The origin of the Employment Service in India dates back to the post-war period when the Unemployment Convention was adopted by the first session of the International Labour Conference held in Washington in 1919. Under this Convention, each member was required to establish free public employment agencies under the control of a Central authority.

Recognising the value of such a public service, India ratified the Convention in 1921 but this step did not result in the immediate establishment of an Employment Service. It was felt that as the demand for industrial labour then exceeded the supply, employment agencies would serve no useful purpose.

Ten years later, the question of setting up an Employment Service in India came up for consideration before the Royal Commission on Labour. The Commission expressed the view that, though Employment Exchanges might help to increase the mobility of labour, they could not provide an effective remedy for general unemployment or economic depression and could not augment the volume of employment or render employment assistance unless employers were statutorily

1. I.L.O.—Unemployment Convention, 1919, Art. 2(1).
compelled to recruit workers through them.\textsuperscript{1}

The Commission did not, however, consider that the imposition of a general obligation on industrial organisations in regard to recruitment of their employees through employment exchanges was practicable under the then prevailing conditions. Though the Commission favoured the maintenance by employers of a joint bureaux for recruitment, it did not consider it opportune to set up such a bureaux, particularly when availability of labour was no problem.\textsuperscript{2}

Thus in 1921 the suggestion for the establishment of Exchanges was negatived because the demand for industrial labour exceeded the supply and in 1931 because the supply of industrial labour exceeded the demand altogether an interesting reversal of reasons.

In accordance with the Government of India Act, 1935, the responsibility for tackling the problem of unemployment was transferred from the Central to the Provincial Governments. Since there could be no uniform policy on the subject, India was forced in 1938 to denounce the I.L.O. Convention.

Meanwhile several Committees appointed from time to time by the Provincial Governments and the Government of India to investigate different aspects of labour problems recommended the setting up of employment agencies.

\begin{enumerate}
\item Royal Commission on Labour, \textit{op.cit.}, pp.34-36
\item Ibid., pp.24-25
\end{enumerate}
In December 1936, the Sapru Committee on Unemployment, appointed by the Government of United Provinces, recommended the establishment of two separate appointment boards, one for graduates of the various universities in the United Provinces and the other for students of Secondary Schools, Intermediate Colleges, and Vocational and industrial Schools to help them in finding suitable employment and to collect statistics of employment and unemployment. The Cawnpore Labour Enquiry Committee (1938) was of the view that the establishment of Employment Exchanges would lead to a better organization of labour supply. The Committee said, "Both the employers and workers have advocated it [establishment of Employment Exchanges]. We believe that if vacancies on the substitute lists are filled by reference to the Labour Exchange, a very important step will have been taken towards the elimination of bribery and corruption associated with recruitment."¹

The Bihar Labour Enquiry Committee also recommended the setting up of Employment Exchanges under state control for the Jharial coal-field. It was not uncommon to find a surplus of labour in one colliery and a scarcity of labour in another, and the Committee felt that the employment exchanges could arrange the adjustment of labour in such areas.

The Textile Labour Enquiry Committee, Bombay, in July 1940, recommended that a beginning should be made by the

Government to organise Employment Exchanges in large industrial centres. The Committee was of the view that Bombay, Ahmedabad and Sholapur would be suitable centres for initiating the experiment. It recommended that the Exchanges should organise the supply of labour for all industries, including Government factories and workshops.

The Labour Investigation Committee, which was set up in February 1944, to collect data with a view to enabling the Government of India to draw up a programme of social security, also studied the various recruitment methods employed in private industry. It considered the measures that might be adopted to eliminate the evils of recruitment by jobbers and came to the following conclusions: "Probably, the only real remedy lies in having a wide network of employment exchanges. Employment Exchanges can not only prevent the abuses of recruitment through jobbers but are bound to prove a more efficient system of recruitment for skilled and semi-skilled labour and also perhaps, for unskilled labour....."²

The initial system of Employment Exchanges in India, comprising nine Exchanges, came into being in 1943-44 because of the need to overcome the acute war-time shortages of technical personnel.³ They functioned under the control and supervision of the National Service Labour Tribunals which had been established in 1940 to ensure adequate supply of

2. Labour Investigation Committee, op.cit. p.82.
3. The nine Exchanges were started on an experimental basis in industrial centres, namely, Calcutta, Bombay, Ahmedabad, Madras, Kanpur, Nagpur, Delhi, Jamshedpur and Karachi.
skilled technical personnel to meet the demands of industry. Thus the Employment Exchanges were at first only a branch of the National Service Labour Tribunals and a means to ensure that available technical personnel did not slip through the meshes of the Tribunals. The success achieved was limited and resulted primarily from the compulsory powers under the National Service Orders. This connection between the war-time labour policies and Employment Exchanges is unique in that the first Exchanges in India resulted from war-time policy whereas in other countries the public employment agencies were already in existence and were entrusted with the administration of war-time labour policies.

In 1945, it was decided that resettlement should be a civilian and not a military responsibility and the Labour Department was entrusted with this task. Having regard to the complexity and magnitude of the problems arising from the demobilisation and resettlement in civil life of such a large body of returning servicemen and to ensure uniformity and co-ordination of policies, it was considered necessary that such machinery should be directed and controlled by the Central Government. The Government of India Act, 1935, was amended to facilitate the process. Accordingly, the Labour Department prepared a scheme for setting up a Resettlement and Employment Organisation. In pursuance of the scheme, the Directorate-General of Resettlement and Employment was created in July, 1945, with the object of supervising, coordinating and directing the work of both central and regional sections of the
organisation. The scheme provided for a network of 71 Employment Exchanges to be established throughout the country by February, 1946 which were to consist of one Central, nine Regional, two Special Exchanges for Naval and Aircraft Trades and 69 sub-regional Employment Exchanges.¹

The Director-General functioned as the Chief Administrator of the Directorate-General of Resettlement and Employment. He was responsible to the Secretary, Ministry of Labour, and through him to the Minister for Labour, for the programmes and implementation. He was responsible for laying down broad programmes to be implemented by the organisation and for directing the work of the organisation. Besides the Chief Executive, there were two high-level administrators, i.e. the Director of Employment and the Director of Training.

