

TENTH REPORT

**STANDING COMMITTEE ON LABOUR
(2009-2010)**

(FIFTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

**DEMANDS FOR GRANTS
(2010-2011)**

Presented to Lok Sabha on 22.04.2010

Laid in Rajya Sabha on 22.04.2010



LOK SABHA SECRETARIAT

NEW DELHI

April, 2010/Chaitra 1932 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR
(2009-10)**

SHRI HEMANAND BISWAL-CHAIRMAN

MEMBERS

LOK SABHA

2. Shri M. Anandan
3. Shri P. Balram
4. Shri Shafiqur Rahman Barq
5. Shri Sudarshan Bhagat
6. Shri Hassan Khan
7. Shri Kaushalendra Kumar
8. Shri P. Lingam
9. Shri Hari Manjhi
10. Shri P.R. Natarajan
11. Smt. Mausam Noor
12. Shri S. Pakkappa
13. Shri Ramkishun
14. Shri Mahendra Kumar Roy
15. Shri Chandu Lal Sahu
16. Shri Murari Lal Singh
- *** 17. Shri Raj Babbar
- ***** 18. Dr. Kakoli Ghosh Dastidar
- ***** 19. Shri Paban Singh Ghatowar
20. Vacant
21. Vacant

RAJYA SABHA

22. Shri G. Sanjeeva Reddy
23. Shri Rudra Narayan Pany
- ** 24. Shri Pyarelal Khandelwal
25. Shri Rajaram
26. Smt. Renubala Pradhan
27. Shri G.N. Ratanpuri
- * 28. Shri Mohammad Adeb
- **** 29. Shri Praveen Rashtrapal
30. Vacant
31. Vacant

-
- * Changed the nomination from Committee on Labour to Committee on Commerce w.e.f. 17th September, 2009.
- ** Expired on 6th October, 2009.
- *** Nominated w.e.f. 3rd December, 2009.
- **** Nominated w.e.f. 31st December, 2009.
- ***** Nominated w.e.f. 11th January, 2010.
- ***** Nominated w.e.f. 26th February, 2010.

SECRETARIAT

1. Shri Devender Singh -Joint Secretary
2. Shri B.S. Dahiya -Director
3. Shri Ashok Sajwan -Additional Director
4. Smt. Archana Srivastava -Senior Executive Assistant

INTRODUCTION

I, the Chairman of the Standing Committee on Labour 2009-10 having been authorized by the Committee to submit the Report on their behalf, present this Tenth Report of the Ministry of Labour and Employment on Demands for Grants for the year 2010-2011.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Labour and Employment for the year 2010-2011 which were laid on the Table of the House on 16.03.2010. Thereafter, the Committee took evidence of the representatives of the Ministry of Labour and Employment on 29.03.2010. The Committee considered and adopted the Report at their sitting held on 16.04.2010.

3. The Committee wish to express their thanks to the officers of the Ministry of Labour and Employment for placing before them the detailed written notes on the subject and furnishing the information as desired by the Committee in connection with the examination of the Demands for Grants and tendering evidence before the Committee.

4. The Committee would also like to place on record their deep sense of appreciation of the commitment, dedication and valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix of the Report.

New Delhi;
16 April, 2010
26 Chaitra 1932 (Saka)

HEMANAND BISWAL
CHAIRMAN
STANDING COMMITTEE ON LABOUR

CHAPTER-I

REVIEW OF STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS CONTAINED IN THE THIRD REPORT OF THE STANDING COMMITTEE ON LABOUR ON DEMANDS FOR GRANTS (2009-2010) RELATING TO THE MINISTRY OF LABOUR AND EMPLOYMENT

1.1 The Standing Committee on Labour presented their Third Report on Demands for Grants (2009-2010) relating to the Ministry of Labour and Employment on 17.12.2009. Out of 13 recommendations, 10 recommendations (1,2,3,4,5,6,7,8,9 and 12) were accepted by the Government. The Committee did not desire to pursue two recommendations (Sl. NO. 11 and 13) in view of the reply of the Government. In respect of 1 recommendation (No.10) replies of the Government were not accepted and hence the recommendation was reiterated by the Committee in their Ninth Report.

1.2 The Standing Committee on Labour presented their Ninth Action Taken Report (Action taken by the Government on recommendations contained in Third Report, Fifteenth Lok Sabha) on 16 April, 2010. A gist of operational portion of recommendations contained in the Third Report of the Committee is as under:

I. Recommendations which were accepted by the Government

General Performance

Rec.No.1:***Need to make concerted efforts to complete the schemes within the respective plan period instead of dragging them on to the next plan period.***

The Ministry informed that it has been their constant endeavour to formulate plan schemes with utmost care and monitor their effective implementation.

Child Labour

Rec.No.2: ***Need to take concrete measures to ensure that the reclaimed children do not rejoin the workforce. The Committee recommended that the families of such children should be given preference in the parallel welfare scheme of NREGA so that families of these children can also be supported economically and they do not compel these children to resort to child labour.-***

Ministry informed that they have already requested the Ministry of Rural Development to issue suitable guidelines to the concerned for giving priority to the

families of Child Labour in the welfare schemes being run in the Ministry including NREGA.

Evaluation of NCLP

Rec. No.3: ***For evaluation of NCLP, the Government had conducted two studies from different agencies. The Committee, recommended that instead of conducting repetitive studies at such a prohibitive cost, the Ministry need to take urgent measures to remove the shortcomings pointed out by the earlier studies conducted by the National Labour Institute.***

The Ministry stated that evaluation of the NCLP scheme was a pre-condition laid down by the Planning Commission for continuation of the scheme during 11th Five Year plan. The Government has already initiated remedial steps. A presentation of the evaluation report was made during the meeting of the Central Monitoring Committee on Child Labour. The Committee consists of Labour Secretaries of all State/UT Governments. It was impressed upon them to take corrective measures and remove the bottlenecks in implementing the scheme.

Rec.No.4: ***The Committee recommended that the PRIs should also be involved in monitoring for better and effective implementation of the Scheme.***

The Ministry stated that under the NCLP Scheme, Panchayat Raj Institutions (PRIs) are involved in the Executive Committees constituted at district level for implementation of the Scheme. In some districts PRIs are running special schools under the Scheme.

Beedi Workers

Rec.No.5: ***All the State Governments, where beedi rolling is a major profession, be directed to conduct a survey for identification of genuine beedi workers within a definite time frame to facilitate issue of identity cards.***

The Ministry furnished that the State Governments where beedi rolling is a major profession, have been requested to conduct a survey for identification of genuine beedi workers within a definite time frame to facilitate issue of identity cards.

Rec.No.6 ***If cases of discrimination of wages between men and women beedi workers come to Government notice, the same should be dealt with stringently so as to ensure equal pay for equal work.***

The Ministry informed that enforcement of the Minimum Wages Act, 1948 in the State sphere is ensured through the State Enforcement Machinery. They conduct regular inspections and in the event of detection of any case of

non-payment or under-payment of minimum wages, they advise the employers to make payment of the shortfall of wages. In case of non-compliance of advice of inspector, there are provisions for prosecutions in the Act against the defaulting employers.

