CHAPTER III
ORIGIN, GROWTH AND ORGANISATION OF EMPLOYMENT EXCHANGES

Toward the end of 2nd World War, the need was felt for a machinery that would satisfactorily handle, orderly re-absorption in civil life of a large number of service personnel and war workers who were to be released. In India, the Employment Exchange came into being in the year 1943-44. Before this, there was a good deal of discussion regarding advisability of establishing employment exchanges in India. But nothing came out of it. Really in 1943-44 employment exchanges were established because of the requirement of the 2nd World War. Ten employment exchanges were established in 1943-44 were run on a voluntary basis and were open to technical personnel only. However, it was realised that with the termination of hostilities, the problem of resettlement of unemployed skills and unskilled workers and demobilised service personnel would arise, having regard to the complexity of the problem and to ensure co-ordination and uniformity in policies governing demobilisation and resettlement, it was thought to be necessary that a machinery should be evolved to facilitate the resettlement. It was considered to be necessary, to be set up, should be directed and controlled by the central Government. In accordance with a scheme that agreed upon by the central and state Governments, a Directorate General of Resettlement and Employment was created in 1945 for a period of 5 years, and it was entrusted with the task of supervision, co-ordination and direction of the central and regional sections of the re-settlement and employment organisation. The country was divided into 9 regions, each region being under the charge of a regional Director. The scheme envisaged establishment of 71 Employment Exchanges by February 1946, in different parts of the Country.

Till the end of 1946, employment service facilities were available only to demobilised service personnel and discharged war workers.

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In 1947 at the time of partition of the country Employment Exchanges were called upon to deal with the resettlement of a large number of persons who were displaced in consequence of the partition. In response to growing demand, the scope of service was gradually extended and by early 1948, employment exchanges were thrown open to all categories of workers. The provincial Governments were advised to set up employment information Bureaus, so that demobilised persons may have easy access to information. In 1946 there were 69 employment exchanges, 173 employment information Bureaus and 71 mobile exchanges, were also established. In 1949, the life of resettlement and employment organisation was extended upto 1952 with certain reductions in expenditure and later it was further extended upto 1955.

THE SHIVA RAO COMMITTEE

In November 1952 the Government of India appointed a committee under the chairmanship of B. SHIVA RAO, called Training and Employment Service Organisation Committee to examine the future of the organisation of the Directorate General of Resettlement and Employment. The committee was also asked to report on the future organisation and expansion of employment exchanges. It submitted its report in 1954.

The committee examined the working of employment exchanges and pointed out several defects. The employment exchanges, could not work effectively because when their scope was extended during 1947-48, there was a great increase in the number of applicants with the limited staff, it was not possible to know job opportunities and to test the ability of applicants who were recommended to the employers. Another reason was that the employment exchanges were established on a temporary basis and their future was uncertain with the result that the staff was interested in, somehow or other, keeping it going on and it did not suggest to improve the working of the organisation.
Another defect in the organisation was that the state Governments were not sufficiently associated in the administration of the service.

The committee found that the private employers seldom used the services of the exchanges.

The SHIVA 3AO Committee made some important recommendations aimed at increasing the efficiency of the service. The General recommendations were following:

(1) The employment organisation should be placed at on a permanent basis.
(2) It should continue to operate for both employers and workers without any charge.
(3) While there should be centralised co-ordination and supervision, the administration, should be transferred from the central Government to the state Government.
(4) The central Government should bear the entire cost of the central Headquarter and 60 /. of the state expenditure, and the state Government should provide the necessary accommodation and bear 40 /. of the cost of running the service in the state.
(5) It also recommended introduction of employment counselling programme and collection and publication of information on general employment outlook.
(6) Committee also recommended that occupational research programme should be improved. It also recommended comprehensive information programme. Mobile section of employment exchanges should be discontinued and where full time office is not justified part time employment exchanges should be set up. Employment exchanges should be maintain continuous relationship with the employers and workers organisations in their area,
Private employers should be required on a compulsory basis to notify to the exchanges all vacancies other than vacancies for unskilled categories.

Some of the recommendations of the SHIVA RAO Committee have been implemented. The administrative control of the employment exchanges was transferred to the state Governments with effect from 1.11.1956 and it was decided that the central Government would bear 60% of the cost of organisation.

Since 1954 figures show a continuous expansion in the number of registrations, number of employers using the exchanges, number of vacancies notified and number of placements effected, which between 1954 to 1963 increased from 128 to 453 lakhs, 15.65 to 41.51 lakhs, 4760 to 12475 lakhs, respectively. However replacements as a percentage of registration remained more or less constant and vacancies filled as a percentage of registration declined.

It is really interesting and better to say pitiable to know the methods of recruitment which were prevailing in the olden days and in some places even now. The recruitment process was such that the employable class was under exploitation, not even this but the employers were also experiencing great losses. So it becomes necessary to explain those methods of recruitment.