In order to associate relevant groups with the working of the organisation, a Central Employment Advisory Committee was set up with the Director-General as Chairman. Besides the nominees of the Central and State Governments, there were the representatives of the Employers' organisations and workers' organisation, as members of this Committee.

At the Central headquarters, the Directorate of Employment Exchanges was made responsible for co-ordinating the work of all Employment Exchanges. The Directorate was also responsible for collection and analysis of all-India

statistics and for research on questions affecting employment, training of staff, inspection of Employment Exchanges and for publicising the activities of the organisation.

In order to provide employment services to demobilised soldiers and employers spread over a vast area, the organisation was set up on a regional pattern. The country was divided into nine regions, namely, Bengal and Assam, Bihar and Orissa, Bombay, Central Provinces, Delhi and Ajmer Mehsana, Madras, Punjab and North-West Frontier Province, Sind and Baluchistan and United Provinces. Each region was placed under the charge of a Regional Director who was directly responsible to the Director-General for the supervision and efficient working of the organisation.

As in the case of the Director-General, the Regional Director was advised in matters pertaining to employment and training by a Regional Employment Advisory Committee. This too was a tripartite body consisting of representatives of the State Government or Governments and Employers' and workers' organisations, with the Regional Director as Chairman.

Though the Employment Service organisation was initially set up for the resettlement of demobilised soldiers, in 1947 it was called upon to shoulder the responsibility of resettlement of displaced persons from Pakistan. Subsequently, in response to public demand, the Employment service was thrown open to all categories of applicants.¹ To cater to

¹ The Indian Labour Year Book, 1947-48, p.20.
these demands, the number of Employment Exchanges was increased from 18 (1946) to 126 (1951). These Exchanges fell under three broad categories, namely, Regional Employment Exchanges, Sub-Regional Employment Exchanges and District Employment Exchanges.

A Regional Employment Exchange was placed under the charge of a Regional Employment officer (an officer of the grade of Assistant Director), assisted by a Deputy Regional Employment officer and Assistant Employment Officers. A sub-regional Employment Exchange had a sub-Regional Employment Officer and one or more Assistant Employment Officers.

In each Exchange, particularly the bigger ones like the Regional and Sub-Regional Employment Exchanges, work was organised through a number of sections, such as those for registration of applicants, documentation of vacancies and submissions, a women's section, a vacancy and labour clearing section, a section to deal with highly qualified applicants and vacancies for such applicants, a general section and a mobile section.

In order to advise on local problems relating to employment and training, an Employment Advisory Committee was attached to each sub-Regional Employment Exchange. This was also a tripartite body consisting of representatives of Government,

1. As the organisation was set up on a temporary basis and it was not sure of its future, there was very little expansion of the Organisation during the period 1962-65. The number of Employment Exchanges in the country operating at the end of 1956 was only 131.
employers and workers. The Deputy Commissioner concerned was the Chairman of this Committee. The Regional Employment Exchanges, however, did not have separate advisory Committees. The Regional Employment Advisory Committees set up to advise the Regional Directors were intended to serve the needs of the Regional Employment Exchanges as well.

Though the organisation was centrally administered, its structural pattern necessitated the adoption of measures to secure coordination among the Central headquarters, Regional Directorates and Employment Exchanges. To facilitate vertical and horizontal co-ordination, a system of central instructions and central inspections was adopted. Conferences of Employment officers and Regional Directors were also held from time to time.

All instructions of a permanent and semi-permanent nature were embodied in the Manual of Instructions for Employment Exchanges. Explanations and Communications on instructions were issued in the form of Employment Exchanges explanatory notes whenever necessary. In addition, instructions on various routine matters were issued through the medium of Employment Exchange minutes.

To ensure that the Exchanges maintain a high level of efficiency and to check whether they implement prescribed
policies and procedures, they were inspected regularly by Inspecting Officers from the headquarters.

Employment Officers' Conferences were occasionally held in the regions and these were attended among others, by an officer from the headquarters. Conferences of Regional Directors were also held once a year to discuss administrative and procedural problems. These helped in the formulation of policies by the headquarters and at the same time provided an opportunity to the headquarters to explain or clarify policies.

To ensure the participation of State Governments in the administration of the organization, the person selected for appointment as Regional Director was a nominee of the State Government concerned if it was prepared to release a suitable officer. In some cases these Directors were given ex-officio status as Additional Secretary or a similar rank in the respective State Governments, so as to give them a further opportunity of associating themselves with official work. The concurrence of State Governments was obtained at each stage of the extension of the organization's life on the existing terms. Their approval was also sought in regard to any proposal for setting up a new office and their advice taken.
in determining the jurisdiction of individual exchanges in the States.

The expenditure on the headquarters of the Organization, the Regional Directorates and on Employment Exchanges in Part 'C' States was borne entirely by the Central Government. As regards Employment Exchanges in Part 'A' and Part 'B' States, the Central Government and the State Government concerned shared the expenditure in the ratio of 60:40. The State Governments were also provided, at their own cost, office accommodation for Employment Exchanges. The expenditure of the District Employment Exchanges in Uttar Pradesh and Bihar was borne entirely by the respective State Governments. In the case of Bihar, however, the contingent expenditure of the District Employment Exchanges was shared between the Central and the State Governments in the prescribed ratio of 60:40.¹

Performance of Employment Exchanges

The main function of the Employment Exchanges

¹ Based on personal information obtained from the Directorate-General of Employment and Training.
## TABLE 2.1

Number of Persons Registered with and Placed by Employment Exchanges during 1945-1955.

