

## **Directorate Of Employment**

The Directorate General of Resettlement and Employment (DGR&E), now known as Directorate General of Employment and Training (DGE&T), was initially set up in July 1945 for the purpose of resettling demobilised Defence Service personnel and other discharged war workers in civilian life. Subsequently, the scope of the Directorate was extended to cover employment services to all categories of job-seekers in early 1948, and training services to all civilians in 1950. On the recommendation of the Shiva Rao Committee (1952), day-to-day administrative control of Employment Exchanges and Industrial Training Institutes was transferred to state governments/ union territory administrations with effect from November 1956 on cost-sharing basis between the Centre and the states. But after 1969, full financial responsibility was transferred to state governments/ union territory administrations. With each successive Five Year Plan, there has been considerable expansion of the activities of the Employment Service and Training Service in the Centre and states.

### **Administrative Structure and Functions**

The Directorate of Employment in Delhi is under the administrative and financial control of the Delhi State Government. There are 20 employment exchanges spread over Delhi, 1 each in 9 districts of Delhi, 2 special employment exchanges for persons with disabilities, 3 University Employment Information and Guidance Bureaus, 5 zonal employment exchanges for rural communities, and 1 ex-servicemen's exchange. The Department also runs counselling centres in each district of the city. The Director is head of the Department and the Joint Director supervises employment officers whose main function is to supervise the district exchanges. There are approximately 250 employees working in this department. It is the primary function of the Additional Director to oversee the functioning of vocational guidance programmes as well as to ensure proper data recording of Employment Market Information (EMI).

The primary objective of the Directorate of Employment is registration, renewal and placement of unemployed persons. Job-seekers are settled either in regular jobs or through self-employment. Employment exchanges provide only employment assistance on the basis of qualification, experience, age and sponsor the names of registered applicants in the ratio 1:20 against the vacancies notified by any employer. Functions of the Directorate basically envisage maintenance of data on job-seekers, imparting vocational guidance and coordinating with other organisations. The Directorate has a sanctioned strength of 399 posts, but there are only 260<sup>1</sup> employees. However, further analysis will show that even this number is high when compared to the functions that the Directorate performs.

### **Acts and Laws**

#### **Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959**

National Employment Service and Employment Exchanges function within the ambit of Employment Exchanges (Compulsory Notification of Vacancies) Act 1959, enacted within the framework of International Labour Organisation (ILO) Convention No. 88. According to the Act, notification of vacancies arising in all public sector establishments and non-agricultural establishments in the private sector employing 25 or more workers is compulsory. However, the Act does not impose any obligation upon any employer to recruit any person through the employment exchange to fill any vacancy merely because that vacancy has been notified under any of those sub-sections.

#### **Apprentice Act, 1961**

Section 9(4) read with section 11 of Apprentice Act, 1961 casts a legal obligation on employers to impart basic training to apprentices. If the staff strength of an establishment is 500 or more, then training has to be given either in a separate part of the workshop building or in a separate

building specially set up by the employer for this purpose. In case the number of workers is less than 500, basic training is to be imparted to apprentices in training institutes set up by the Government. In 1973, the Apprentice Act was amended to bring training of graduates and diploma holders in engineering/ technology within its purview and in 1986, it was extended to those just passed out of school. Every trade apprentice who has completed the period of training appears for a test to be conducted by the National Council, and on passing the exam is granted a certificate of proficiency in the trade.

### **Schemes and Programmes**

The Directorate is responsible for various schemes and projects to facilitate employment opportunities for people registered at the exchanges. Some of the major schemes and programmes of the Directorate are discussed below:

#### **Employment Exchanges**

The DGE&T runs a National Employment Service functioning within the conceptual framework of ILO Convention No. 88 on “Organisation of Employment Services.” It functions through the network of Employment Exchanges administratively and financially run by the State Government. The main functions carried out through the exchanges include registration and placement of job-seekers to ensure balance in demand and supply, collection of comprehensive Employment Market Information (EMI) on a quarterly basis for creation of a database, career counselling and vocational guidance. The Directorate has Vocational Guidance Units (VGU) in the respective Employment Exchanges that are supposed provide vocational guidance to job-seekers, and organises campaigns, career talks to existing as well as outgoing school and college students.

A glance at registrations, renewals and placements during the last 5 years in Table 1 gives a clear picture that the Directorate is not succeeding in what it has set out to do.

