

# **National Employment Policy**

**First Draft  
01.08.08**

# **Part I**

## **PREAMBLE**

Employment is the main source of livelihood and self-fulfilment for most women and men. It is critical to the way women and men live and view their lives. A well-nurtured and productive labour force contributes towards a dynamic economy and equitable society. Lack of access to employment, that is decent and remunerative, lowers self-esteem and leads to denial of basic needs of the individual and the family, and can lead to social instability.

It is, therefore, important to work towards the goal of decent and remunerative work for all women and men seeking such work, in conditions of freedom, equity, security and human dignity.

The NEP provides a policy framework for achieving the above goal.

### **1. Context**

- 1.1 India has witnessed an impressive and steadily rising rate of economic growth for about two decades now. The prospects of a continuation of this high economic growth in the medium term are also high. And yet, the challenge of employment, especially good quality and remunerative employment, remains formidable
- 1.2 Although there has been a reversal of the declining trend in employment growth in the post-2000 period, there has also been a simultaneous increase in unemployment rates as employment growth has not kept pace with growth in labour supply. Unemployment rates have been high and increasing, especially amongst certain groups – such as youth, women and young graduates. Furthermore, about 10 million new entrants to the labour force are expected each year, for whom jobs would need to be generated.
- 1.3 Over half the workforce continues to depend on the agriculture even though it accounts for less than a fifth of the total GDP. This implies a vast gap in incomes and productivity between agriculture

and non-agriculture sectors. This is mainly due to inadequate growth of productive employment opportunities outside agriculture.

- 1.4 The organized sector that offers work that would be considered decent employs less than 10 per cent of the workforce and, in recent years, has been characterised by low and declining employment intensity of output growth.
- 1.5 An overwhelming majority of workers are currently employed in the unorganised sector where most of the new jobs are also created. In addition, most new jobs that are being created in the organized sector are informal in nature. These jobs are mostly characterized by low earnings, poor conditions of work and lack of social protection and organisation.
- 1.6 A large number of workers, whether wage-employed or self-employed earn below poverty line incomes and are 'Working Poor'.
- 1.7 While some of these developments are dictated by the trajectories of technology, demand and structural constraints in the economy, the lack of appropriate responses to the employment challenge is likely to aggravate these tendencies both directly and indirectly, and increase the existing inequalities in the labour market and in the economy.
- 1.8 The Government of India has ratified the ILO's Employment Policy Convention, No. 122. This Convention promotes full, productive and freely chosen employment to all women and men who are seeking work. While employment has been a concern for policy-makers in India for several years and innovative programmes, including those backed by legislations, have been launched, there is still the need for an overall strategy for employment generation.
- 1.9 This clearly brings out the need to go beyond special programmes and integrate employment concerns into policy-making at various levels. The crucial issue is to ensure that the employment objective is factored or mainstreamed in the country's socio-economic development strategy. It is in this context, therefore, that an Employment Policy is required, to ensure that the growth process is

inclusive and equitable as has been emphasised in subsequent national Plans, especially the Eleventh Plan.

## **2. Objective**

2.1. The objective of the NEP is to provide a framework towards the goal of achieving remunerative and decent employment for all women and men in the labour force. More specifically it aims at:

2.1.1. accelerating employment growth in the organized sector,  
and

2.1.2. improving the quality of jobs (in terms of productivity, earnings, and protection of workers) in the unorganized sector.

2.2 This document, however, concentrates mainly on the productive employment generation aspects, and signals a number of related issues for which separate policies need to be considered.

## **3. Basic Considerations**

The following basic considerations underlie the policy statements proposed in the NEP

3.1. The National Policy must ensure that not only more jobs, but jobs that are decent and those that ensure minimum wages, safe working conditions and basic social security, are created. In particular, the level of wages and the minimum wages are the key variables that the policy must address. It recognizes that for the employment objective to be meaningfully realized, it is necessary to ensure a basic social and economic floor for all workers.

3.2. The NEP must be based on the consideration that development must be regionally balanced and environmentally sustainable.

3.3. A range of social considerations constrain the utilization of productive potential of large sections of the workforce, such as women and some vulnerable groups. Supportive structures and an

enabling environment need to be created to ensure that not only productive employment opportunities increase but also there is an increase in participation of these groups in the mainstream economic and social activities.