<table>
<thead>
<tr>
<th>Year (July-Dec.)</th>
<th>No. of Registrations</th>
<th>No. of placements</th>
<th>% of Placements to Registrations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>51,306</td>
<td>9,780</td>
<td>19.1</td>
</tr>
<tr>
<td>1946</td>
<td>569,872</td>
<td>106,208</td>
<td>18.6</td>
</tr>
<tr>
<td>1947</td>
<td>629,961</td>
<td>161,374</td>
<td>25.6</td>
</tr>
<tr>
<td>1948</td>
<td>870,904</td>
<td>260,088</td>
<td>29.8</td>
</tr>
<tr>
<td>1949</td>
<td>1,06,635</td>
<td>256,809</td>
<td>24.1</td>
</tr>
<tr>
<td>1950</td>
<td>12,10,358</td>
<td>331,193</td>
<td>27.3</td>
</tr>
<tr>
<td>1951</td>
<td>13,75,351</td>
<td>416,852</td>
<td>30.3</td>
</tr>
<tr>
<td>1952</td>
<td>14,76,699</td>
<td>357,828</td>
<td>24.2</td>
</tr>
<tr>
<td>1953</td>
<td>14,06,800</td>
<td>185,443</td>
<td>13.1</td>
</tr>
<tr>
<td>1954</td>
<td>14,65,497</td>
<td>166,451</td>
<td>11.3</td>
</tr>
<tr>
<td>1955</td>
<td>15,84,024</td>
<td>169,735</td>
<td>10.7</td>
</tr>
</tbody>
</table>

during the period (1946-65) was to help, as speedily as possible, employment seekers to find suitable employment and employers to secure suitable workers.

Table 2.1 indicates that the number of persons registered with the Employment Exchanges increased steadily during the period 1946-1955. However, it is not possible to discern any direct connection between the number of persons registered with the Employment Exchanges and the level of unemployment in the country since many applicants got themselves registered at more than one exchange and some of the registered persons were already employed.

The real value of the work performed by the Employment Exchanges must in the final analysis be judged in terms of the measure of success the Exchanges achieved in finding employment for those who sought their assistance. Table 2.1 reveals that on an average 10.7% - 30.3% of the applicants registered with the Employment Exchanges were placed in employment by them during the period 1946-1955.

As already mentioned, the Employment service Organization cannot create employment opportunities. It can only bring the employers and the job-seekers together. As the number of vacancies notified to the Employment
### Table 2.8

Number of vacancies notified to and filled by the Employment Exchanges during April, 1946-1955.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of vacancies notified</th>
<th>No. of vacancies filled</th>
<th>% of vacancies filled to vacancies notified</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946 (April-Dec.)</td>
<td>188105</td>
<td>76644</td>
<td>39.7</td>
</tr>
<tr>
<td>1947</td>
<td>267841</td>
<td>168353</td>
<td>59.1</td>
</tr>
<tr>
<td>1948</td>
<td>380921</td>
<td>255587</td>
<td>67.1</td>
</tr>
<tr>
<td>1949</td>
<td>352011</td>
<td>255693</td>
<td>70.1</td>
</tr>
<tr>
<td>1950</td>
<td>419307</td>
<td>329348</td>
<td>78.5</td>
</tr>
<tr>
<td>1951</td>
<td>426534</td>
<td>415141</td>
<td>85.3</td>
</tr>
<tr>
<td>1952</td>
<td>427551</td>
<td>356806</td>
<td>83.1</td>
</tr>
<tr>
<td>1953</td>
<td>256703</td>
<td>184323</td>
<td>71.8</td>
</tr>
<tr>
<td>1954</td>
<td>239675</td>
<td>162411</td>
<td>67.7</td>
</tr>
<tr>
<td>1955</td>
<td>280523</td>
<td>185638</td>
<td>66.1</td>
</tr>
</tbody>
</table>

Source: India, Directorate-General of Resettlement and Employment, Annual Reports, 1946-1955
### TABLE 2.3.

Occupational distribution of applicants on the Live Registers of Employment Exchanges.

<table>
<thead>
<tr>
<th>Types of Applicants</th>
<th>Jan. 51</th>
<th>June 51</th>
<th>Dec. 51</th>
<th>June 52</th>
<th>Dec. 52</th>
<th>June 53</th>
<th>Aug. 53</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Supervisory</td>
<td>3,504</td>
<td>3,505</td>
<td>3,448</td>
<td>4,109</td>
<td>4,348</td>
<td>4,268</td>
<td>5,057</td>
</tr>
<tr>
<td>Skilled and Semi-skilled</td>
<td>43,799</td>
<td>40,665</td>
<td>38,921</td>
<td>43,719</td>
<td>46,728</td>
<td>45,150</td>
<td>48,147</td>
</tr>
<tr>
<td>Clerical</td>
<td>79,552</td>
<td>89,357</td>
<td>85,057</td>
<td>1,106,200</td>
<td>1,150,964</td>
<td>1,32,697</td>
<td>1,43,825</td>
</tr>
<tr>
<td>Educational I</td>
<td>5,103</td>
<td>6,710</td>
<td>4,835</td>
<td>8,812</td>
<td>6,979</td>
<td>12,772</td>
<td>13,070</td>
</tr>
<tr>
<td>Domestic Service</td>
<td>12,451</td>
<td>11,613</td>
<td>11,704</td>
<td>13,447</td>
<td>13,072</td>
<td>14,822</td>
<td>16,726</td>
</tr>
<tr>
<td>Unskilled</td>
<td>1,74,701</td>
<td>1,55,192</td>
<td>1,69,445</td>
<td>1,76,854</td>
<td>2,14,479</td>
<td>2,34,264</td>
<td>2,39,269</td>
</tr>
<tr>
<td>Others</td>
<td>26,549</td>
<td>23,927</td>
<td>23,819</td>
<td>24,828</td>
<td>25,201</td>
<td>29,944</td>
<td>32,797</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,451,159</td>
<td>3,30,369</td>
<td>3,28,719</td>
<td>3,81,739</td>
<td>4,37,571</td>
<td>4,73,917</td>
<td>4,98,961</td>
</tr>
</tbody>
</table>

Source: Annual Reports of the Directorate General of Resettlement and Employment 1951-1953
### TABLE 2.4

Number of vacancies notified and filled during the years 1952 and 1963 (January to August) classified according to broad occupational categories.