**Table 1: Registration, Renewals and placements at Employment Exchanges**

<b>Year</b>	<b>Registration</b>	<b>Renewal</b>	<b>Placement</b>
2000	1,67,789	52,473	123
2001	93,174	48,457	48
2002	1,14,275	50,270	138
2003	79,383	47,012	426
2004	85,113	38,127	167

*Source: Government of NCT Delhi. Delhi Employment Exchange Statistics. Directorate of Employment*

#### **Employment Market Information Programme (EMI)**

The EMI programme was initiated in 1955 as a pilot project in Delhi. Information is collected, compiled, tabulated and presented from both public and private sector establishments regularly through Establishment Reporting Systems. While data on employment in the public sector and those non-agricultural establishments in the private sector employing more than 25 persons is collected under provisions of the Employment Exchanges (Compulsory Notification of Vacancies) Act 1959, the same from non-agricultural establishments in the private sector employing 10 to 24 persons are collected on a voluntary basis. EMI provides information about structure of employment, occupational compositions and educational profile of employees, assessment of manpower shortages in the organised sector, etc. EMI data is furnished by establishments through Employment Returns-I and Employment Returns-II. The number of establishments and their employees under the EMI programme from 1999-2003 is detailed in Table 2.

**Table 2: Information on Employment Market Information Programme**

Year	Establishments	Employment (In lac)
Mar-99	7,753	8.48
Mar-00	7,768	8.47
Mar-01	7,760	8.41
Mar-02	7,734	8.36
Mar-03	7,770	8.36

*Source: Government of NCT Delhi. Delhi Employment Exchange Statistics: Semi Unit Employment Market Information Office. Directorate of Employment*

### **Computerisation of Working Employment Exchanges**

In the wake of high chances of error and waste of time in manual discharge of functions, the Delhi Government decided to fully computerise the Directorate. This, it was hoped, would help people to procure information on the recent initiatives of the Directorate and help in registration and renewal of the same. It would help in transgressing the problem of district differentiation, and employers could search for suitable candidates directly from the database. The Tenth Five Year Plan has an approved outlay of Rs 250 lac, the annual budget for 2005-06 being Rs 36 lac.

### **Construction of Employment Exchange Building at Daryaganj**

The employment exchange at Daryaganj is of pre-independence vintage and has already outlived its utility. For the past two Five Year Plans both Tenth and Ninth, huge amounts of funds have been allocated for the building. The approved outlay for Tenth Five Year Plan is Rs 265 lac. However nothing has been done yet regarding the scheme and money is unaccounted for. The pretext given is administrative. Land of the Daryaganj Exchange belongs to the Ministry of Labour, Government of India and has not yet been transferred to the Delhi Government. Construction was supposed to commence during 2002-03 but not much work has been done.

### **Financial Allocations and Performance**

The Directorate of Employment gets funds from the Delhi Government for management of its administration, maintenance of general Employment Exchanges across the city of Delhi, various other employment services that it runs for handicapped persons, and other heads. Financial outlay for the Ninth Five Year Plan (1997-2002) was Rs 350 lac, out of which only Rs 201.24 lac was spent. Outlay for the Tenth Five Year Plan (2002-07) is Rs 700 lac. Budget estimates and actual expenditure of funds are shown in Table 3.

**Table 3: Budget Estimates and Actual Expenditure (Rs in lac)**

Year	Budget Estimate	Revised Budget Estimate	Actual Expenditure
2000-01	607	576	343
2001-02	534	386	343
2002-03	402	391	346
2003-04	467	425	358
2004-05	463	403	NA
2005-06	490	NA	NA

*Source: Government of NCT Delhi. Data abstracted from the Detailed Demand for grants for the years 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06*

Funds allocated to the Directorate mostly go either to the Employment Exchanges or other employment services for special people. The Directorate spends a considerable amount of funds on direction and administration. This includes salaries, wages, other travel expenses, domestic

travel expenses, office expenses, motor vehicles and professional services. Allocation for the year 2003-04 under this head was around Rs 230 lac. Budget estimates and actual expenditure under various heads of the Directorate are explained in Table 4.

**Table 4: Financial Estimates and Expenditure under Major Heads (Rs in lac)**

Year	Directorate of Employment		General Employment Exchanges	
	Budget Estimate	Actual Expenditure	Budget Estimate	Actual Expenditure
2000-01	146	98	578	229
2001-02	139	96	366	233
2002-03	104	96	278	235
2003-04	125	108	321	230
2004-05	118	--	273	--
2005-06	138	--	293	--

*Source: Government of NCT Delhi. Data abstracted from the Detailed Demand for grants for the years of 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06*

Output, particularly the number of beneficiaries of various schemes, is indicative of the performance of any organisation. However, achievements can only be measured in the light of costs borne by the Directorate in implementing those schemes. Schemes at the university Employment Exchanges incur the least amount of expenditure, which is indicative of the efforts that are put into implementing vocational guidance programmes and various seminars/conferences that exchanges are supposed to organise. It is a mere formality in which the Government is wasting its resources to meet political and social compulsions.