- 3.4. In the context of the slow growth of employment in the formal sector, and a very high proportion of the labour force being engaged in the informal economy the proposed National Policy should have a heightened focus on the informal segment and provide for strategies specifically needed to ensure quality employment growth in the informal sector.
- 3.5. Self-employment continues to be the dominant form of work in the Indian economy. For large proportion of the self-employed, particularly women engaged in petty production, trade and home-based work, it is a mechanism for coping with poverty. The Employment Policy will, therefore, require to not only focus on creation of wage and salary-based employment, but will give equal emphasis to the measures to strengthen the capabilities of the self-employed to improve their earnings and turn their work from a survival strategy into productive employment with rising income levels.
- 3.6. As long as there is a deficit of income earning opportunities, special employment programmes such as the National Rural Employment Guarantee Programme would need to continue. There is indeed scope for such programmes to create productive employment rather than remain as fall-back options, with proper planning of works, technical support and convergence of rural infrastructure works wherever feasible.
- 3.7. The role of State governments is critical in creating a facilitating environment for accelerating the growth of quality employment and implementing the policy in all its aspects.

## **Part II**

### **POLICY STATEMENTS**

A multi-pronged strategy is necessary for achieving the objectives of the national employment policy. Since the basic objective is to create more productive, sustainable and decent employment opportunities, economic growth itself has to be more employment-intensive. This would require not only that the pattern of growth is oriented towards high employment generating sectors, but also that in each sector and subsector, policy instruments that tend to favour more employment-intensive product pattern and technologies, are devised. At the same time, policies that are likely to hinder expansion of employment and encourage insecure and exploitative conditions of work need to be reviewed and changed. Also, measures need to be adopted to improve employability of labour force in the dynamically changing economic landscape. The social dimensions of employment in terms of special needs and treatment of women and disadvantaged groups has to be an underlying consideration in all aspects of employment policy.

Policy statements in this document are accordingly arranged under the following seven major heads:

- (i) Macro-economic Policies
- (ii) Sectoral Policies
- (iii) Labour Market Policies
- (iv) Micro and Small Enterprise Development Policies
- (v) Skill Development Policies
- (vi) Women Workers
- (vii) Vulnerable Workers

#### **4. Macro-economic Policies**

##### **Sector-Focused Strategies**

- 4.1. Accepting employment as a major goal of development, the growth model underlying planning should adopt a sector-focused approach, aiming at faster growth of sectors with high employment potential.
- 4.2. Recognising that the majority of workers are employed in agriculture where labour productivity is low, a faster growth of agriculture is necessary to make employment more remunerative. While no significant increase in the number of workers can be expected in agriculture, greater use of both land and labour augmenting technologies, in land and water resource development, appear necessary and feasible and should be explored.
- 4.3. Employment intensity of growth of other sectors/sub-sectors needs to be assessed and made a criterion in according growth priority. Policies should be evolved to encourage higher growth of employment-intensive sectors. But in the case of social sectors, it should be clearly recognized that their development plays a two-fold role by generating employment directly and by improving employability by building human capabilities and skills. In contrast with other sectors, the state has a major role in the development of these sectors. Public investment in these sectors, therefore, requires to be significantly stepped up.

### **Fiscal and Monetary Policies**

- 4.4. Fiscal, monetary and credit policies have their own primary objectives. But directed efforts should be made to see that they are also related to the employment objective.
- 4.5. Several types of tax holidays, tax exemptions and differential duty rates are in operation primarily with the objective of encouraging investment. Such incentives should be calibrated to the employment outcome. Employment may be made one of the criteria or additional incentives may be devised for employment outcome.
- 4.6. Public expenditure on activities with high potential for increasing employment creating capacity, such as irrigation and transport infrastructure should get highest priority.

- 4.7. Interest rate structure should be so set as not to encourage capital intensity by distorting relative factor prices.
- 4.8. At the same time, it is very important that credit is easily accessible to employment-oriented sectors and small and micro-enterprises, if necessary, on the basis of a fixed quota and/or by creating a separate development finance facility catering exclusively to their needs.
- 4.9. Assessment of Proposals for Investment Approval (PIA) should include employment as a criterion particularly when certain concessions are envisaged to be given.