<table>
<thead>
<tr>
<th>Occupational/Category</th>
<th>No. of vacancies notified</th>
<th>No. of vacancies filled</th>
<th>Percentage of vacancies filled</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1952 (Jan.-Aug.)</td>
<td>1963 (Jan.-Aug.)</td>
<td>Total 1952</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Industrial</td>
<td>4,814</td>
<td>3,190</td>
<td>8,104</td>
</tr>
<tr>
<td>Supervisory</td>
<td>(1.2) (1.8)</td>
<td>(1.3) (0.6)</td>
<td>(1.1) (1.1)</td>
</tr>
<tr>
<td>2. Skilled and semi-skilled</td>
<td>63,474</td>
<td>30,869</td>
<td>94,563</td>
</tr>
<tr>
<td>(14.3) (17.2)</td>
<td>(15.6) (14.0)</td>
<td>(15.3) (14.4)</td>
<td></td>
</tr>
<tr>
<td>3. Clerical</td>
<td>37,495</td>
<td>22,038</td>
<td>59,533</td>
</tr>
<tr>
<td>(6.7) (12.2)</td>
<td>(9.8) (7.7)</td>
<td>(12.6) (9.0)</td>
<td></td>
</tr>
<tr>
<td>4. Educational</td>
<td>7,387</td>
<td>5,469</td>
<td>12,856</td>
</tr>
<tr>
<td>(1.7) (3.0)</td>
<td>(5.1) (1.1)</td>
<td>(2.3) (1.4)</td>
<td></td>
</tr>
<tr>
<td>5. Domestic Service</td>
<td>21,099</td>
<td>11,860</td>
<td>32,959</td>
</tr>
<tr>
<td>(4.9) (6.6)</td>
<td>(8.4) (4.2)</td>
<td>(8.9) (4.6)</td>
<td></td>
</tr>
<tr>
<td>6. Unskilled</td>
<td>2,68,118</td>
<td>28,152</td>
<td>3,60,270</td>
</tr>
<tr>
<td>(62.4) (49.2)</td>
<td>(56.6) (67.9)</td>
<td>(54.7) (64.3)</td>
<td></td>
</tr>
<tr>
<td>7. Others</td>
<td>26,844</td>
<td>17,755</td>
<td>44,619</td>
</tr>
<tr>
<td>(6.3) (6.3)</td>
<td>(7.3) (4.3)</td>
<td>(8.1) (5.8)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,02,551</td>
<td>1,79,343</td>
<td>5,81,894</td>
</tr>
<tr>
<td></td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
</tr>
</tbody>
</table>

Note: Figures in brackets indicate percentages of each category to total number notified or filled.

Exchanges declined suddenly after 1958 (Table 2.2). There was also a corresponding decline in the number of persons placed in employment.

Table 2.2 indicates the help rendered to employers by the Employment Exchanges during the period. On an average 39.7% - 85.3% of the vacancies notified to Employment Exchanges were actually filled by them.

Some idea of the types of applicants who sought the assistance of the Exchanges can be formed from Table 2.3. The table indicates that out of 4,98,891 applicants on the Live Registers of Employment Exchanges on 31st August, 1963, 10 per cent belonged to the Industrial supervisory group, 0.7 per cent to skilled and semi-skilled groups, 28.8 per cent to clerical, 2.6 per cent to education, 3.3 per cent to domestic service, 6.6 per cent to an unclassified group and 48.0 per cent belonged to the unskilled group.

Table 2.4 gives a break-up of vacancies notified and filled according to broad occupational groups since 1952. It shows that during the years 1952 and 1953, the Exchanges were most successful in filling unskilled vacancies, the percentage of such vacancies filled to those notified being 88.4. It is clear that employment exchanges were not really successful in meeting the demands for applicants possessing high technical qualifications and
TABLE 2.5

Employment Assistance Rendered to Ex-Service Personnel during 1945-1955

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Registration</th>
<th>No. of placements to Registration</th>
<th>% of Placements</th>
<th>No. on Live Register at the end of the period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945(July-Dec.)</td>
<td>19,900</td>
<td>3,090</td>
<td>15.4</td>
<td>11,903</td>
</tr>
<tr>
<td>1946</td>
<td>4,42,214</td>
<td>76,589</td>
<td>17.3</td>
<td>2,34,675</td>
</tr>
<tr>
<td>1947</td>
<td>3,56,361</td>
<td>97,821</td>
<td>24.6</td>
<td>1,34,187</td>
</tr>
<tr>
<td>1948</td>
<td>1,95,485</td>
<td>66,921</td>
<td>34.2</td>
<td>47,579</td>
</tr>
<tr>
<td>1949</td>
<td>1,31,596</td>
<td>21,678</td>
<td>16.6</td>
<td>36,686</td>
</tr>
<tr>
<td>1950</td>
<td>1,02,482</td>
<td>17,517</td>
<td>16.1</td>
<td>34,240</td>
</tr>
<tr>
<td>1951</td>
<td>1,12,116</td>
<td>25,663</td>
<td>22.8</td>
<td>30,341</td>
</tr>
<tr>
<td>1952</td>
<td>1,10,295</td>
<td>23,553</td>
<td>21.3</td>
<td>27,190</td>
</tr>
<tr>
<td>1953</td>
<td>1,08,171</td>
<td>23,412</td>
<td>21.4</td>
<td>26,061</td>
</tr>
<tr>
<td>1954</td>
<td>1,06,272</td>
<td>22,315</td>
<td>20.9</td>
<td>25,971</td>
</tr>
<tr>
<td>1955</td>
<td>1903,181</td>
<td>21,151</td>
<td>20.5</td>
<td>24,821</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Registration</th>
<th>No. of placements</th>
<th>% of Placements of registrations</th>
<th>No. on Live Register at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947 (Sept-Dec)</td>
<td>64,224</td>
<td>10,586</td>
<td>16.4</td>
<td>45,897</td>
</tr>
<tr>
<td>1948</td>
<td>2,72,686</td>
<td>72,474</td>
<td>26.4</td>
<td>50,958</td>
</tr>
<tr>
<td>1949</td>
<td>1,63,452</td>
<td>43,727</td>
<td>26.7</td>
<td>33,967</td>
</tr>
<tr>
<td>1950</td>
<td>1,65,680</td>
<td>29,687</td>
<td>17.5</td>
<td>52,061</td>
</tr>
<tr>
<td>1951</td>
<td>1,31,032</td>
<td>27,427</td>
<td>20.9</td>
<td>37,046</td>
</tr>
<tr>
<td>1952</td>
<td>1,28,017</td>
<td>26,327</td>
<td>20.5</td>
<td>37,669</td>
</tr>
<tr>
<td>1953</td>
<td>1,25,007</td>
<td>24,212</td>
<td>19.3</td>
<td>36,437</td>
</tr>
<tr>
<td>1954</td>
<td>1,22,171</td>
<td>23,304</td>
<td>18.9</td>
<td>36,312</td>
</tr>
<tr>
<td>1955</td>
<td>1,09,071</td>
<td>20,326</td>
<td>18.6</td>
<td>36,215</td>
</tr>
</tbody>
</table>

industrial experience.