Rec.No.7: ***The Committee desired that the matter of unrecovered interest free housing loan of beedi workers might be taken up with the Finance Minister on priority basis so that the same is waived off expeditiously.***

The Ministry stated that the proposal, for settlement of outstanding unrecovered interest-free loans granted to Beedi & Mine workers, has been taken up with the Ministry of Finance (Department of Expenditure).

Rec.No.8: ***Some alternatives should be explored to augment the corpus of the welfare fund so that the welfare activities carried out through this fund do not suffer due to paucity of funds.***

The Ministry informed that recommendation of the Committee has been noted for compliance.

Directorate General, Factory Advice Service and Labor Institute (DGFASLI)

Rec.No.9: ***The Committee observed that there had been an inordinate delay in establishing the Regional Labour Institute (RLI) at Faridabad. The Committee***

deplored such a lackadaisical attitude of the Government and desired that the proposal be finalized at the earliest to avoid further delay so that the Regional Institute becomes functional within the next three months positively.

The Ministry informed that the delay in establishing the Regional Labour Institute (RLI) Faridabad has been caused due to certain unavoidable reasons. Identifying and allotment of a suitable plot for RLI, Faridabad took considerable time. The construction of the Building was started by the CPWD from the 18th January, 2004 after acquiring the land from the Government of Haryana. The setting up of the laboratories of RLI Faridabad was initiated during the X Five Year Plan (2002-2007) in a phased manner.

Rashtriya Swasthya Bima Yojana (RSBY)

Rec.No.12:***Taking note of certain cases of misuse of the Scheme by some beneficiaries as well as the treating doctors, the Committee recommended that effective monitoring mechanism should be evolved and deterrent provisions built in the Scheme so as to keep an effective check on such or similar incidences of abuse.***

The Ministry informed that they are in the process of settling up surveillance teams to visit the field units and

give their feedback to the Government on the basis which remedial action will be taken, if required. Similarly, the State Governments have also been advised to conduct studies and for surveillance teams to assess the ground realities and take appropriate action.

II. Recommendations which the Committee did not desire to pursue in view of the Government's Reply.

Rashtriya Swasthya Bima Yojana (RSBY)

Rec.No.11:-***The Committee recommended that in cases of major illnesses where the expenditure on treatment exceeds the prescribed limit, some special provisions should be made for meeting the expenses beyond Rs. 30,000/-***

The Ministry furnished that if provision of coverage beyond Rs. 30,000/- is made, the premium would also increase for which additional funds would be required. However, to top up the benefits under the RSBY, some State Governments have invited quotations from insurance companies' alongwith RSBY package, rates for covering critical illness. The premium for additional benefits is paid by the State Governments. This could be done by other States also.

Rec.No.13:***The Committee recommended for a serious consideration of the Karnataka insurance model working at a premium of Rs. 5/- a month without any cap.***

The Ministry informed that the features of RSBY and Karnataka insurance model are totally different. The RSBY is more beneficial than Yasheswani Insurance Scheme.

III Recommendations which were reiterated by the Committee in their Ninth Report.

Rashtriya Swasthya Bima Yojana (RSBY)

Rec.No.10:***The Committee recommended that the limit of number five should be enhanced to at least six so as to cover head of the family, spouse, two parents and two children.***

The Ministry communicated that RSBY smart cards have been issued to more than one crore families as on 19.01.2010. As per reports received the average family size is around 4 members. Hence, increase in the family size is perhaps not required at present. The Ministry are closely monitoring the issue and recommendation to increase in family size would be taken when the family size reaches to at least five.

CHAPTER-II

INTRODUCTORY

Objectives of the Ministry of Labour and Employment

2.1 The Ministry of Labour and Employment is one of the oldest and important Ministries of the Government of India. The main responsibility of the Ministry is to protect and safeguard the interests of workers in general and those who constitute the poor, deprived and disadvantaged sections of the society, in particular, with due regard to creating a healthy work environment for higher production and productivity and to develop and coordinate vocational skill training and employment services. Besides this the Ministry is also responsible for laying down policies in respect of labour matters including industrial relations, co-operation between labour and management, settlement of labour disputes, regulation of wages and other conditions of work and safety, women labour and child labour, labour welfare, social security etc. besides, development and administration of employment service and training of craftsmen on national basis.

2.2 The implementation of the policies in regard to the above matters is the responsibility of the State Governments subject to control and direction of the Central Government except in the case of labour employed in Railways, Mines, Oilfields, Banking and Insurance Companies having branches in more than one State, major Ports and Central Government Undertakings where the Central Government retains the responsibilities in labour matters including employment and training and tenders technical advice as and when necessary.

2.3 To achieve the objectives, funds are required by the Ministry under the following Heads:-

1. 2225 Welfare of SC/ST and Other Backward Classes.
2. 2230 Labour and Employment and Training
3. 2251 Secretariat -Social Services
4. 2552 Lump sum Provisions for North Eastern Areas
5. 3601 Grants-in-aid to State Governments
6. 3602 Grants-in-aid to Union Territories Governments
7. 4225 Welfare of SC/ST and Other Backward Classes
8. 4250 Capital Outlay on other Social Services
9. 6250 Loans for Other Social Services
10. 6552 Loans for North-Eastern Area

Functions

- To promote harmonious relations between labour and management and to regulate wages and other conditions of work in the central sphere.
- To ensure speedy implementation of labour law awards, agreements, code of discipline etc. for improving industrial relations with regard to units in which Central Government is the appropriate Government.
- To conduct evaluatory studies of implementation of labour laws, industrial relations, personnel policies and practices etc., in Public Sector Undertakings.
- To regulate working conditions and safety in mines and factories.
- To prepare ground work for the formulation of National Wage Policy and maintain data on wages, all allowances and other related matters.

- To collect and publish statistics to conduct enquiries, surveys and research studies on various labour subjects.
- To conduct programmes relating to employment potential of Scheduled Caste and Scheduled Tribe candidates through Coaching-cum-Guidance Centres.
- To provide amenities to workers employed in the mining industry and beedi manufacturing.
- To assist in rehabilitation of bonded labour.
- To provide welfare measures for certain sections of the unorganized labour.
- To undertake training, education, research and consultancy service in the field of industrial relations and labour in general.
- To educate all sections of workers for their intelligent participation in social and economic development of the nation.

- To monitor running of social security schemes viz. Employees' Provident Fund Organization and Employees' State Insurance Corporation.
- Policy framework for National Employment Service, Implementation of National Vocational Training Programme.