### **Problems**

#### **National Employment Service**

At the initial stage of the National Employment Service, job-seekers registered with Employment Exchanges and placements made through them compared well due to emergence of a large number of public sector undertakings whose manpower requirements were met only by the Employment Exchanges. Therefore, attention was paid mainly to registration, placement and other legitimate functions, namely, creation of database. Career counselling and vocational guidance were relegated to the secondary functional arena. Subsequently, a large number of recruiting agencies like Staff Selection Commission, Railway Recruitment Boards, Banking Service Commissions came up and restricted the area of operation of the Employment Exchanges. Today, almost all the major establishments both in Government and outside have their own recruitment agencies. Therefore the Exchanges are left with only stray cases, usually lower level appointments.

#### **Public Perception of Employment Services**

The general impression among the public is that Employment Exchanges are only to provide jobs. They provide registration for all job-seekers and create a database which should ideally be sent to employers, facilitating finding of better jobs. Also, the placement of job-seekers should be seen vis-à-vis the notification of vacancies to the exchanges, which at present is not very significant. Therefore, there will be a long waiting time. As mentioned earlier, these exchanges just function as registration agency.

A major issue concerning the exchanges is that in order to register, one has to be a resident of Delhi for a period of at least three years. Proof of residence in the form of ration cards issued at least a year before, domicile certificate of Delhi, or inclusion of name in the electoral list of Delhi is a requisite. Further discrimination occurs when they demand a certificate or marksheet of educational qualifications to be issued, specifically from Delhi itself, making it impossible to include people from surrounding areas. This implies that the data thus collected is an inaccurate

indicator of the unemployment number, since such immigrants form a large percentage of Delhi's population.

### **Present Employment Scenario vis-à-vis Employment Exchange Operations**

The Employment Exchange strategy so far had been primarily identifying jobs generated in the public sector. Emphasis on private sector jobs was not to the extent desired. Therefore placement through Employment Exchanges was primarily in the public sector. But now employment generated in the organised sector (both public and private) is not appreciable enough to absorb the job-seekers registered with these exchanges. Figures show clearly the redundancy of employment agencies. Over the last 5 years, while 5,39,734 people were registered at the various Employment Exchanges, only 902 people were provided with placements. This leads one to question the efficiency and utility of the Directorate itself. Several political scientists are of the view that the Employment Exchanges have lost their relevance in the wake of globalisation and economic liberalisation. Despite being of little use to the unemployed, and rendered redundant following a 1996 Supreme Court ruling, Employment Exchanges continue to remain open, attracting hundreds of unemployed people every day.

### **Limitations of EMI Data**

The EMI programme does not cover employment in the unorganised sector, self-employed, part-time employment, in agricultural and allied establishments except plantation, in household sector and non-agricultural establishments employing less than 10 workers in the private sector, in defence forces as well as Indian embassies and missions abroad. Also, the list of establishments maintained at local employment exchanges is not comprehensive due to non-inclusion of new establishments and removing closed establishments.

### **Financial Imprudence**

While analysing funds demanded for the execution of its plans or schemes, it was observed that out of Rs 350 lac allocated for the Ninth Five Year Plan, only Rs 201 lac was spent in five years. It becomes apparent that the Directorate is indulging in inappropriate utilisation of funds, either underutilising or misusing funds. Also, there have been cases where money is demanded for specific productive purposes, but shows no results. The Directorate has been sanctioned a budget of Rs 398 lac for payment of salaries and allowances of staff in 2004-05, and Rs 368 lac was spent. This amount is more than the amount sanctioned for most of the schemes to be implemented by the exchanges.

### **Reforms**

There is a need to reorient Employment Exchanges to play a pro-active role in the present scenario in the context of economic liberalisation, industrial re-structuring and shrinkage of employment opportunities in the organised sector; by way of concentrating on career counselling and vocational guidance and providing updated and reliable labour market information.

There is also a need to construct better facilitating channels within the exchanges so that more employers refer to the exchange database for recruitment. The exchanges can have association or collaboration with other placement agencies and portals so that their database can be merged with them and facilitate in increasing employment opportunities.