It cannot be denied that in terms of absolute numbers the Exchanges registered a large number of applicants and helped into employment a fair percentage of those registered. From the point of view of quality, however, one cannot fail to observe that the bulk of the registrations consisted of unskilled and clerical categories and a large number of vacancies filled by employment exchanges were also of unskilled workers. No specific data are available regarding the duration of the vacancies in which applicants were placed.

The employment assistance rendered to ex-service personnel and displaced persons during the period may also be mentioned. As stated earlier, the organisation was started with a view to resettling demobilised army personnel in civil life. Immediately after the partition of the country, the organisation was called upon to assist in the resettlement of displaced persons.

Table 2.5 shows that, on an average 15.4% - 35.2% of the ex-service personnel registered with the Employment Exchanges were placed in employment. The fact that the number of ex-service personnel on the Live Register declined slowly after 1948 is, however, significant.

Table 2.6 indicates that on an average, the
Employment Service Organisation was successful in placing 16.4% - 26.7% of the displaced persons registered with them. The value of the work performed by the Employment Service, however, should not be judged solely on the basis of the number actually placed in employment. The fact that the Employment Exchanges provided a placing agency to which displaced persons could look up with some hope had a healthy effect on the morale of this category of applicants.

It was felt, however, that the organisation in its existing form had failed to perform the functions of a national employment service. The organisation started exclusively for the benefit of demobilised personnel had been converted into an organisation catering to the civilian population. Not much thought had been given to the fact that such a major change in policy required a deep study of the consequential modifications in the organisation.

Throughout its existence, the Directorate-General was subjected to the criticism that it was run on extravagant lines, that the duties it performed fell wholly within the sphere of a State Government and that the continuance of the organisation imposed an unnecessary burden on the Central Exchequer. It was also felt that while the State Governments were contributing towards the
cost, there was not the same extent of association
of State Governments in with the administration of the
organisation. Many State Governments had expressed a
desire to have the administration transferred to them
and even stressed that such a transfer would result in
economy. The question of transfer came up for
consideration several times, mainly in consideration
of the probable saving to the Centre. The Economy
Committee set up by the Government of India, recommended
that the Employment Exchanges, other than those in
the Centrally administered areas, should be transferred to
the Provinces. The Committee, did not, however,
contemplate that such a transfer would imply the transfer
of the entire financial liability to State Governments.
The reason given by the Committee for the suggested
transfer was that the Provinces might economise in
expenditure by having a less elaborate set-up and also
that there would be a substantial reduction in expenditure
of the headquarters of the Director-General.¹ The
recommendations of the Economy Committee were considered
by the Standing Finance Committee in May 1949. The
Finance Committee accepted recommendations and felt that
the high cost of the organisation and the disparity between
the Central and Provincial rates of pay were the main
reasons for the unwillingness on the part of the some

¹ Training and Employment Services Organisation Committee
Provincial Governments to take over the organisation. It felt that, given freedom in regard to fixation of pay scales, objections from the Provincial Governments would disappear. The Government of India did not reach any final decision on the recommendations of the Finance Committee but directed the continuance of the organisation on the existing basis till the end of July 1962. By a subsequent order, the period was extended upto March, 1965, pending the recommendations of the Shiva Rao Committee.

Shiva Rao Committee, 1952-54:

In 1952, the Government of India appointed a committee under the chairmanship of Mr. B. Shiva Rao to assess the need for continuance of the Resettlement and Employment Organisation in the context of the country's economic and social development and to suggest what its future shape should be.¹

The Committee justified the need of an Employment Service in India and recommended that the Organisation should be placed on a permanent footing.² In making this recommendation, the Committee had the support of all State Governments, all workers' Organisations and almost all

1. India, Ministry of Labour Notification No. HCO - 320(2) dated 10th November, 1962.
Employers' Organisations and Central Government Departments.¹

While examining the administrative organisation of the Employment service, the Committee felt that really effective collaboration between the Central and State Governments had not been achieved. For all practical purposes, the Organisation had been functioning exclusively as a department of the Central Government and this had resulted in indifference on the part of the State Governments towards its successful working. Even in the matter of recruitment to State Government vacancies, the utilisation of Employment Exchanges in most States was limited to the notification of vacancies to the Exchanges. The Committee pointed out that if State Governments felt themselves as real partners in the working of the Organisation, such a situation would not have arisen.

¹ In fact even when the Directorate-General of Resettlement and Employment was set up a permanent Employment Service was envisaged. To quote from a broadcast talk given on 14th July, 1945, by Mr. S. Lall, Secretary of the Department of Labour, "An integrated Employment service is being set up. Its scope for the present is limited to the resettlement and employment of demobilised members of the Defence Services and discharged war-workers. It will be unwise to extend the scope of this organisation to cover all categories of employment seekers as the employment opportunities that are likely to be available during the transition from war to peace will be limited. But as the field of employment is enlarged through the execution of post-war development schemes, the employment service will also extend its scope. We hope that the Employment Service we are establishing will eventually develop into a permanent service covering all categories of employment seekers and that it will promote full employment and higher standards for the people of India." (Planning for Labour - A Symposium, Presented by the Labour Forum, New Delhi, on the occasion of the Preparatory Asian Regional Conference of the I.L.O. held in New Delhi in October-November, 1947.)
The Committee pointed out that the responsibility for such a state of affairs was not really that of the State Governments and that the Organisation itself had to bear a good share of the blame. The Committee was of the view that merely associating State Governments with Employment Advisory Committees or other Committees would not have the same effect as allowing them a voice in the detailed administration.¹

The evidence placed before the Committee showed that there was a general consensus in favour of centralised co-ordination and supervision. In regard to administration, a majority of the States were in favour of transferring the entire administration to State Governments. The workers' Organisations were also generally in favour of administration by State Governments. As far as the Employers' Organisations, the Employment Advisory Committee and Ministries of the Government of India were concerned, opinion appeared to be more in favour of Central administration. The arguments advanced were that a national service was necessary in order to ensure a national view of the employment situation and a uniform labour policy throughout India. Some feared that transfer to State Governments would not result in sound development of the exchanges.