Organisational set up

2.4 The objectives are sought to be achieved by the Ministry through its attached and subordinate offices and autonomous bodies. The important offices and organizations under the Ministry are as follows:-

1. Directorate General of Employment and Training
2. Organisation of the Chief Labour Commissioner (Central)
3. Directorate General of Factory Advice Service and Labour Institute
4. Directorate General of Mines Safety
5. Directorate General of Labour Bureau
6. Central Government Industrial Tribunals
7. Offices of Labour Welfare Commissioners
8. Employees' Provident Fund Organisation
9. Employees' State Insurance Corporation
10. Central Board for Workers Education

11. V.V. Giri National Labour Institute
12. Board of Arbitration (JCM)

2.5 The State Governments are also competent to enact legislations, as labour is a subject in the Concurrent list under the Constitution of India.

LABOUR JURISDICTION: CONSTITUTIONAL STATUS

STATUS

Union List	Concurrent List
Entry No. 55-Regulation of labour and safety in mines and oil fields.	Entry No. 22-Trade Unions; industrial and labour disputes.
Entry No. 61-Industrial disputes concerning Union employees.	Entry No. 23 Social security and social insurance; employment and unemployment.
Entry No. 65-Union agencies and institutions for “vocational training...”	Entry No. 24 Welfare of labour including conditions of work, provident funds, employers’ liability, workmen’s compensation, invalidity and old age pensions and maternity benefit

2.6 The Committee have attempted to scrutinize the Demands for Grants for the year 2010-11 of the Ministry to the extent possible and the conclusions drawn have been illustrated in the ensuing Chapters.

CHAPTER-III

A. GENERAL PERFORMANCE

3.1 The Ministry of Labour and Employment have furnished Demands for Grants (2010-11) under Demand No. 60.

3.2 The total Demand for 2010-11 taking Plan and Non-Plan together is Rs. 3928.42 crore (gross figure) of which Rs. 3165.02 crore is under the Revenue Section and Rs. 763.40 crore under the Capital Section of the Grant.

3.3 As per the annual plan allocation approved by the Planning Commission for the year 2010-11, the total plan outlay is Rs. 1000.00 crore. Out of this Rs. 34.84 crore has been earmarked for Civil Works Component and is accordingly being reflected in the Demands for Grants of Ministry of Urban Affairs and Poverty Alleviation. Thus, the total Plan budget available under Ministry of Labour and Employment's Demand for Grants is Rs. 965.16 crore (on net basis.)

3.4 Apart from this, the Ministry have a recovery budget of Rs.750.00 crore under Capital section which after adding with the approved budget (net) makes the gross total of Rs. 1715.16 crore under Plan. The expenditure through recovery budget on Loan to Institute Management Committee (IMC) for upgradation of 1396

Govt. ITIs through Public Private Partnership (PPP) is met from the Social and Infrastructure Development Fund (SIDF).

3.5 Under Non-Plan, Ministry of Finance have communicated Demands for Grants ceilings of Rs. 1883.17 crore on net basis for 2010-11. The major component goes to Employees' Pension Scheme, 1995 under Social Security where an amount of Rs.1300.00 crore which constitutes 69.03% of Non-Plan budgetary allocations of Rs. 2213.26 crore (on gross figures).

3.6 Apart from this, the Ministry have a recovery budget of Rs.326.43 crore, under Revenue section and Rs. 3.66 crore under Capital section which after adding with the approved budget (net) makes the gross total of Rs. 2213.26 crore under Non-Plan. The expenditure through recovery budget on Labour Welfare schemes is met from Five Labour Welfare Funds.

3.7 The Ministry have furnished the following statement showing Budget Estimates, Revised Estimates, actual expenditure incurred during the year 2009-10 (upto January 2010) and percentage of expenditure over BE and RE for the year 2009-10:-

MINISTRY OF LABOUR & EMPLOYMENT**Scheme-wise details of Plan BE/RE and Actual Expenditure during 2009-10 (Plan)**

Scheme-wise details of Plan Outlays & Expenditure during the last three years							
Sl. No.	Schemes/Programmes	2009-10 (Rs. In lakh)					
		BE	RE	Actual Exp. Upto Jan. 2010	Shortfall/excess exp., if any.	% of shortfall/excess	BE (2010-11)
1.	2.	3.	4.	5.	6.	7.	8.
	(A) Central Sector Schemes						
	DGE&T (Employment)	1100.00	960.00	499.76	460.24	-47.94	1548.00
1.	Construction of Office Building, Staff Quarters & Skill Training Institutes	100.00	0.00		0.00		0.00
			(+CW 100)				
2.	Continuation & Setting up of New Vocational Rehabilitation Centres for Handicapped Persons including Skill Training Workshops and Rural Rehabilitation Extension Centres	510.00	478.00	270.14	207.86	-43.49	455.00
3.	Welfare of SC/ST job seekers through Coaching, Guidance and Vocational Training and introduction of new courses in existing CGCs & Establishment of new CGCs in States and covered so far.	390.00	382.00	129.62	252.38	-66.07	593.00
4.	Mission Mode Project for Upgradation and Modernization of Employment Exchanges (New Scheme under CS)	100.00	100.00	100.00	0.00	0.00	500.00

	DGE&T (Training)	5345.00	3937.00	2745.84	1191.16	-30.26	5767.00
5.	Upgradation of Training Institutes	2650.00	2297.00 (+CW 250)	2073.78	223.22	-9.72	3050.00
6.	National Instructional Media Institute, Chennai	350.00	250.00 (+CW100)	140.00	110.00	-44.00	500.00
7.	Foreman Training Institutes at Jamshedpur & Bangalore	700.00	302.00 (+CW400)	131.82	170.18	-56.35	520.00
8.	Model Industrial Training Institutes (MITIs)	550.00	317.00 (+CW250)	253.46	63.54	-20.04	500.00
9.	Project Implementation and Trade Testing in DGE&T HQ	70.00	86.00	72.13	13.87	-16.13	93.00
10.	Building Equipment & Establishment for RVTIs (Calcutta, Hissar, Allahabad, Indore, Bhubaneshwar, Vadodara, Jaipur and Tura)	1025.00	685.00 (+CW325)	74.65	610.35	-89.10	1104.00
	Industrial Relations	800.00	986.00	629.12	356.88	-36.19	1400.00
11.	Strengthening of Adjudication Machinery and holding of Lok Adalats	250.00	336.00	199.31	136.69	-40.68	401.00
12.	Machinery for better conciliation and Upgradation of Office infrastructure at CLC (C) and RLCs (C)	515.00	615.00 (+CW150)	406.98	208.02	-33.82	959.00
13.	Improvement and Strengthening of Training Wing of Central Labour Service Officers	35.00	35.00	22.83	12.17	-34.77	40.00
	Central Board for Workers' Education (CBWE)	900.00	900.00	720.00	180.00	-20.00	950.00

