda were launched which include, online availability of Electronic Health Record of ESI beneficiaries (insured persons and their family members); **Abhiyan Indradhanush:** ensuring the change of bed sheet according to **VIBGYOR pattern** during the week i.e. to be changed everyday; medical helpline number for emergency and seeking guidance from casualty/emergency of **ESIC hospitals; special OPD for senior citizens and differently abled persons in ESIC hospitals, in the afternoon.**
- Digital India e-Initiatives of ESIC
  - **e-biz Platform:** ESIC was the first organization of the central government, to integrate its services for Registration of Employers through e-biz portal of Department of Industrial Policy and Promotion (**DIPP**) to promote ease of business and curb transaction costs.
  - **e-Pehchan:** A **process of establishing** the identity of the insured person through Aadhaar number has been set up by seeding Aadhaar number to the insurance number.
  - **ABHA Number Creation:**
    - The **ABHA number**, or Ayushman Bharat Health Account number, is introduced as a unified single identifier.
    - It aims to **facilitate the use of digital health records for beneficiaries.**
    - Health records are accessible through individual mobile apps and **ABDM compliant institutions.**
    - **ESIC is creating ABHA numbers** for its beneficiaries during Aadhaar seeding to enable them to utilize government benefits.
  - **Mobile App for IPs:**
    - IPs (Insured Persons) can book appointments online for consultations at ESIC centers using the "Ask an Appointment" (**AAA+**) **Mobile App.**
    - The app now supports booking home sample collections for senior citizens.
    - This facility is available in certain areas of ESIC Medical Colleges.
  - **GIS based Maps:**
    - GIS maps display ESI presence nationwide, showing available hospitals and dispensaries.

- It provides an overview of services based on **GIS coordinates**.
- **Benefit Claims made Online:**
  - **IPs** can file online claims for maternity, sickness, extended sickness, and temporary disablement benefits without visiting an ESIC office.
  - Cash claims can be submitted and approved disbursements received online.
- **Management Dashboard:**
  - A control room is established to view management dashboards and data analytics.
- **SMS for Feedback and Suggestion:**
  - Beneficiaries receive **SMSs** to provide feedback and suggestions on services availed at ESIC Centers.

## Employees' Provident Fund Organization (EPFO)

- The **Employees' Provident Funds and Miscellaneous Provisions Act, 1952** provides for Provident Fund, Pension Scheme and Insurance Fund in factories/establishments employing **twenty or more employees** in industries mentioned in **Schedule-I to the Act**.
- The Government of India through the **EPFO** administers the Employees' Provident Fund and Miscellaneous Provisions (**EPF&MP Act, 1952**) and the following three schemes framed there under:
  - Employees' Provident Funds Scheme, **1952**;
  - Employees' Pension Scheme, **1995**, and
  - **Employees' Deposit-Linked Insurance Scheme, 1976**.

### Universal Account Number

- Universal Account Number (**UAN**) for **EPF** subscribers was launched in **2014**.
- UAN program offers a portability feature facilitating automatic transfer of Provident Fund account upon changing employment.
- Activation of **UAN** requires seeding Know Your Customer (**KYC**) details through the employer.
- The portability feature streamlines **Provident Fund management** for employees, ensuring continuity of benefits across different jobs.

## Child Labour

- The Indian Constitution safeguards children from engaging in inappropriate economic activities, as stated in **Fundamental Rights and Directive Principles of State Policy**.
- The government implements a comprehensive strategy to combat child labor, including legislative measures, project-based actions, and development programs for affected families.
- The **National Policy on Child Labour, initiated in 1987**, takes a holistic approach to address the issue.
- The **Child and Adolescent Labour (Prohibition and Regulation) Act of 1986** was **amended in 2016** to prohibit employment of children **under 14 years** in all occupations and processes, aligning with the **Right to Education Act of 2009**. It also prohibits adolescents (**14 to 18 years**) from hazardous work and imposes stricter penalties on employers violating the Act.
- District Magistrates are empowered to enforce the Act, and the Ministry of Labour & Employment has issued Amendment Rules (**2017**) and formed a Technical Advisory Committee for review.
- The government ratified **ILO Convention No. 138 and 182** to reinforce its commitment against child labour. **Convention No. 138** sets a minimum employment age, while **Convention No. 182** aims to eliminate the worst forms of child labor for individuals **under 18**.