In order to ensure full collaboration, the Shiva Rao Committee recommended that the Organisation should be

¹ Shiva Rao Committee, op.cit., pp.64-56.
transferred to State Governments. It was of the view that the Organisation in the States cannot function in a vacuum; it has to work in close association with various Government departments whose co-operation is essential. Such close working can be effectively achieved if the service operates under the administrative control of State Governments. The Committee pointed out that the employment service is not always confined within the boundaries of the States and in some respects it tends to assume a national character. Nevertheless, the true focus of the programmes and activities of Employment Exchanges is always on the local employment market. It is in this local setting that employment opportunities and employment seekers exist and where the employment process goes on. The problem of employment and unemployment in the States find their roots in the characteristics and inadequacies of local economies and require remedial measures based on the initiative of the States. The Committee was of the view that if the Employment Exchanges are to stimulate and participate in the State Programmes as a means of helping to solve the employment problems, it is necessary that they should work, at all levels of the administration, in the closest co-operation with the appropriate state authorities. The Committee recommended: "With the object that the Employment Exchange Organisation might continue to function as a nationwide system and at the same time be integrated with the plans and programmes of the States, State Governments
should be responsible for the day-to-day administration of the exchanges; the Central Government should continue to lay down policy and standards and co-ordinate and supervise the work of the Employment Exchanges. This recommendation was in accord with the I.L.O. Convention which lays down that the employment service should consist of a national system of employment offices under the direction of a national authority.

In recommending the transfer of administrative responsibility to State Governments, the Committee was not suggesting that the Centre's financial responsibilities would cease. The Committee pointed out that even in regard to subjects which are wholly in the State List, the Central Government renders financial assistance. So it recommended that expenditure on the Employment Service Organisation should be shared between the Central and State Governments in the ratio of 60:40.

The Committee envisaged an important role for the Employment Service Organisation in regard to employment market information, vocational guidance and employment counselling and occupational analysis and research. It made several important suggestions in regard to the development

1. Ibid., p.56.
of these programmes. These recommendations will be discussed in subsequent chapters (V-VII).

The recommendations were far-reaching and involved a reorganisation of the entire framework of the Employment Service in the country. In January 1966, the Central Cabinet accepted the principle of transfer of administrative control over the Employment Exchanges and other important recommendations of the Shiva Rao Committee. Accordingly, the Organisation was made permanent and the day-to-day administration of the Employment Exchanges was transferred to the State Governments with effect from November 1, 1966. And thus, an organisation which was set up for the short-term purpose of resettling demobilised soldiers came to be put to use for a wider and more enduring purpose.

Since the re-organisation of the Employment Service, the number of Employment Exchanges in the country thus increased from 136 in 1966 to 458 at the end of December 1972. These included 51 University Employment Information and Guidance Bureau, 15 Professional and Executive Employment Offices, 7 Colliery Exchanges, 10 Project Employment Exchanges, 11 Special Employment Exchanges for the Physically Handicapped and a special Exchange for

Plantation Labour. In addition, the Employment Information and Assistance Bureau was established to meet the needs of rural areas. They were also functioning in the Community Development Blocks.¹

As recommended by the Committee, Parliament passed the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, making it obligatory on all employers in the public sector and those employing 25 or more workers in the private sector, to notify their vacancies to Employment Exchanges.

The recommendations for developing Employment Market Information, Vocational Guidance and Occupational Information and Research Programmes were also accepted by the Government.

Accordingly, an Employment Market Information Programme was launched in December, 1959, and for the first time in India, detailed information came to be collected on a continuing basis, regarding quarterly changes in the level of employment, manpower shortages and surpluses and the occupational and industrial disposition of the working force in labour market areas in both private and public sector establishments.

¹ India, Department of Labour and Employment, Annual Report, Vol.II 1972-73.
The Vocational Guidance Programme was launched on a national scale in 1957. Under this programme steps are taken to channelise the national manpower resources to proper occupational fields according to the individual's aptitudes, interests and abilities. Another pioneering activity undertaken by the Employment Service is the development of aptitude testing programme for selecting applicants for admission to Industrial Training Institutes.

Under the Occupational Information and Research Programmes, which was launched in 1956, the Employment Service has prepared a multipurpose national dictionary of occupations, called 'National Classification of Occupations' and standardising occupational nomenclature throughout the country. Besides keeping the national classification of occupations under constant revision, the Employment Service has been bringing out a large variety of occupational information literature.

These activities of the Employment Service will be examined in subsequent chapters (V-VII).

Ancillary Programmes of Vocational Training

The training organisation of the Ministry of Labour and Employment, like the Employment Service, came into being during the second World War. Prior to that there was hardly any vocational training system as such in India. There were just a few industrial enterprises in the country...
and they used to meet their requirements by their own methods, mainly with the help of 'on-the-job' training programmes as suited to their requirements. The need for skilled workers in large numbers was felt during the Second World War when India became a base for war-production. The first training scheme organized on a national scale for the training of craftsmen was launched in the year 1940. The object of the scheme, known as the war-time Technical Training Scheme, was to provide the Defence Services and civil industries engaged on war work with skilled and semi-skilled personnel and to create a pool of skilled workers for accelerating the industrial progress of the country.