## **Trade Policy**

- 4.10. It is noted that employment is considered as an objective of trade policy. Mechanisms need to be devised to effectively relate various policy instruments to employment outcomes.
- 4.11. Export incentives such as duty draw back and tax exemptions/concessions should be directly linked with employment.
- 4.12. Duty and incentive structure of imports and exports should be reviewed to remove any features that discourage employment generation and revised to become more employment-friendly. For example, any instances of inverted duty structure, which tend to be counterproductive to employment generation, need to be removed.
- 4.13. Concessions given to units in Special Economic Zones (SEZs), should also be linked with employment, either as an over riding or additional criterion.

## **5. Sectoral Policies**

### **Identification of Sectors**

- 5.1. As noted earlier, it is essential that sectors and sub-sectors with high employment potential are identified and besides getting priority in growth strategy, sector-specific policies need to be

evolved for their faster growth and greater employment orientation.

- 5.2. While this exercise needs to be carried out in detail at the sub-sectoral level, sectors that can easily be identified for special treatment from employment viewpoint are agriculture, manufacturing, construction, retail trade, tourism and information and communication technologies (ICT) . Recent experience has demonstrated that some of these sectors have considerable potential for faster employment growth while others need strengthening of their growth process to improve quality of employment.

### **Agriculture**

- 5.3. Agriculture must be targeted to grow at a high (3 to 4 per cent) rate to ensure that those engaged in it are more productively employed.
- 5.4. Existing policy packages need to be strengthened and new ones evolved to facilitate diversification of agricultural products and shift from on-farm to off-farm activities. Such diversification is already taking place; measures need to be taken to strengthen them.
- 5.5. The National Authority for Rainfed Regions should function with an ‘agency approach’ to support and direct watershed projects at the local level.
- 5.6. Farmers’ and producers’ organizations should be promoted and strengthened in order to be able to bargain for their rights as farmers and for better marketing and price realization of their produce.
- 5.7. A suitable mix of price and non-price incentives should be devised for the farmers both to compensate them for the current cost of production with a reasonable profit and to improve their capability to raise productivity.
- 5.8. Recognising that an overwhelming majority of farmers consist of small and marginal cultivators, it is obvious that a special focus is necessary for them in policy for agricultural development. A

strong package of support in respect of credit, inputs, technology and marketing should be devised to enable them to realize their productive potential and enhance their remuneration from employment.

## **Manufacturing**

- 5.9. Manufacturing sector has shown a reasonably high employment growth in recent years, but most of it has been in the unorganized sector where productivity and earnings are low, conditions of work are poor and social security mechanisms are virtually non-existent. Policies, therefore, need to be evolved to induce higher employment growth in the organized sector and for providing better earnings, conditions of work and social protection to workers in the unorganized sector.
- 5.10. A sub-sectoral approach to policy-making is necessary to improve employment intensity of manufacturing. Labour-intensive industries (e.g. textile products, leather products, beverages, food products and wood products) need to be given special policy support and incentives to grow faster, including for sale in external markets.
- 5.11. While dereservation may be necessary and desirable in the present context, the small scale sector needs to be compensated by adequate policy support in other spheres (e.g. credit, marketing) in order to sustain its growth and perform its important role in employment generation.
- 5.12. Labour-intensive sectors, particularly the micro and small enterprises, need to be provided strong technology and skill support through a package of extension services and training worked out to particularly suit their requirements.
- 5.13. Special package of support should be developed for small, multi-product clusters in backward areas particularly utilizing the forward and backward linkages that could be locally realized.

## **Construction**

- 5.14. The construction sector has registered high employment growth as well as high employment elasticity. While these features of this sector are likely to continue, poor quality of employment is a matter of serious concern. Implementation of various provisions of labour regulation, minimum wages, safety and welfare, need to be strictly implemented. The government efforts need to be supplemented by those from the trade unions and civil society towards this end.
- 5.15. Efforts should be made to explore alternative to the 'contractor system' for recruitment. Strengthening of the existing labour market information system is necessary for this purpose.
- 5.16. A special programme for development of skills to meet the requirements of changing technology in the construction sector needs to be developed. A few public and private sector initiatives already on ground could be emulated on an expanded scale for this purpose.