### PENCiL (Platform for Effective Enforcement of No Child Labour)

- The Government has developed an online portal **PENCiL** (Platform for Effective Enforcement of No Child Labour) for effective implementation of Child and Adolescent Labour (Prohibition and Regulation) Act, **1986**. The Portal has different components viz. appointment of
- District Nodal Officers, complaint corner, etc.

## Bonded Labour

## **Abolition and Rehabilitation of Bonded Labour**

- The Government of India is dedicated to completely eradicating bonded labour.
- Bonded labour system was abolished nationwide through an Ordinance in 1975, later replaced by the **Bonded Labour System (Abolition) Act, 1976**.
- The Act aims to **prevent economic and physical exploitation** of weaker sections.
- State/Union Territory governments are responsible for identifying, releasing, and rehabilitating freed bonded labourers.
- A **Central Plan Scheme was initiated in 1978** and periodically revised, last in May **2016**, to aid in the rehabilitation of bonded labourers.
- Under the scheme, the central government covers **100% of the expenditure**, and states are not required to contribute financially for cash rehabilitation assistance, evaluation studies, surveys, and awareness campaigns.

## **Wages and Bonus**

### **The Minimum Wages Act, 1948**

- The **Minimum Wages Act, 1948**, aims to protect workers' interests, particularly in the unorganised sector.
- Both central and state governments are empowered to set, revise, and enforce minimum wages for scheduled employments under their jurisdiction.
- Governments can notify any employment to the schedule if it has **1000 or more** employees in a state and set **minimum wage** rates accordingly.
- Currently, there are **45 scheduled employments** in the Central sphere.
- Minimum wages for scheduled employments are periodically reviewed and revised by both central and state governments.
- The central government revises the Variable Dearness Allowance (**V.D.A**) **every six months** based on the Consumer Price Index for industrial workers to counter inflation.
- Enforcement of the **Minimum Wages Act, 1948**, is conducted by inspecting officers of the Chief Labour Commissioner (Central) in the Central sphere and through State enforcement machinery in the State sphere.
- The provisions of the **Minimum Wages Act, 1948**, have been rationalized and incorporated into the Code on Wages, **2019**.
- The Code on Wages makes minimum wages universally applicable across all employments, surpassing the previous limitations of scheduled employments.
- It introduces a statutory floor wage, mandating the central government to set a floor wage applicable nationwide, ensuring minimum living standards for workers.
- The minimum rates of wages set by appropriate governments should not be lower than the floor wage stipulated in the Code.
- However, the relevant provisions of the Code have not yet come into effect.

### **Payment of Wages**

- The **Payment of Wages Act, 1936**, ensures timely payment of wages and prevents unauthorized deductions from workers' wages.
- The central government has increased the wage **ceiling from ₹10,000 to ₹18,000 per month since 2012** based on data from the Consumer Expenditure Survey by the National Sample Survey Office.
- The **Payment of Wages (Amendment) Act, 2017**, amended **Section 6** of the Payment of Wages Act, allowing payment of wages in cash, by cheque, or by crediting into the employee's bank account.
- The amendment empowers the appropriate government to specify establishments where wages must be paid by cheque or through bank account crediting.
- The provisions of the **Payment of Wages Act, 1936**, have been incorporated into the Code on Wages, **2019**, eliminating the wage ceiling requirement for determining the Act's applicability.