14.	Central Board for Workers' Education	900.00	900.00	720.00	180.00	-20.00	950.00
	Child Labour	10000.00	10000.00	5837.04	4162.96	-41.63	13500.00
15.	National Child Labour Project (including Grants-in-aid to Voluntary Agencies)	10000.00	10000.00	5837.04	4162.96	-41.63	13500.00
	Labour Bureau	1000.00	1297.00	744.18	552.82	-42.62	2128.00
16.	Labour & Employment Statistical System	1000.00	1297.00 (+CW100)	744.18	552.82	-42.62	2128.00
	Director General, Mines Safety (DGMS)	650.00	440.00	344.76	95.24	-21.65	1800.00
17.	Mine Accidents Analysis and Modernization of Information Database (MAMID)	150.00	170.00	122.17	47.83	-28.14	400.00
18.	Strengthening of Infrastructure Facilities and Core Functions of DGMS (SOCFOD)	500.00	270.00 (+CW200)	222.59	47.41	-17.56	1400.00
	Director General, Factory Advice Service and Labour Institute (DGFASLI)	1109.00	1042.00	844.05	197.95	-19.00	2036.00
19.	Establishment of a new Regional Labour Institute, Faridabad	150.00	116.00 (+CW50)	89.74	26.26	-22.64	150.00
20.	Strengthening of DGFASLI Organisation and Occupational Safety & Health in Factories, Ports and Docks.	950.00	917.00	754.31	162.69	-17.74	1876.00 (CW800)
21.	Identification and Elimination of Silicosis in India	9.00	9.00	0.00	9.00	-100.00	10.00
	National Labour	500.00	500.00	392.47	107.53	-21.51	450.00

	Institute (NLI)						
22.	National Labour Institute	500.00	500.00	392.47	107.53	-21.51	450.00
	Other Schemes	100.00	100.00	64.24	35.76	-35.76	150.00
23.	Scheme on Information Technology	50.00	50.00	38.18	11.82	-23.64	75.00
24.	Grants-in-aid to Research/Academic Institutions & Non-Governmental Voluntary Organisations for undertaking research in labour related subjects.	50.00	50.00	26.06	23.94	-47.88	75.00
	Total 'A'	21504.00	20162.00	12821.46	7340.54	-36.41	29729.00
	(B) Centrally Sponsored Schemes						
1.	Establishment of new ITIs in NE States, Sikkim and Strengthening and modernization of it in the State of Jammu & Kashmir	1242.00	889.00	0.00	889.00	-100.00	10.00
2.	Upgradation of 100 ITIs into Centre of Excellence	1600.00	740.00	581.37	158.63	-21.44	10.00
3.	Rehabilitation of Bonded Labour	100.00	100.00	85.50	14.50	-14.50	100.00
4.	Skill Development Initiative	5224.00	4975.00	3572.84	1402.16	-28.18	9800.00
5.	Koushal Vikas Yojana	0.00	0.00	0.00	0.00		400.00
6.	Upgradation of 1396 Government it is through PPP	76331.00	75909.00	50130.12	25778.88	-33.96	76026.00
7.	Externally Aided Project (EAP) for reforms and Improvement in Vocational Training Services rendered by Central and State	24000.00	22236.00	13810.44	8425.56	-37.89	23500.00

	Government.						
8.	Social Security for unorganized sector workers	0.00	0.00	0.00	0.00		0.00
9.	Health Insurance for Unorganized Sector Workers (Rashtriya Swasthya Bima Yojana)	35000.00	25990.00	17238.58	8751.42	-33.67	35000.00
	Total 'B'	143497.00	130839.00	85418.85	45420.15	-34.71	144846.00
	(C) Fresh Proposals:						
1.	Setting up of 4 institutes for training of trainers						10.00
2.	Setting up of 12 RVTIs for women in PPP mode						30.00
3.	Setting up of 11 ATIs in PPP mode						30.00
4.	Revamp of DGE&T Institutions						10.00
5.	Participation of World Skills Competition						10.00
6.	Expansion of Training of Trainers within DGET Institutes						200.00
7.	Skill Training for the youth of LWE (Left Wing Extremism)						100.00
8.	Providing of instructional staff to ITIs						35.00
	Total 'C'	0.00	0.00	0.00	0.00	0.00	425.00
	Grand Total (A+B+C)	165001.00	151001.00	98240.31	52760.69	-34.94	175000.00
		(CW 1925)	(+CW1925)				(CW 3484)

Note:

1. Their Social & Infrastructure Development Fund during 2009-10.
2. Their Social & Infrastructure Development Fund during 2010-11.

NON-PLAN**Budget Estimates/Revised Estimates/Actual Expenditure for
Financial Year 2009-10****MINISTRY OF LABOUR & EMPLOYMENT**

(Rs. in crores)							
		BE 09-10	RE 09-10	Exp. Upto Jan., 10	% Exp. Over BE	% Exp. Over RE	BE 10-11
1.	Secretariat Social Services	35.00	30.94	24.86	71.03	80.35	32.50
2.	Research and Statistics	10.93	9.97	8.64	79.05	86.66	8.82
3.	Industrial Relations	47.15	44.88	36.16	76.69	80.57	42.11
4.	Working Condition & Safety	51.75	52.76	44.63	86.24	84.59	53.65
5.	Labour Welfare Scheme	269.91	308.70	171.51	63.54	55.56	330.09
6.	Transfer to Reserve Fund	270.00	294.70	146.13	54.12	49.59	294.70
7.	Social Security	1010.90	1010.45	1010.36	99.95	99.99	1317.14
8.	Labour Education	29.70	29.54	25.25	85.02	85.48	32.60
9.	International Co-operation	9.40	9.40	8.50	90.43	90.43	9.58
10.	Other Items	0.86	0.67	0.14	16.28	20.90	0.92
11.	Employment	39.47	35.81	30.28	76.72	84.56	36.19
12.	Training	52.00	50.08	41.91	80.60	83.69	50.60
13.	Welfare of SC/ST and OBCs	5.06	4.58	3.41	67.39	74.45	4.36

	Total	1832.13	1882.48	1551.78	84.70	82.43	2213.26
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3.8 The scrutiny of the Plan expenditure (2009-10), reveals that there is a shortfall in expenditure in almost every scheme implemented by the Ministry. Overall there is a shortage of above 34%. On the Non-Plan side there is a shortfall of nearly 18%. On the issue of expenditure incurred under both Plan and Non-Plan Schemes/Programmes along with percentage expenditure on BE/RE and the reasons for less expenditure/downward revision at RE stage and Nil expenditure, the Ministry submitted as under :-

“The overall outlay is either decreased or increased at RE stage as against those allocated at BE stage taking into account changing requirements of various schemes as well as the pace of expenditure. This assessment is done by Ministry of Finance, while the Ministry makes serious efforts to incur expenditure in the most productive manner to the maximum expenditure possible.”