## **Retail Trade**

- 5.17. The Trade sector has experienced one of the fastest growth in employment over the past decade; and is likely to sustain this growth in coming years. The need particularly seems to be of improving quality of employment, especially in retail trade.
- 5.18. For the very small, self-employed retail traders, like the street shops and vendors, policies need to guarantee their rights to space and livelihood. Implementation of National Policy for Hawkers, Street Vendors and small shopkeepers should receive urgent attention.
- 5.19. The question of FDI in retail trade should be considered only after careful examination of its impact on business of small traders and employment.
- 5.20. A national regulatory mechanism may be constituted to ensure fairness of competition and sustenance of small traders and vendors, as well as to ensure good conditions of work in the retail stores.

## **Tourism**

- 5.21 Tourism industry has grown rapidly and so has employment in this sector. Inadequate infrastructure and shortage of skilled workforce are identified as major constraints in further acceleration of its growth. The Eleventh Plan has made several suggestions to reduce these constraints, by adopting ‘destination’ and ‘circuit’ focused planning of infrastructure and public private partnership (PPP) in creating training facilities, which need to be expeditiously implemented.
- 5.21. Tourism projects that integrate local socio-economic development, through forward and backward linkages, should be specially encouraged. A package of incentives, fiscal, financial and others should be developed for this purpose.
- 5.22. Capacity for training tourism personnel at different levels needs to be vastly expanded. Special emphasis should be given to build training capabilities at local level through what may be called a Capacity Building for Service Providers (CBSP) programme.

## **Others**

- 5.23. Characteristics and experiences of other sectors and sub-sectors (e.g. IT and ITE Services) need to be analyzed and policy measures that would help in improving the growth and quality of employment in their respective sphere, need to be identified.

## **6. Labour Market Policies**

- 6.1. Labour market policies aim at either regulating employment to ensure safety, fairness and equity at work; or at promoting employment either by directly creating work or facilitating employment creation by providing information, training and placement services.

### **Labour Regulation**

- 6.2. Labour regulation in India is seen, on the one hand, as providing excessive protection, to a small segment of workforce in the

organized sector, and, on the other, leaving the overwhelming majority of those in the unorganized sector, completely unprotected, either because of the non-applicability of regulatory provisions, or because of ineffective implementation of provisions that apply to them. The regulatory regime in respect of labour requires to be closely examined with a view to devising ways to minimize this dualism.

- 6.3. Part of the reason for ineffectiveness and non-compliance of labour regulations and frictions and disharmony arising out of them lies in the confusion created by multiplicity of laws, definitions of concepts and categories and administrative jurisdictions. Labour laws need to be codified, definition, scope and coverage harmonized and administrative spheres are clearly demarcated.
- 6.4. Such of the provisions of laws that render adjustment of workforce inflexible, and thus adversely affect efficiency of production, on the one hand, and the employers' willingness to employ more workers, on the other, need to be modified, with due regard to the reasonable compensation to the affected workers.
- 6.5. While compliance of the provisions of social security, where such provisions exist, must be ensured by improving the efficiency of the existing mechanisms or adopting alternative ones, a minimum measure of social security must be available on a statutory basis to the hitherto unprotected workers.

### **Active Labour Market Policies**

- 6.6. Special employment programmes have been in operation for several decades now. Their effectiveness has varied. Those of self-employment variety have helped most of those assisted to increase their incomes and some to cross the poverty line. Wage-employment programmes have met part of the employment gap and supplemented participants' income to a certain extent. All the ongoing programmes need to be critically reviewed with a view not only to improving their effectiveness but to see if they could be replaced by just one-or two programmes with clear objectives and effective implementation.
- 6.7. Introduction of NREGP, as the single and statutorily backed wage-employment programme in all rural areas of the country has been a

welcome and important step as a purposeful and focused active labour market policy. While its contribution to provide supplementary employment, as a right, and, therefore, an assured income to rural households is beyond any doubt, ways need to be found to utilize it for creating conditions for sustainable employment and all round rural development. Improving capabilities of local democratic institutions and suitable changes in administrative and financial procedures would be necessary to establish effective and purposeful linkages between the sectoral programmes/projects and NREGP, for this purpose.