## **Occupational Safety and Health (OSH)**

- The provisions on **OSH** of workers as provided for in the Constitution of India are being implemented through the offices of Directorate General of Mines Safety (**DGMS**) and the Directorate General of Factory Advice Service and Labour Institutes (**DGFASLI**).
- **The Prime Minister's Shram Awards:** The awards are given to the workers employed in department/public sector undertakings of the central and state governments and the manufacturing units employing **500 or more workers** in the private sector in recognition of their performance, devotion to duty, etc.
- **The Vishwakarma Rashtriya Puraskars (VRPs):** They are given to individual workers or group of workers for their outstanding suggestions leading to improvement in **productivity, safety and health** as well as the import substitution resulting in the savings of foreign currency.
- **The National Safety Awards (NSAs):** They are given in recognition of good safety performance on the part of the industrial establishments covered under the **Factories Act, 1948**, the employers covered under the **Dock Workers (Safety, Health and Welfare) Act, 1986** and Building and other **Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996**.
- **The National Safety Award (Mines):** They are given at the national level in recognition of outstanding safety performance in mines covered under the Mines **Act, 1952**.

## Skill Development

- India aims to become the **Skill Capital of the world**, leveraging its young population for economic development.
- Ministry of Skill Development and Entrepreneurship (**MSDE**) collaborates with various stakeholders including central and state governments, industry, non-profits, and academia to accelerate skilling efforts.
- The Department of Skill Development was **established in 2014** under the Ministry of Sports & Youth Affairs, later renamed as Ministry of Skill Development & Entrepreneurship.
- The **Skill India Programme, initiated by MSDE**, aims to train youth in '**employable**' skills for better livelihoods, with over one crore youth annually benefiting from it.
- **MSDE** oversees various skilling schemes and organizations such as **PMKVY, PMKK, NSDC, NCVT, JSS, NIESBUD, IIE, and DGT** to further its objectives.

### National Skill Development Mission

- The National Skill Development Mission was **initiated in 2015** on **World Youth Skills Day**.
- Its primary goal is to **facilitate convergence and accelerate** cross-sectoral decisions via a robust decision-making framework.
- The mission comprises a **three-tier institutional structure**.
- **The tiers have specific functions:** providing policy directives and guidance, reviewing and monitoring progress, and executing plans aligned with mission objectives.

### National Policy for Skill Development and Entrepreneurship

- The National Policy for Skill Development and Entrepreneurship was **launched in 2015** with the aim of **promoting entrepreneurship and skill development**.
- The vision of the policy is to **create an ecosystem of empowerment by skilling on a large scale**, quickly, and to high standards, fostering innovation-based entrepreneurship to generate wealth and employment for sustainable livelihoods.
- **The policy focuses on four thrust areas:** addressing obstacles to skilling, aligning supply and demand for skills, promoting equity, and fostering entrepreneurship.
- Key obstacles to skilling include low aspirational value, lack of integration with formal education, and low quality of training infrastructure and trainers.
- The policy aims to **bridge existing skill gaps, promote industry engagement, ensure quality assurance, leverage technology, and provide apprenticeship training**.
- Equity is emphasized, with a **focus on providing skilling opportunities** for marginalized and **disadvantaged groups, including women**.
- Specific initiatives for women include **skill development and entrepreneurship programs**.
- In the entrepreneurship domain, the policy aims **to educate and equip potential entrepreneurs**, connect them to mentors, incubators, and credit markets, foster innovation,

improve the ease of doing business, and promote social entrepreneurship.

### **Pradhan Mantri Yuva Udayamita Vikas Abhiyaan**

- The Ministry initiated the 'Pradhan Mantri Yuva Udayamita Vikas Abhiyaan (**PM-YUVA**)' in **2017**.
- The objective is **to foster an ecosystem conducive** to entrepreneurship development.
- Focus is on **implementing entrepreneurship education and training nationwide**.
- Target institutions include institutes of higher learning across the country.
- The scheme aims **to nurture entrepreneurial skills** among the youth.
- The ultimate goal is **to promote entrepreneurship** and innovation in India.