3.9 Regarding the expenditure incurred during the financial year 2009-10, quarter-wise, the Ministry informed as under :-

“During 2009-10, the plan expenditure upto February, 2010 has been about Rs.1037.37 crore out of which 2.77% was incurred during April- June , 2009, 7.63 % was incurred during July to September, 2009, 45.25% during October to

December, 2009 and 7.96% during January to February, 2010. While the Ministry makes efforts for even spread of expenditure among different quarters, sometimes the pace of expenditure picks-up towards the end. Efforts, however, would continue to be made to achieve evenness in quarterly spread of expenditure.”

3.10 Regarding the efforts made to achieve evenness in quarterly spread of expenditure and to utilise the allocation without compromising with the set standards, the Ministry informed as under :-

“The pace of expenditure during the last quarter to utilize the allocation made is being monitored rigorously. Secretary (L&E) and Hon’ble Labour & Employment Minister have taken meetings in this regard on 8th March, 2010 and 25th March, 2010 respectively.”

3.11 The Committee note that an amount of Rs.165001.00(CW 1925) Lakhs was allocated to the Ministry for implementing plan schemes in 2009-10 which was later revised downwards, at the RE stage, to Rs. 151001.00 (+CW1925) lakhs. The Committee find that even after reducing the allocation at RE stage, the

expenditure reported upto 31st January, 2010 was only to the tune of Rs. 98240.31 lakhs. The Committee would like to be apprised of the actual expenditure incurred upto 31st march, 2010 and the reasons for shortfall. The Committee strongly recommend that adequate measures be taken including completion of all procedural formalities before hand to ensure that allocated funds, both plan and non plan, duly spent in the manner prescribed by the Government.

3.12 The Committee note that while during the first two quarters expenditure was minimal, during the third and fourth quarters there was rush of expenditure. Such an uneven trend in expenditure, besides being violative of the financial instructions of the Government, dilutes scrutiny of proposals and compromises with the set standards in implementation of the Schemes. The Committee, therefore, desire that

diligent and rational planning should be made to ensure that expenditure in all four quarters is spread evenly so far as possible to avoid any slapdash spending towards the fag end of the financial year.

B. Employees' Provident Fund Organisation (EPFO)

3.13 The Employees' Provident Fund Organisation (EPFO) is responsible for administration of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, which provides for compulsory provident fund, pension and deposit-linked insurance in factories/establishments employing twenty or more employees in industries mentioned in Schedule to the Act. The Schemes for Provident Fund, Family Pension and Deposit Linked Insurance are implemented by the Organisation for the benefit of workers covered under the Scheme. The Organisation is also responsible for administration of Employees' Pension Scheme, 1995 that came into existence on 16.11.1995.

3.14 The total corpus (investment) of EPFO as on 31st March 2009 was as under:-

	(Amount in cores)
EPF Scheme	1,44,597.39
EPS Scheme	1,10,1,77.42

EDLI Scheme	7,223.93
Total	2,61,998.74

3.15 To manage the corpus (investment), the EPFO has appointed four fund managers in place of one earlier. On a query about the augmentation seen (if any) in the income earned on the investments after the appointment of these four fund managers, the Ministry intimated that:-

“Investments are made as per the investment pattern prescribed by the Government. As per the present pattern, Employees' Provident Fund Organization invests in instruments available in primary and secondary markets and hence earns returns purely as per the market dynamics. Appointment of fund managers, however, is expected to result in better returns due to professional fund management, competition among the fund managers and effective monitoring of the fund managers at Employees' Provident Fund Organization.”

3.16 Regarding management of the funds by these fund managers, the representatives of the Ministry during evidence stated as under:-

“We had the largest monopoly of one single event manager and we have now created a competition because we feel that

despite in monitoring and supervision which may be done internally, the best way to ensure maximization of returns is to ensure competition. So, we have introduced four event managers, and we are evaluating their performance on a monthly, quarterly and annual basis. If any of the fund managers slips, he is sent an advisory. We do not take very firm action because it is a very difficult and cumbersome process to appoint fund managers. We immediately issue an advisory to them, we issue a caution to them and they improve their performance.”

3.17 As per the written information furnished by the Ministry there were 5,73,063 establishments and factories covered under the Act as on 31st March, 2009 under the EPF Scheme, both in the exempted and un-exempted sectors.

3.18 On the issue of amount lying un-recovered vis-à-vis reasons therefore and the amount locked under litigation, the Ministry informed as under:-

“The status of recovery in respect of the last three years as on 31st March is as under:-

Un-Exempted sector (Rs.in crore)

Year	Total Arrears	Realized during the year	Closing Balance	Not immediately realizable out of col. (4)
(1)	(2)	(3)	(4)	(5)
2006-07	2738.03	900.36	1837.67	576.48 (31.37%)
2007-08	2936.20	817.78	2118.41	1569.66 (74.10%)
2008-09	3020.92	813.93	2206.99	1727.49 (78.27%)

Figures in bracket are percentage with respect to closing balance.

Exempted sector
(Rs. in crore)

Year	Total Arrears	Realized during the year	Closing Balance	Not immediately realizable out of col. (4)
(1)	(2)	(3)	(4)	(5)
2006-07	1105.82	336.02	769.80	549.57 (71.39%)
2007-08	1014.38	286.21	728.17	615.41 (84.51%)
2008-09	890.36	104.23	786.13	624.51 (79.44%)

Figures in bracket are percentage with respect to closing balance.

Recovery of Un-exempted Sector during the last 3 years
(Rs. in Crores)

Year	Recovery by attachment of Bank A/c., movable and immovable property, arrest of defaulters, public auctions etc.	Others	Total
2006-07	760.67	139.69	900.36
2007-08	342.09	475.69	817.78
2008-09	135.20	678.73	813.93

Details of Not Immediately Realizable (NIR) arrears on account of litigation, etc.

(Amount – Rs. in crore)

Status of NIR Arrears	Un-Exempted sector		Exempted sector	
	No. of cases	Amount involved	No. of cases	Amount involved
Stay by courts	5858	1031.66	158	376.16
Under liquidation	1049	203.93	26	10.89
Others	16713	491.91	168	273.46
TOTAL	23620	1727.50	352	624.51

The main reasons for Not Immediately Realizable arrears are as under:

- ✓ Disputed in courts.
- ✓ Factories having gone into liquidation.
- ✓ Recovery barred by the Acts of Central/State Governments.
- ✓ Factories declared sick by the Board of Industrial and Financial Reconstruction or factories in respect of which a Rehabilitation Scheme had been sanctioned by or is under formulation/ consideration of Board of Industrial and Financial Reconstruction.
- ✓ Instalment facility sanctioned by courts/Employees' Provident Fund Organisation.

3.19 Regarding the accounts lying in-operative, the amount involved therein and the steps taken by the EPFO to identify the accounts/account holders and the disbursement thereof, the Ministry stated as under :-

“As on 31.03.2009, a total of 166096 accounts are lying inoperative and the total deposits in the inoperative accounts as on 31.03.2009 is Rs.5892.53 crore respectively.