### **Skill Development**

- 6.8. Organising a system of training for development of skills required for securing suitable employment is another important component of the active labour market policy. Growing mismatch between supply and demand of skills and inability of the existing skill development system to meet the demands of a dynamically changing labour market has been frequently highlighted. Nature and magnitude of the problem and recommendations for its possible solution have been given in a subsequent Section.

### **Labour Market Information**

- 6.9. In a situation of rapidly changing production structure and technology, particularly in the wake of globalization, the nature and composition of demand for labour is also changing dynamically, even in a single location, industry and enterprise. Labour market information service assumes special importance in this context. At present, Labour Market Information Service is provided by Employment Exchanges, which play the very limited role of registering job seekers and notifying candidates to prospective employers. These agencies need to be restructured to be able to provide complete information on job market, vocational guidance and active help in placement.
- 6.10. Employment exchanges instead of being passive recipients and suppliers on demand of the information provided by clients, should play active and vibrant roles in collecting data and collating available information on demand and supply of various types of workers and skills, by location and region as well as in assessing the trend and forecasting future demands.

## **Gender Issues**

6.11. Gender should form an essential dimension in all aspects of labour market policy. Issues relating to women's work are dealt with in detail in a subsequent section separately. But, in the context of labour market policies, the following points need special emphasis:

- all labour regulations must be subjected to gender equality test and those positively specifying equality and prohibition of discrimination should be strictly implemented.
- special employment programmes should not only insist on high participation of women, but should also specially emphasize undertaking such projects for execution under the programme that favour women by reducing their workload and drudgery and improving their health.
- training of women should aim at mainstreaming their employment rather than confining them to the stereotyped 'female occupations'.
- labour market information and employment service and building of data base for employment should invariably be gender-specific.

## **7. Policies for Micro and Small Enterprises**

7.1 Given the predominance of micro and small enterprises in the non farm segment of the economy and the constraints they face in increasing productivity and creating decent work conditions, the need for special policies and programmes has been recognized for long. The following policies are therefore aimed to realize this objective.

### **Credit**

7.2 One of the structural problems of the MSE sector is the low capital base of the enterprises and the corresponding low productivity. In addition, these enterprises also face a number of problems in accessing credit for working capital requirements. The fact that only around 5 percent of the enterprises have access to institutional credit and that only 5.3 percent of the gross bank

credit goes to the micro enterprises that account for over 98 percent of all enterprises is to be viewed with great concern. The following steps will therefore be taken up.

- 7.3 The first is to make the existing policies and programmes more effective. For this the Priority Sector Lending Policies of the banks will be revised in favour of the MSE sector. Banks will be monitored to ensure compliance with RBI guidelines on access to credit by the MSEs.
- 7.4 Secondly, Multi-purpose Swarozgar Credit Cards will be introduced to cover the entire non-farm sector along the lines of the Kisan Credit Cards. Banks will be asked to post professional staff for counselling services and give wide publicity about the schemes for the MSE sector.
- 7.5 Third and more importantly, the Government shall create a dedicated National Fund for the Unorganised Sector (NAFUS) for refinancing as well as developmental assistance exclusively for the micro enterprises.
- 7.6 The two self employment generation programmes namely, the Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) will be reviewed and steps will be taken to merge them for greater effectiveness and better targeting.

### **Cluster Development**

- 7.7 Taking into account the existence of a large number of clusters (manufacturing and/or services), the existing programme of Cluster Development will be enhanced to cover as many clusters as possible by providing schemes for the strengthening of infrastructure, banking facilities, skill upgradation centres, technology and innovation centres as well as such social sector programmes as housing, sanitation and social welfare.
- 7.8 Based on the existing cluster development initiatives, schemes such as that for developing Cluster-Based Growth Poles (CBGPs) will be designed and launched to take advantage of the existence of more than one cluster in a given and contiguous area to create more backward and forward linkages as well as providing common facilities and services such as infrastructure, pollution

control, raw materials, skill development, packaging centres, marketing information/linkages and so on.