The scheme was entirely voluntary and candidates were admitted, as far as possible, to get training in the trades of their choice. Prior to admission, however, the trainees had to give an undertaking in writing agreeing to complete the prescribed course at the training centre and to enrol in a technical branch of the Defence Services or to accept such other employment as may be provided by Government in a technical branch of the Defence Services Ordnance factories or civil industry.

Training was given in important engineering and building trades at a number of centres set up in technical institutions, factories and workshops, both Government
and private. The period of training varied from six months to one year, according to the trade and capacity of the trainee. Originally the scheme provided for the training of about 3,000 semi-skilled workers. As the demand for trained personnel grew rapidly, the Government organised by the end of 1942, as many as 380 centres with an immediate training capacity of 45,000 and with a target of 60,000 trainees per year. The scheme continued up to March, 1944, by which time, 1,02,465 persons had been trained.

In March, 1944, an Advisory Committee on Technical Training was constituted to review the working of the War-Time Technical Training Scheme and to recommend measures for adapting it to meet peace-time requirements. As a result of a survey, the Committee came to the conclusion that a large number of skilled workers would be required by industries to maintain their existing strength and to implement schemes of expansion in the post-war period. To meet such needs, the Committee recommended a scheme for the training of young persons as Craftsmen to be planned and organised on a national basis and with a provision for a National Certificate of Craftsmanship.

The scheme of the Advisory Committee, however, could

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not be implemented as in the meanwhile the war had taken a favourable turn for the Allies. Immediate arrangements had to be made to provide the demobilised personnel with facilities for short-term training with a view to resettling them quickly in civil life. The task was entrusted to the Directorate-General of Resettlement and Employment.

As mentioned earlier, the Directorate-General consisted of two Directorates namely, Directorate of Employment Exchanges and Directorate of Training. The Central Employment Advisory Committee advised the Directorate-General on matters pertaining to training also. Each Regional Director was responsible for the supervision and administration of technical and vocational training centres in the Region. In matters relating to training also the Regional Director was advised by the Regional Employment Advisory Committee. This organization drew up five distinct schemes to equip ex-servicemen for employment and also to meet manpower requirements of the post-war development schemes.

The first among these was the scheme for Technical Training of Demobilized Service Personnel instituted in March, 1946. The scheme provided for the training of 30,000

men and women annually.\textsuperscript{1} A number of training centres established during the war were switched over to the training of ex-servicemen and some new centres were also opened. The scheme was sanctioned in the first instance up to the 26th February, 1949. As a large number of ex-servicemen remained on the waiting list, the term of the scheme was extended up to 31st July, 1950, when it came to an end. The total number of ex-servicemen trained under the scheme was 15,390.\textsuperscript{2}

The second scheme was put into operation in September 1946 for three years in the first instance. It provided for the training of 39,000 persons annually in agricultural and allied occupations, cottage and small-scale industries, clerical and commercial occupations and in professional and semi-professional trades. It was decided to make a beginning with about 10,000 seats. Of these, 4667 seats were sanctioned at 91 centres before the partition of the Country. As a result of the partition 19 training centres with 751 seats fell to the share of Pakistan. Thus, India was left with 72 centres with a training capacity of 3,916.\textsuperscript{3} The scheme was discontinued on July 31, 1950, by which time 4,004 demobilized persons had completed their training.

\textsuperscript{1} Ibid.
\textsuperscript{2} India, Directorate-General of Resettlement and Employment, Annual Report, 1950-51.
\textsuperscript{3} Ibid.
The third important scheme was the Apprenticeship Training Scheme, started in July, 1947. It formed part of the programme for the Technical and Vocational Training of Demobilised Personnel. It was introduced with the object of providing facilities to qualified ex-servicemen to gain experience of production work under factory conditions, and was organized in industrial undertakings and establishments for periods not exceeding 12 months. The scheme came to an end in July, 1950, after 1,657 ex-servicemen had completed their apprenticeship.1

The fourth scheme for the Vocational Training of ex-servicewomen was started in July, 1946, for two years. The object was to facilitate the resettlement in civil life of demobilised women by training them in useful occupations leading to independent careers. Training facilities were provided in approved institutions or establishments and in government establishments. In May 1947, a training centre for ex-servicewomen was set up in New Delhi under the control of the Director-General and provision was made for the training of 200 women in tailoring, dress making, typing, stenography and commercial subjects. The scheme ended on 31st March, 1948, when 1,141 ex-servicewomen had completed their training.2

The fifth scheme was designed to train disabled ex-

1. Indian Labour Year Book, 1950-51.
2. Ibid., 1949-50
servicemen. It was introduced in July 1946, for three years. The object was to provide facilities for the training of disabled ex-servicemen in clerical and commercial occupations, engineering, building and other technical trades, professional and semi-professional occupations, Cottage industries and agricultural and allied occupations. The scheme came to an end in August 1949 when 1,496 disabled ex-servicemen had successfully completed their training. 1

After partition, the need arose for the provision of training facilities to equip displaced persons for suitable employment. For this purpose, the Government opened new centres or expanded the existing centres wherever possible. Three important schemes were started for training displaced persons for Technical and Vocational Training of Adult male displaced persons from Pakistan, for Apprenticeship Training of displaced male adults and for Vocational Training of displaced girls and women. All the three schemes ended in 1950. 2

Evaluating the results, the Shiva Rao Committee came to the conclusion that the training schemes had failed to achieve the desired objective to any appreciable extent. This conclusion was based on the

2. Ibid., 1950-51
monthly reports of the employment exchanges wherein Employment Officers repeatedly pointed that employers were reluctant to accept ex-trainees as they did not possess sufficient skill. The Committee observed that since all these schemes were launched in an emergency, no attempt was made to achieve coordination among the various training institutions to avoid overlapping or to relate the training to requirements of industry. Industry was not associated in the drawing up of the syllabi, nor was it systematically associated in the trade testing of trainees. The allocation of seats as between the different trades was not determined on any scientific basis. In the beginning, admission to the training centres was restricted to those who had some technical background; later it became more a matter of filling the seats.1

The Committee further observed that the Directorate-General of Resettlement and Employment experienced several difficulties while operating these schemes. There was a general shortage of essential equipment and it was difficult to obtain suitably qualified instructors.2

These training schemes essentially short-term measures, catered for a small selected group of people.