### **Schemes and Initiatives**

#### **Pradhan Mantri Kaushal Vikas Yojana**

- Pradhan Mantri Kaushal Vikas Yojana (**PMKVY**) **initiated in 2015** as a pilot program to foster skill development.
- Aimed to **offer free short-duration skill training programs** and incentivize participants with monetary rewards upon skill certification.
- Successful implementation led to a four-year extension of the scheme.
- **PMKVY 3.0** introduced with enhanced guidelines, emphasizing the involvement of **District Skill Committees (DSCs)**.
  - DSCs play a **pivotal role in bridging skill gaps** and **assessing skill demand** at the district level.

#### **Pradhan Mantri Kaushal Kendras (PMKK)**

- The Ministry implements the Pradhan Mantri Kaushal Kendra (**PMKK**) Scheme in collaboration with the National Skill Development Corporation (**NSDC**).
- The PMKK Scheme aims **to establish model skill centers in every district** across the country, ensuring coverage of all parliamentary constituencies.
- **Objectives of NSDC include:**
  - Catalyzing the creation of market-based, scalable businesses by providing funding through debt, equity, and grants.
  - Implementing skills voucher programs.
  - Promoting centers of excellence for training trainers in coordination with states and Sector Skill Councils (**SSCs**), among other initiatives.

#### **PM-YUVA Yojana 2.0**

- **Objective:** Revise the **PM-WVA scheme** to offer entrepreneurship as a livelihood option for trainees from the skill ecosystem.
- Decision made to revise the scheme based on this objective.
- Advice sought from the **Department of Expenditure, Ministry of Finance before implementing the revised scheme**.
- Crucial emphasis on ensuring proper planning and financial viability before implementation.

#### **National Skill Development Corporation**

- National Skill Development Corporation (**NSDC**) is a public-private partnership established by the **Ministry of Finance under Section 25** of the **Companies Act 1956**.
- It operates under the Ministry of Skill Development & Entrepreneurship (**MSDE**) and aims to **promote skill development** by facilitating the creation of high-quality vocational institutions.
- **NSDC** provides funding to develop scalable, for-profit vocational training initiatives and supports systems such as quality assurance and information systems.
- Its mandate includes enabling support for trainer academies, either directly or through partnerships.
- **NSDC** acts as a catalyst in skill development by providing funding to enterprises, companies, and organizations involved in skill training.

▪ **The main objectives of NSDC are:**

- Catalyzing the creation of market-based, scalable businesses through a mix of debt, equity, and grants.
- Implementing skills voucher programs.
- Promoting centers of excellence for trainer training in collaboration with states and **SSCs (Sector Skill Councils)**.

**Rozgar Mela**

- National Skill Development Corporation (**NSDC**) under **MSOE** organizes Rozgar Melas across the country to boost employment initiatives.
- **Rozgar Melas aim to provide suitable job opportunities** in the private sector to the youth.
- These initiatives ensure parallel growth in the private/industrial sector.
- A Rozgar Mela is a **half-day event** where **multiple employers and job seekers gather to apply and interview for jobs**.
- It serves as an employment strategy to expedite the meeting between job seekers and employers.
- **NSDC** seeks support from Sector Skill Councils (**SSCs**) and Pradhan Mantri Kaushal Kendras (**PMKKs**) for sourcing employers, i.e., private companies.

**Udaan**

- The **Special Industry Initiative (SII)** for Jammu and Kashmir is funded by the Ministry of Home Affairs.
- Implementation of the program is handled by the **National Skill Development Corporation**.
- The initiative aims to address economic issues in the **Union Territory (UT)** of Jammu and Kashmir.
- Its primary focus is on providing skills and job opportunities to the youth of the region.
- Additionally, the program aims **to expose corporate India to the abundant talent pool available in Jammu and Kashmir**.

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