- 7.9 The MSE sector has highly skill-oriented workers including in traditional/artisanal skills, specialising in the production of exquisite products (such as specialised handloom clothes such as silk, sculptures, ornamental wares, sculpting, etc.). Geographical branding of such products and preservation of intellectual property rights are crucial in such cases for value addition and sustenance of their knowledge base. Schemes and assistance will be provided for such activities that would include education, awareness creation, documentation, and service provisioning, i.e., raw materials, designs, markets, etc.

### **Institutional Infrastructure**

- 7.10 All these call for appropriate institutional support. The Government of India has created a Ministry of Micro, Small and Medium Enterprise Development charged with the responsibility to implement the Micro, Small and Medium Enterprise Development Act of 2005. While the Ministry has specialised agencies such as Coir Board and Khadi and Village Industries Corporation, there are other departments and Ministries (along with autonomous agencies) for specific subsectors. Through periodic and structured consultations, greater coordination and coherence amongst different agencies and programmes will be ensured.
- 7.11 State governments will be encouraged to come up with policy responses on micro and small enterprises and strengthen the state level departments and agencies and to exchange experiences for learning from each other, with special focus on home based workers, the majority of which are women.
- 7.12 A comprehensive review of the functioning of the District Industries Centres (DIC) will be taken up with a view to strengthen their capacity and orient them more as Counselling Centres, resource and convergence centres, and one-stop shops for micro and small enterprises through preparation of projects, skill development, periodic disaggregated data collection and dissemination of information.

## **Organisation of Industry and Workers**

- 7.13 Recognising the role of MSE associations in policy formulation, advocacy, dissemination of information, steps will be taken to form such associations in places without such associations and strengthen their capacity of the existing ones.
- 7.14 Recognising that workers' organisations in the MSE sector are few and need strengthening, it will be the endeavour of the Government to encourage formation of workers' organisations that will enhance their ability to secure basic conditions of work (e.g. toilets, drinking water, eating facilities), minimum wages, social protection, voice and representation, social mobilization/awareness generation, skill training and access to housing.
- 7.15 The formation of Workers Facilitation Centres for such purposes as registration and servicing of social security will be encouraged.

## **8 Skill Development**

- 8.1 Recognising the enormous deficit in basic education and formally acquired skills by the working people, skill development will be recognized as an important component of active labour market policies of the government.

### **Matching Training with Demand**

- 8.2 Labour market information systems will be set up adequately to annually assess the labour market requirements, identify labour-intensive high-growth sectors, so that skills development can be planned and delivered accordingly to meet the demands.
- 8.3 The focus on skill training and development will fall on the informal or unorganised sector of the workforce. Appropriate programmes and schemes will be developed (some are already underway, such as the Skills Development Initiative) and introduced throughout the country to meet the requirements of such workers.

- 8.4 Recognising the inadequacy of institutional capacity in the public sector in training of trainers, policies and programmes will be introduced for the participation of the private sector as well as the non-profit sector such as cooperatives, NGOs and philanthropic institutions.
- 8.5 To encourage acquisition of formal skill training by socially disadvantaged groups (e.g. SCs/STs) special packages will be introduced to provide scholarships, hostel facilities and tool kits.

### **Standards and Certification**

- 8.6 The employability of trainees must be made the main focus of all future training efforts, including components such as curriculum development, training delivery, certification etc.
- 8.7 A system of independent certification for candidates passing through skill training as well as trainers will be instituted with appropriate standards. This will be done at the national and state levels by designating competent institutions in public, private and non-profit sectors. A system of accreditation along the lines adopted by the University Grants Commission (in respect of institutions of higher education) will be introduced.
- 8.8 Greater involvement of industry in various initiatives mentioned above is crucial. To ensure greater involvement and interaction, existing and successful models will be assessed and their replication with appropriate adaptations will be taken up.

### **Linkage with Education System and other programmes**

- 8.9 From a long term point of view, skill training has to come through vocational education. Given the limited capacity of existing institutions, government will enhance the seating capacity (in public, private and non-profit sectors) by creating new institutions and offering vocational education as an option at the high school level of Class 9. Special focus will be given to rural areas and to youth from disadvantaged social groups.