The steps being taken by Employees' Provident Fund Organization to identify the accounts/ account holders for tracing out the beneficiaries include wide publicity given through newspapers, Employees' associations, Employers' associations, seminars, etc. Accordingly, the claims thus received in this category are also being settled.”

3.20 The Central Government constituted an Expert Committee to review the EPS, 1995 in June, 2009. Regarding the suggestions made by the Expert Committee and the likely time of submission of report, the Ministry informed as under :-

“The Central Government constituted an Expert Committee in June 2009. The terms of reference of the Expert Committee is to review Employees’ Pension Scheme 1995 entirely and submit recommendation/ report within six months.

The Expert Committee (now headed by Additional Secretary (L&E) met on 01.12.2009 and 02.02.2010.

During the 1st meeting the Committee had the discussion on the suggestions to increase the employer, Government and employees’ contribution / diversion to the pension fund at different rates. Other suggestions to regulate the benefits were also discussed. The Committee decided to workout actuarial impact of each scenario jointly and severally.

During the 2nd meeting, the following suggestions received from the members were placed before the Committee for consideration. The Committee after elaborate discussion approved the proposal with / without modification (except Sl. No. viii) and decided to assess the actuarial impact on the pension fund.

- i. Deletion of proviso to Para 11(3) pertaining to contribution on higher salary.
- ii. Introduction of sub para 11(4) for voluntary contribution for the statutory wage limit with additional contribution in lieu of Central Government share.
- iii. Determination of pensionable salary taking average of 36 months.
- iv. To disallow bonus of 2 years in pensionable service.
- v. To increase the pensionable age from 58 to 60 years.
- vi. To discontinue the option of withdrawal benefit.
- vii. To disallow nominee pension.
- viii. To reduce the number and maximum age for children pension.
- ix. To disallow early pension option before 55 years of age.
- x. To merge Employees' Deposit Linked Insurance Scheme into Employees' Pension Scheme, 1995.
- xi. To revise the statutory wage limit.
- xii. To revise the rate of contribution to pension fund.
- xiii. To amend para 32 to have the actuarial valuation once in 5 years.

The Expert Committee has yet to complete its assignment. On completion, the report/ recommendation will be provided to the Standing Committee.”

3.21 On a specific question of receiving representation/complaint/suggestion on the effectiveness of the

EPS, 1995, the Ministry in their written submission stated as under :-

“The suggestions/representations/complaints are regularly received on the Employees’ Pension Scheme, 1995 from pensioners’ associations, trade unions, individual members, etc. It primarily covers the following:

- Increase in minimum pension.
- Increase in rate of Employer & Government contribution towards the Employees’ Pension Scheme, 1995.
- Increase in the maximum salary limit.
- Pension at par with Central Government.
- Restoration of provisions of Commutation and Return of Capital.
- Dearness Allowance to pensioners linked with cost of living index or grant of regular additional relief.

In order to address the above issues, an Expert Committee under the Chairmanship of Additional Secretary (Labour & Employment) consisting of actuaries, experts from social security and insurance sectors and representatives of stakeholders has been constituted for reviewing the Employees’ Pension Scheme, 1995 entirely.”

3.22 On the issue of pendency of claims for settlement, the Ministry intimated that there were 11,75,160 claims were pending for settlement on all India basis, out of which 5,96,391 cases were

pending for less than one month, 3,60,937 cases were pending between 1-3 months, 1,57,752 cases were pending between 3-6 months and 60,080 cases were pending for over 6 months. The reasons for pendency of claims were due to increase in receipt of claims over the previous years without corresponding increase in the manpower. Though the pendency of claims was increasing every year, the overall settlement of claims was also increasing correspondingly.

3.23 On this very issue, the Ministry further elaborated as under :-

“With regard to disposal of claims, it not only depends on the computerization process, it also depends on the manpower. The report indicates a very severe shortage of manpower at the operational level we have. The Central Board of Trustees has sanctioned additional manpower. We have taken up with the Indian Banking System who does the recruitment for us. We are going in for a major recruitment.”

3.24 On the issue of the computerization programme of the EPFO, the representatives of the Ministry informed that :-

“The computerization proposal of EPFO has gone through a lot of changes. Initially we had engaged a private operator in the year 2002 to do the delivery or provide services to us. After doing it for five to six years, when, two years back, we started

the sanity testing of the project, we found that it failed on many counts. We took a bold decision and I must compliment the CBT that they immediately terminated the agreement with this private party... We then took up with the Department of Information Technology as well as directly with the NIC so that we can immediately start doing the computerization process... We decided that we will go for computerization of EPFO in two phases. ...We are going to cover all 28 offices. In fact, 27 offices have already gone online and the 28th office, which happens to be in Bhubaneswar, will be going online either today or tomorrow. The balance 199 offices will go online next year....”

3.25 On the issue of failure of the project assigned to and executed by the private operator and the amount paid, the Ministry submitted as under :-

“The contract was awarded to M/s. Siemens Information Systems Ltd. (SISL).

The agency was appointed through a tender process which was conducted as per the provisions of the General Financial Rules (GFR). The process included, inter-alia, a pre-qualification process for short listing of vendors.

A total consultancy fee of Rs.2,90,53,840/- was released to M/s. Siemens Information Systems Ltd. out of the total fee of Rs.6.67 crores for the entire project.

The amount paid was neither from budget grants nor from profits earned by EPFO on subscribers’ money.

The payments were made from the Administrative Account of EPFO.

The project was reviewed by the Central Board of Trustees (CBT) in its 158th meeting held on 22.12.2002, 162nd meeting held on 27.06.2003 and 171st meeting held on 21.02.2005. The Board appointed a sub-Committee to examine all the aspects of the project including the delays. The recommendations of the sub-Committee were considered in a special meeting of CBT held on 28.05.2005, where a revised time frame was approved. The agency delivered only eight modules out of the eleven modules initially on October 31, 2005 while three remaining modules were delivered in June 2006. The modules which were delivered had 2900 observations of the testing teams, out of which 71 observations were considered critical and SISL was asked to take up these observations on priority to implement the software along with data at six pilot offices.

SISL sought additional costs for changes which were placed before the Central Board of Trustees, EPF in its 178th meeting held on January 27, 2007. On the basis of the empowerment given by the CBT, EPF a sub-Committee on EPF project was constituted to go into all issues raised by SISL and to suggest means of expediting its implementation.

While the sub-Committee was examining the requests for additional costs, SISL sought additional compensation for delays in the project which was contrary to the provisions of the agreement. The sub-Committee recommended termination of contract with SISL for their inability to deliver a properly designed and functional application software. The sub-Committee suggested collaboration with NIC for implementation of the project. The recommendations of the Committee were accepted by the CBT in its 181st meeting held on 24.01.2008.