**RECRUITMENT OF LABOUR FORCE**

If proper care is not taken in the recruitment of labour force, the employer, the workers and community are bound to suffer. The employer suffers, if he does not get the man best suited for a particular job, the worker suffers if he can not find a job for which he is best suited, and the community suffers as a result of low productivity and dissatisfaction among workers and employers. In India recruitment was and to some extent is in the hands of "JOBBER" and "CONTRACTOR"
An idea of the power in the hands of jobber can be obtained from the number of functions he performed. He acted as a recruiting agent, supervisor or a foremen and in some cases, even as a subemployer. He worked as an assistant mechanic and imparted technical training to new recruits. He acted as an intermediary between employers and employees and thus performed a function of trade unions. Each of these functions require efficiency and competencess of high order, and which is a joke to think to be performed by a single person. Workers came into contact with this powerful person in the factory and it is not surprising that they were more attached to the jobber than to the mill or employer. A jobber had a power to promote or dismiss a worker. In the twenties when a jobber left the mill he took away his workers with him. The jobber exacted a fee as a price of employment and in some cases workers had to pay him regularly to retain the job. This, of course, meant that the workers were recruited not on the basis of their suitability, efficiency and competence but on the basis of their ability to pay bribe, with the result that employers had to bear high labour costs and the workers had to face unfair competition. Another evil of the system was high turnover of labour. It was in the interest of jobber to create as many vacancies as possible. Every fresh recruitment meant a financial gain to him. In addition to the evils of loan sharking and organised crimes were prevalent. It would be wrong to hold jobbers responsibility for these evils. In the ultimate analysis, it was the recruitment policy of the employer which gave the jobber too much power, that he misused and abused. This was only to be expected for, after all, a jobber was a person whose status, education, and competence can not be considered adequate for the purpose.
Another intermediary, who played and still plays an important part in recruitment, in India, is the contractor. The workers suffered under this system also. Some employers deliberately adopted the contract method because it enabled them to escape the provisions of various acts. The relationship between contractor and worker is of temporary nature and he does not hesitate to exploit the workers for his immediate gain. In this regard a contractor may find himself helpless because the system of giving contracts to the lowest bidder may force him to pay low wages. Contract labour is mainly used in mines, building and construction and in some cases even in factories. Nearabout same drawbacks which the jobber has are also associated with contractor.

Having in mind the above mentioned drawbacks in the recruitment of labour there arises the need of an organisation which should fulfill the work of recruitment having in view the welfare of the community as a whole. The best and first thing which should be kept in mind at the time of recruitment is "the right men for the right job". The best possible utilisation of human resource can only be possible when jobs are given according to the ability. All these precautions we can find in employment exchanges, they can be called as idle recruiting offices.

**Organisation of Employment Exchanges in India**

In India employment exchanges are of comparative recent origin. They were established for the first time in 1943. Before this there was a good deal of discussion regarding the advisability of establishing employment exchanges in India, but nothing came out of it. Even in 1943-44 employment exchanges were established because of the requirements of the second world war.
Ten employment exchanges which were started during 1943-44 were run on a voluntary basis and were open to technical personal only. However it was realised that with the termination of hostilities the problem of resettlement of unemployed skilled and unskilled workers and demobilised service personels would arise and a machinery should be evolved to facilitate their resettlement. Accordingly a directorate general of Resettlement and Employment was created in 1945 for a period of 5 years and it was entrusted with the task of supervision, co-ordination and direction of the central and regional sections of the resettlement and employment organisation. The country was devided into 10 regions each region being under the charge of a regional director. The scheme envisaged establishment of 71 employment exchanges by February 1946. The provincial governments were advised to set up employment information Bureaus, so that demobilised persons may have easy access to information. In 1946 there were 69 employment exchanges and 173 employment information Bureaus and 71 mobile exchanges were establised. These exchanges were open only to demobilised service personels and discharged war workers. During 1947-48 their scope was extended so as to cover all types of job seekers. In 1949 the life of resettlement and employment organisation was extended upto 1952, with certain reductions in expenditure and later it was further extended upto 1955.

On the recommendation of "The Training and Employment Service organisation committee" (SHIVA RAO Committee) and the acceptance of these recommendations by the Government of India and state government the day to day administration of employment exchanges was handed over to state governments with effect from 1.11.1956.

In 1960 the name of this Directorate General was changed from Directorate General of Resettlement and Employment (D.J.R and T) to Directorate General of Employment and Training (D.J.E and T). The D.J.E and T constitutes of the central headquarters of the National Employment service,
as well as of the craftsmen Training scheme of the Ministry of Labour and Employment, Government of India.

The office of the directorate general was established in DELHI. This office was for the country as a whole. For each state there is a directorate. For U.P it is in LUCKNOW. Again for sake of convenience one regional office was also established, which holds its office in KANPUR. The KANPUR region was again divided in ten sub-regional offices, in, AGRA, MEERUT, BAREILLY, ALLAHABAD, BAWAAS, GORAKHPUR, LUCKNOW, JAUNPUR, LAMHAT and in ALLORA. In each district of the subregion there is a district employment exchange office. ALLAHABAD comes under the supervision of AGRA sub-regional office. In U.P there are also seven University Employment Information and Guidance Bureaux, in AGRA, ALLAHABAD, BAWAAS, JAUNPUR, LUCKNOW, MEERUT and LAMHAT.

There are also four sub-offices.

1. GHAZIABAD, of MEERUT employment exchange.
2. BHARATPUR, of ALLAHABAD Employment Exchange.
3. RISHIKESH, of ALLAHABAD Employment exchange.
4. PAURI.

The End