- 8.10 Given the fact that a majority of the workforce has an educational level of less than 5 years (including illiterates), functional literacy programmes will be strengthened and extended. This will be done on the basis of a review of the achievements of the National Literacy Mission as well as the literacy campaigns carried out by civil society organisations.
- 8.11 Skill training and development will be made an important component of public programmes and schemes especially those focused on a large number of beneficiaries such as the National Rural Employment Guarantee Programme, National Rural Health Mission, Sarva Shiksha Abhiyan, ICDS and Mid-Day Meal Programme. This will give considerable advantage to women in rural areas as these activities are mostly, if not only, suited to them and predominantly spread over the villages in the country.

## **9. Women Workers and their Special Concerns**

- 9.1 The National Employment Policy recognises the severe constraints faced by women workers in terms of (a) lack of recognition of their contribution in many economic activities that are not adequately measured, (b) discrimination specially heightened by social disadvantages and (c) wide gap in opportunities, wages and security as compared to men workers (d) lack of supportive structures to facilitate their employment..

### **Gender sensitive macro policies**

- 9.2 Gender sensitive employment policies that take into account the special circumstances and problems of women will therefore enunciated from time to time. Such policies will aim at shifting women from invisible to visible work, from low productive employment, especially in agriculture, to high productive employment, and from low wage and no social security to higher wage with social security work conditions.
- 9.3 Complimentary policies such as credit policies result in male bias. This will be corrected by taking special measures to access credit and such other facilities for women entrepreneurs and home based workers.

- 9.4 Technology policies often lead to more displacement of women than men workers. Promotion and innovation of gender sensitive technology will be undertaken in aiding women workers and enhancing their participation.
- 9.5 Formal credit as well as employment and development institutions will be guided, and if necessary mandated, to link with the SHGs to provide a range of services. The models that are currently working in some states will have to be studied and adapted to the conditions of other states. For this the central government will encourage state governments with appropriate technical and financial assistance to initiate suitable policies and programmes.
- 9.6 Women as a percentage of workforce in SEZs is very high and their participation in unorganised sector within EPZs almost double that in organized work.. There needs to be special focus on the women's participation in trade related employment, and the nature of such employment.

### **Identifying Sectors**

- 9.7 Sectors where women's participation is significant will be identified for specific focus as, for example, in agriculture, food processing, fishing, plantations, forestry, horticulture, export intensive manufacturing, tourism and care services with a view to introduce technology that are drudgery reducing and/or labour augmenting thereby creating conditions for employment generation, a decent work and higher productivity.
- 9.8 Policies and programmes for skill training and development for women will have a specific component of entrepreneurship development for women-headed micro and small enterprises.

### **Facilitating Structures**

- 9.9 Special institutional mechanisms will be created to cater to women's employment, such as information centres and organisational structures. to promote decent employment in emerging sectors and activities.
- 9.10 Special facilities (in the form of committees) will be established in clusters and large enterprises to ensure that basic conditions of

work with dignity are provided for women workers and that no discriminatory practices are allowed. These relate to (i) sanitary, drinking water, eating and child care facilities, (ii) ensure the payment of minimum wages wherever applicable, (iii) enforcement of safety standards and (iv) representation of women in collective bodies of workers.

- 9.11 A specific area in which women have responded in large numbers arising out of economic compulsions is their high level of participation in the National Rural Employment Guarantee Programme (NREGP). It will also be the endeavour of the government to ensure that wage payments are carried out in a timely and transparent manner and create such systems (like Post Office or Bank Savings Accounts) that will both ensure timely and full payment and empower them in the long run in dealing with modern financial institutions.
- 9.12 Special attention will be given to the educational and skill training requirements of women workers thereby addressing, inter alia, the perceived bias against women workers in the labour market

### **Organisation and empowerment**

- 9.13 Given the greater deficit in organisation and representation of women workers, especially in the informal economy, special programmes and enabling conditions will be created for organizing informal women workers and strengthening their collective capacity.
- 9.14 The Self Help Groups of women have emerged as an innovative form of organisation for accessing credit, marketing as well as other services. While encouraging the spread of this organisational form to areas where it is currently either absent or low presence, policies will be put in place to ensure that micro credit graduates from consumption smoothening to livelihood credit that will have a focus on the creation of productive employment with backward-forward linkages.