The labour pool is unattractive, which also leads to stagnancy in placements. Most of the registrations come from people who are unskilled, thus exchanges can associate and collaborate with NGOs and small-scale industries to make them aware of the database that they possess. Also, NGOs can be involved in providing basic training and guidance programmes to unskilled or low-skilled people. Most NGOs do possess human resources for such training, but these exchanges can play a significant role in providing venue and people for such schemes.

The exchanges' website should act as a forum where private employers can advertise vacancies, and job-seekers can browse through jobs that fit their qualifications and requirements, rather than depending completely on advertising in newspapers. Therefore, it becomes clear that exchanges need to function as professional agencies for employment.

Employment Exchanges have been reduced to just a formality, which is evident from its functioning – even officials of the Directorate agree. In the long run, they should be wound up. The resources can be either diverted to running better self-help courses or paying private placement agencies in just performing these functions more efficiently.

## **Department of Manpower and Employment**

Manpower, in a broad sense, is identical with human resources. Manpower planning involves projecting the supplies and demand for different categories of manpower and ensures that they are kept in balance both qualitatively and quantitatively. It is regulatory as well as identifies areas where shortages emerge in different skills.

The Department of Manpower and Employment is entrusted with the responsibility of making detailed estimates of available manpower and projecting employment generation/ opportunities in various government departments/ autonomous bodies and also to carry out studies in the field of manpower and employment. The main objectives are to collect, compile and analyse data relating to manpower and employment in Delhi, to prepare annual plans/ Five Year Plans, manpower profile, status report on creation of new posts, career guidance booklet on technical training facilities available in Delhi and also to conduct studies relating to manpower and employment. The vision of this Office is to provide detailed information relating to manpower and employment to the planner/ policy makers/ research scholars through its various documents/ publications, because manpower is the basic input for socio-economic development activities.

The Department is headed by a Principal Secretary, assisted by an Additional Secretary, Joint Director and Deputy Director. There are 2 Assistant Directors, 2 Statistical Officers and 2 Research Officers. The officers are supported by statistical assistants, investigators and supporting staff. In 2004, the number of sanctioned posts was 26 – however, only 18 are working in the Department at present.<sup>2</sup>

### **Functioning and Finances**

The decision-making process envisaged is not in vogue in this Department since it is not a public dealing office. The Statistical Officer is responsible for administration, preparation of Plan document on manpower and employment, booklet on technical training facilities in Delhi, status report on creation of new posts in Delhi Government, whereas the other Statistical Officer prepares the manpower profile. The Research Officer is responsible for supervision of field survey, preparation of draft report and Statistical Officer and Investigator carry out the field survey, collection, compilation and analysis of data.

Preparation of draft document is made at the level of research officer/ statistical officers and the report is finalised by the Deputy Director/ Joint Director. Approval on the final report is obtained from additional Secretary/ Principal Secretary. Thereafter, the documents are forwarded to concerned departments/ agencies.

The budget estimate for 2005-06 under non-Plan is Rs 46 lac and under Plan is Rs 11 lac. The expenditure of the Department for 2004-05 was Rs 32.4 lac under non-Plan and Rs 7 lac under Plan budget. Approved outlay and expenditure are given in Table 5.

***Table 5: Outlay and Expenditure of the Department (Rs in lac)***

Year	Approved Outlay (BE)	Revised Outlay	Expenditure Up to February that year	% w.r.t BE
2002-03	15	7	5.38	36

2003-04	10	8	7.88	79
2004-05	10	8	5.72	57.2
2005-06	11		3.75 (August 2005)	34

Source: Government of NCT Delhi. Data abstracted from the Annual Plans: Plan Outlay and Expenditure for the years of 2002-03, 2003-04, 2004-05, 2005-06. Department of Planning

### Problems and Suggestions

The Department's only function is to create annual reports on the employment situation in government departments and autonomous bodies. It does publish other reports on manpower profile and employment scenario. However, the pertinent question is whether there is a need for a separate department for these functions. The fact is that most of the information is already available and the Department just compiles them. The report on number of employees can be given to the Principal Accounts Office that deals in salaries, pensions and other financial

Reports on manpower and employment situation in Delhi can be done by the Employment Department as well. Officials of the same department or officials from other departments in diverted capacities can work on the compilation.

-- With inputs from Deepti Rao, Chandni and Raja Sirohi

### Notes

<sup>1</sup> Government of NCT Delhi. 2004. *Census of Employees of Government of Delhi & Autonomous Bodies*. Directorate of Economics & Statistics

<sup>2</sup> Government of NCT Delhi. 2004. *Census of Employees of Government of Delhi & Autonomous Bodies*. Directorate of Economics & Statistics

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Directorate of Economics & Statistics

Website of Directorate of Employment