The notice for termination of the agreement with SISL was issued for failure to deliver the project and EPFO has claimed costs and damages from them. The agency has sought arbitration proceedings in the matter. Actions in this regard are being pursued. The project with a revised implementation plan has been developed with the collaboration of the National Informatics Centre (NIC) and the application software for the project has been implemented in 27 offices as on 31.03.2010.”

Staff Strength

3.26 As on 31st March, 2009, the staff strength of EPFO group-wise, as given by the Ministry in a written note is as under :-

Cadre	Sanctioned Strength	Actual Strength	Vacancy
'A'	932	645	287
'B'	2883	2198	685
'C'	19573	14515	5058
'D'	2421	2150	271

3.27 On a specific query about the period from which these positions are lying vacant and the attempts made to fill up these vacancies, the Ministry informed as under :-

“The vacancy position has been given from the Annual Report of Employees' Provident Fund Organisation for the year 2008-09. The latest position in this regard is being collected from the field offices and will be intimated shortly. The vacancies are occurring due to retirement/promotion of the officials. A recruitment test on All-India basis has already been conducted for the post of Social Security Assistant. Departmental examination has also been conducted for the post of Enforcement Officer/Accounts Officer. 178 officials have been promoted to the post of Assistant Provident Fund Commissioner. All the posts in the cadre of Additional Central PF Commissioner, Regional PF Commissioner Grade I and Grade II have been filled up. Action is being taken to fill up the remaining posts.

An All-India recruitment test for the post of Social Security Assistant was conducted in June 2007 and September 2009. An All-India Recruitment test for the post of Assistant Provident Fund Commissioner was conducted in year 2006 through Union Public Service Commission.”

3.28 During oral evidence the representatives of the Ministry informed as under:-

“There is a severe shortage of manpower at the operational level. The Central Board of Trustees has sanctioned additional manpower. We have taken up with the Indian Banking System who does the recruitment for us. We are going in for a major recruitment.”

3.29 As regards working norms prescribed for a dealing hand and the current position, the Ministry informed that the existing norms for manually processed accounts prescribed 2200 subscribers per dealing clerk. However, one clerk was dealing with more than 2200 accounts due to computerization of accounts work in Employees' Provident Fund Organization. Approximately the number of accounts being handled by a dealing hand over and above the prescribed norms (i.e. 2200) was 2500 and an average, the total number of accounts being handled by each dealing hand was approximately 4700.

3.30 The Committee note that the Central Board of Trustees approved appointment of four fund managers to augment the returns on the investments made by these funds Managers. The Committee hope that the CBT have a foolproof system of monitoring and supervision over these fund managers for evaluating their performance. However, the Committee are not convinced with the reply of the Government that in case of any slippage by these fund managers no firm action is taken against them as appointment of a fund manager is a cumbersome process. The Committee, strongly feel that there is a need to establish accountability so that subscribers' money is not misused or invested imprudently by the fund Managers.

3.31 The Committee note that as on 31st March, 2009 there was an un-recovered amount of Rs. 2206.99 crore from the un-exempted sector and Rs.786.13 crore from the exempted sector. Further, an amount of Rs.1727.50 crore from un-exempted sector and Rs.624.51 crore from exempted sector is locked under litigation. Keeping in view that such a huge amount is lying unrecovered, the Committee desire that a Committee of not more than five independent members be formed specifically for taking stringent measures to recover this amount within a specific time frame. The Committee would also like to be apprised of the reason for these unrecovered amount, region-wise.

3.32 The Committee note that as on 31st March, 2009, a total of 166096 accounts were lying inoperative and total deposits in these accounts were to the tune of Rs.5892.53 crore. According to the

Ministry wide publicity was given through newspapers, Employees' Associations, Employers' Associations, Seminars etc. to trace the beneficiaries and the claims thus received are being settled. The Committee find these steps of the Ministry too little and too late. The Committee, therefore, desire that all out efforts be made, including thoroughly scrutinizing the admission forms of the account holders to ascertain their permanent addresses or the addresses of their employers so that their hard earned money could be returned to them. The Committee would like to know the details of the claims settled so far and the claims which are outstanding as on 31 March, 2010.

3.33 The Committee note that the Central Government constituted an Expert Committee in June, 2009 to review the Employees' Pension Scheme 1995 and to submit its report within six months. The

Committee deplore that the Expert Committee only started functioning just before the expiry of its term of six months. The sluggish manner in which such an important assignment has been taken up reflects utter lack of seriousness on the part of all concerned. The Committee desire to know the time limit fixed for the Expert Committee for completion of its assignment and submission of report.

3.34 The Committee note that as on 31st March, 2009, there were 11,75,160 cases pending for settlement of claims for a period straddling from one month to over six months. The reasons for the pendency are stated to be increase in receipt of claims over the previous years without corresponding increase in the manpower. The Committee do not find the reasons advanced by the Ministry as tenable since there are over 60,000 cases which are pending for over

6 months and even could be for a longer period. Since there is a well laid down procedure for settlement of these claims (i.e. within a week), such a huge pendency is wholly unwarranted had the Ministry worked diligently and adhered the prescribed time schedule for disposal of claims. The Committee, therefore, desire that all the pending cases be settled within two months so as to extend relief to the deserving subscribers to the Fund. The Committee would like to see the pendency position of claims zone-wise as on May, 2010 and year-wise and also the vacancy position of the staff zone-wise.

3.35 The Committee find that EPFO is undergoing the process of computerisation. M/s Siemens Information Systems Ltd (SISL) was engaged in the year 2002 as a consultant for computerisation of EPFO. The agency worked on the project for five to six years.

According to the Government, the project failed on many counts on its initial testing. The agreement was, however, terminated in 2008. The Committee note that an amount of Rs. 2,90,53,840/- was paid as a consultancy fee to SISL. SISL delivered only eight modules out of eleven modules initially which had 2900 observations, out of which 71 observations were considered serious and, therefore, SISL was asked to look into these observations on priority basis so that it could be implemented in the six chosen pilot offices. The Committee are astonished to note that the matter was taken seriously only when the SISL sought additional costs for changes and also additional compensation for delays in the project which was contrary to the provisions of the agreement. It is a matter of grave concern that huge amount of public money as well as time has been wasted on a failed project. The Committee are shocked over the cavalier

manner in which such an important project was handled. They desire that this project which is now being implemented through NIC should undergo proper appraisal and regular monitoring so that any shortcomings found could be course corrected.

3.36 The Committee find that there were 6301 vacancies in aggregate in EPFO as on 31st March, 2009 out of which 5058 were in Group 'C' only. Besides, 2415 posts were created in various grades, on the recommendation of the Central Board of Trustees, EPF for re-structuring of EPFO. The Committee are happy to note that posts created in the cadre of Additional CPFC, RPFC-I, RPFC-II and APFC have since been filled up and the vacancies in the cadre of EO/AO have also been filled up on ad-hoc basis. The Government have also conducted an All India recruitment test to fill up the vacancies in the cadre of SSA. The Committee

observe that the newly created posts, which were all promotional posts, have been filled up whereas for posts which require direct recruitment, no concrete steps have so far been taken.