## **10. Vulnerable Workers**

10.1 In an economy where an overwhelming proportion of workers are in the informal sector whose defining characteristics are low productivity, small size of enterprises and absence of job and/or social security to workers, vulnerability should be reckoned as all pervasive. However, there are specific segments of workers who are at a distinct disadvantage arising out of their helplessness in terms of local distress, distress induced migrants, working children, workers with physical challenges or those in bondage like conditions.

### **Migrant Workers**

10.2 Effective enforcement of the Inter-State Migrants Act of 19xx will be ensured to regulate the recruitment as well as terms and conditions of work.

10.3 The state governments will ensure that migrant workers have access to basic amenities such as shelter, drinking water and sanitation, health care and access to schooling for the children. In addition, it will also ensure, through appropriate legislation that the social security scheme for workers in the unorganised sector are also made available to the migrant workers.

### **Child Labour**

10.4 Tackling child labour (which is declining) calls for policies and programmes to improve the livelihood security of poor families to which they belong. Provision of gainful employment especially during lean seasons, better enforcement of minimum wages of adult workers, provision of basic social security and contingent social security will be strengthened. In addition, child-centred programmes such as ICDS and Mid-Day Meals in schools will be extended to cover the whole country and steps taken to enhance their effectiveness.

10.5 An area requiring special focus is to strengthen access to schooling especially in rural areas. The augmented programme of Sarva Shiksha Abhiyan is expected to ensure universal enrolment of children in schools. Special schemes will be introduced to states

that account for an overwhelming proportion of children out of school.

- 10.6 State governments and local self governments will be encouraged and incentivised to ensure provision of quality education. The family-centric and convergence-based child labour approach will be promoted through policy and schemes, particularly at the district levels. Special schemes will be introduced for states that account for an overwhelming proportion of children out of school. Regionally focused policies and programmes will therefore get special attention.

### **Bonded Labour**

- 10.7 There exist various interpretations of the term bonded labour. Operational definitions will need to be adopted.
- 10.8 Policies and schemes aimed at preventive aspects will be strengthened to reduce the incidence of bonded labour that largely, if not only, arises from debt-bondage. Special schemes for rural, poor households from such socially disadvantaged groups as Scheduled Castes and Tribes, who constitute the majority of bonded labour, will be introduced in areas of origin. with the aim of tackling the reasons for bondage or bondage-like situations

## Part III

### IMPLEMENTATION AND MONITORING

11. National Employment Policy is to be implemented by different ministries, bodies and agencies of the government, both at the Centre and in the states. It is, therefore, essential that an institutional mechanism is developed to ensure that employment is mainstreamed in growth strategies, macro-economic and sectoral policies and to monitor results of policy initiatives. Implementation of employment policy involves several stages. To begin with increasing the employment-intensity of economic growth requires identification of sectors that are more employment-friendly and pursue policies and programmes conducive to their growth. Identification of such sectors and sub-sectors could be based on an analysis of the employment impact of growth of such sectors. It will need to be ensured that all major projects and their associated investment decisions take into consideration the employment aspect. Assessments need to be made of the extent of benefits derived from capital subsidies of various kinds and alternative types of labour subsidies (for instance subsidies promoting employment intensive technologies) need to be evaluated. In order to oversee and carry out such assessments there must be an institutional mechanism established, that is suitably empowered. Adequate human and financial resources should be dedicated to carrying out such exercises within the budgetary allocation. Periodic monitoring and evaluation, as relevant, needs to be done on a regular basis.
  - 11.1. For undertaking the tasks of assessment and monitoring effectively, it is necessary to identify the nature and details of the required data and arrange their collection and collation at regular intervals. It appears that for carrying out a meaningful 'Employment Audits' the present data collection systems need to be much improved. Specifically,
  - 11.2. A system of 'Employment Impact Assessment' needs to be developed and made a pre-condition of all major macro economic policy initiatives.

- 11.3. A check list should be provided to different ministries and macroeconomic policy-making institutions to ensure that basic employment issues are taken into consideration.
- 11.4. A suitably empowered institutional mechanism needs to be constituted to oversee employment outcomes of macro economic and sectoral policies.
- 11.5. Data systems and monitoring mechanisms need to be created/improved-it may, for example, be necessary to have annual rounds of the household NSSO Employment and Unemployment surveys, and to improve coverage of employment in data collected and collated by organizations like the ASI and DGET