2. Ibid., p.162
There was need for evolving a scheme which would not only cater for all who desired training as craftsmen but which would also serve the expanding needs of industry. The training schemes for ex-service and displaced persons were hence modified and converted into a composite Scheme for the Technical and Vocational Training of Adult Civilians.

The Adult Civilian Training Scheme was started in 1950 to ensure a steady flow of skilled workers to industry; to raise the quality and quantity of production by a systematic training of workers and to reduce unemployment amongst educated youth by equipping them for suitable industrial employment. The scheme provided for two types of courses—technical training in engineering and building trades and vocational training in cottage and small-scale industries. The period of training for technical trades was two years, of which 18 months were spent in a training centre and the remaining six in an industrial undertaking. The period of training in case of vocational trades was 12 months.

Training was given free and, in addition, a number of concessions such as a stipend at the rate of Rs. 25/-p.m. to one-third of the trainees on the roll, free supply of workshop clothing every four months to those who had to work near moving machinery, free facilities for games, recreation and medical treatment and free hostel accommodation, were given to the trainees.
To start with, 10,000 seats were provided, out of which 7,000 were in technical trades and the rest in vocational trades. When the scheme was initially launched, training was organized in 63 training centres, out of which 28 were under the direct control of the Directorate-General and the rest were training institutions run by State Governments or recognized private establishments.

**Scheme for Training of Instructors**

The Advisory Committee on Technical Training (1944) drew pointed attention in its report to the dearth of good instructors and recommended the establishment of a central institute for training instructors. The Committee emphasized that such training was an urgent pre-requisite for the success of all training schemes for craftsmen. This recommendation was subsequently endorsed by the All-India Council for Technical Education which urged the Government to implement it early. But no action could be taken to set up a training centre for instructors, mainly because the ex-servicemen training scheme was a temporary measure. Subsequently, when the training centres were thrown open to displaced persons it was decided to set up a Central Institute for Training 120 instructors. As a result, the Central Training Institute for Instructors was established at Koni-Bilaspur (Madhya Pradesh) in May, 1948.¹

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The object of the Institute was to improve the efficiency of instructors employed in Central and State Government institutions as well as in private institutions and establishments by giving them theoretical and practical instruction in their respective trades and in the art of teaching; to train new instructors to meet the needs of existing institutions and of new institutions to be started under the development plans, both Government and private; and to provide a refresher course for instructors with a view to ensuring that they are conversant with the latest methods of production and teaching.¹ The Institute had facilities for training in 11 technical and four vocational trades and had a capacity for about 150 trainees.

On the training side, the Shiva Rao Committee emphasised: "While much of the initiative for the training of its workers should rest with industry, Government should under existing conditions in the country, continue to provide adequate training facilities."²

The Committee recommended that the existing training facilities provided in the centres run by the Directorate-General be integrated with similar facilities provided by State Governments and the administrative responsibility for the training schemes should be transferred to State

¹ Ibid.  
² Shiva Rao Committee, op. cit., pp. 177-178.
Governments. In respect of the latter, the whole expenditure excluding the cost of the Central headquarters (to be borne fully by the Centre) should be shared between the Central and State Governments in the ratio of 60:40.\(^1\)

Apart from giving financial assistance to State Governments in running training schemes, the Committee recommended that it should be the Centre's responsibility to lay down the policy for the training of craftsmen, to promote the development of training facilities with due regard to the needs and to coordinate the overall training proforma throughout the country. To bring about the necessary co-ordination, the Committee recommended that the Central Government should collect information regarding the requirements of industry for trained workers and the facilities available for the purpose; prescribe standards and methods of training and draw up syllabi for training in different trades.\(^2\)

All these recommendations were accepted by the Central Government of India, and as in the case of Employment Exchanges, training centres operating under the Directorate-General of Resettlement and Employment were also transferred to the State Governments on 1st November, 1956.

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1. Ibid., pp.178-179.
2. Ibid., p.182.
The expenditure on the Adult Civilian Training Scheme came to be shared between the Central and the State-Government in the ratio of 60:40.

In view of the rapid technological development and the changing requirements of the industry, the Directorate-General has been readjusting the vocational training programmes from time to time.

Upto 1962, the Craftsmen Training Scheme provided a fairly large proportion of the freshly recruited craftsmen in the industry. To augment the training of skilled workers for the increasing needs of industry and also to meet the shortcomings of institutional training in which the rhythm and environment of the industry is absent, it was decided to start apprenticeship training. For this purpose, the Apprenticeship Act was passed by the Union Parliament, making it obligatory on employers in certain industries to engage a prescribed number of apprentices in specified trades.¹

Apart from training of craftsmen, it is essential to give an opportunity to existing industrial workers to upgrade their skill. With a view to giving some opportunity to existing industrial workers, evening classes were started in selected Industrial Training in 1968-69.

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¹ India, Department of Labour and Employment, Annual Report, 1963-64. Vol.II.
To cater to the growing needs of Industrial Training Institutions and Apprenticeship Training Establishments, there has been considerable expansion in the training facilities for craft instructors. The number of Central Training Institutions for Instructors rose from one in 1966 to seven in 1972.¹

In 1968 the Government of India set up the Central Staff Training and Research Institute at Calcutta, with assistance from the Federal Republic of Germany for providing training to technical officers and staff and conducting research in vocational training techniques. Apart from extensive original research to analyse trade skills and disseminate the information, the Institute is designed to undertake the training of officers and staff who control and direct institutional and apprenticeship training programmes.

In the same year an Advanced Training Institute was set up at Madras with assistance from the UNDP (Special Fund) to train highly skilled workers required by the industry and to evolve and develop training techniques and curricula for the use of other institutes engaged in training highly skilled workers.

In 1969, Foreman Training Institute was established at Bangalore to train industrial foremen.

¹India, Department of Labour and Employment, Annual Report, 1972-73, Vol.II
Some of the training programmes undertaken under the auspices of the Directorate General are examined in Chapter VIII.