As regards the number of accounts handled by a clerk, the Committee were informed that as against the prescribed norm of 2200 accounts, each clerk is handling approximately 4700 accounts. Apparently the work of two officers has been thrust upon one officer which besides detrimental to his physical and mental health is bound to breed corruption, malpractices and bring down the efficiency of the organisation. The Committee therefore, desire that all the existing vacancies in EPFO be filled up without further delay.

C. Employees' State Insurance Corporation (ESIC)

3.37 The ESI Scheme is administered by a statutory body called Employees' State Insurance Corporation (ESIC), which has members representing Employers, Employees, Central and State Governments, Medical Profession and the Parliament. The Employees' State Insurance Act, 1948 provides for healthcare and cash benefit payments in case of sickness, maternity and employment injury. The Act is applicable to non-seasonal factories using power and employing 10 or more employees. The Act is being implemented area-wise, in a phased manner. The ESI Scheme is operated in 783 centres situated in 29 States/Union Territories. As on 31st March, 2009, 1.29 crores insured persons and about 5.01 crores beneficiaries are covered under the Scheme. The number of factories and establishments covered is about 394332.

3.38 Regarding the vacancy position in medical and para-medical staff vis-à-vis sanctioned and actual strength the Ministry in their written reply submitted as under :-

Staff Position in ESI Scheme 2008-2009 for State Govt.(Excluding ESI Model Hospitals)

Sl. No.	State/ U.T.	Medical			Para- Medical			Others		
		S	P	V	S	P	V	S	P	V
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1.	Andhra Pradesh	668	490	178	1171	955	216	2002	1555	447

2.	Assam	59	37	22	129	119	10	141	122	19
3.	Bihar	55	28	27	135	57	78	196	118	78
4.	U.T. Chandigarh* Admn.	14	13	01	34	24	10	39	31	08
5.	Chhattisgarh	45	23	22	92	64	28	96	65	31
6.	Delhi	1080	669	411	2620	1827	793	1760	1258	502
7.	Goa	40	33	07	90	90	-	97	97	-
8.	Gujarat	729	474	255	1386	817	569	1865	1428	437
9.	Haryana	295	244	51	632	494	138	1025	685	340
10.	Himachal Pradesh*	24	22	02	21	09	12	26	20	06
11.	J & K	12	10	02	42	26	16	38	27	11
12.	Jharkhand	122	60	62	302	112	190	367	146	221
13.	Karnataka	551	358	193	842	612	230	1040	801	239
14.	Kerala	557	464	93	911	768	143	1492	1277	215
15.	Madhya Pradesh	352	269	83	1403	1160	243	279	238	41
16.	Maharashtra									
	Mumbai*	348	245	103	1414	1049	365	3348	2549	799
	Pune*	56	30	26	111	68	43	215	158	57
	Nagpur*	100	84	16	257	155	102	419	292	127
17.	Meghalaya	02	02	-	08	03	05	15	12	03
18.	Orissa	200	136	64	382	285	97	526	452	74
19.	Pondicherry	47	33	14	216	186	30	65	60	05
20.	Punjab	236	141	95	627	415	212	971	436	535
21.	Rajasthan	220	164	56	428	398	30	537	491	46
22.	Tamil Nadu	653	593	60	1762	1288	474	2222	1431	791

23.	Uttar Pradesh	386	289	97	1069	809	260	1572	1477	95
24.	Uttaranchal	19	05	14	33	18	15	70	56	14
25.	West Bengal	721	480	241	2163	1208	955	3124	1600	1524
	Total	7591	5396	2195	18280	13016	5264	23547	16882	6665

Staff Position in ESI Model Hospitals during 2008-09

1. ESI MH Nacharam (Andhra Pradesh)

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	21	13	8
2	GDMOs	50	3	47
3	Nursing Staff	112	71	41
4	Paramedical Staff	65	36	29
5	Group – D staff	80	30	50
				167

2. ESI MH, Beltola (Assam)

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	13	7	6
2	GDMOs	26	22	4
3	Nursing Staff	44	15	29
4	Paramedical Staff	49	30	19

5	Group – D staff	7	4+8	NIL
				58

3.ESI MH, Phulwarishariff (Bihar)

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	12	5	7
2	GDMOs	25	20	5
3	Nursing Staff	51	23	28
4	Paramedical Staff	29	2	27
5	Group – D staff	19	19	-
				67

4.ESI MH, Bapu Nagar (Ahmedabad)- Gujarat

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	30	21	9
2	GDMOs	63	41	22
3	Nursing Staff	166	92	74
4	Paramedical Staff	87	34	53
5	Group – D	115	81	34

	staff			
				192

5. ESI MH, Bari Brahma (Jammu)

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	13	5(Pt)	8
2	GDMOs	26	7	19
3	Nursing Staff	33	9	24
4	Paramedical Staff	32	20	12
5	Group – D staff	22	10	12
				75

6. ESI MH, Ranchi (Jharkhand)

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	12	4	8
2	GDMOs	25	11	14
3	Nursing Staff	51	21	30

4	Paramedical Staff	30	16	14
5	Group – D staff	19	12	7
				73

7. ESI MH, Rajaji Nagar (Bangalore)- Karnataka

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	52	2	50
2	GDMOs	143	116	27
3	Nursing Staff	203	144	59
4	Paramedical Staff	160	83	77+(1)
5	Group – D staff	52	--	52
				138

8. ESI MH, Kollam (Kerala)

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	23	5	18
2	GDMOs	55	22	33
3	Nursing Staff	93	86	7

4	Paramedical Staff	89	76	13
5	Group – D staff	98	78	20
				91

9. ESI MH, Nanda Nagar (Indore)- Madhya Pradesh

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	43	12	31
2	GDMOs	79	27	52
3	Nursing Staff	165	69	96
4	Paramedical Staff	145	44	101
5	Group – D staff	120	57	63
				343

10. ESI MH, Mumbai (Andheri)- Maharashtra

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	55	18	37
2	GDMOs	143	54	89
3	Nursing Staff	271	85	186

4	Paramedical Staff	195	41	154
5	Group – D staff	287	151	136
				602

11. ESI MH, Rourkela (Orissa)

SL. No.	Name of Posts	No. of posts sanctioned	In position	Vacant
1	Specialist	13	2	11
2	GDMOs	26	6	20
3	Nursing Staff	10	--	10
4	Paramedical Staff	30	11	19
5	Group – D staff	19	13	6
				66

12. ESI MH, Ludhiana (Punjab)

SL. No.	Name of Posts	No. Of posts sanctioned	In position	Vacant
1	Specialist	31	9	22
2	GDMOs	48	33	15
3	Nursing Staff	137	95	42

4	Paramedical Staff	178	137	41
5	Group – D staff	--	--	--
				120

13. ESI MH, K. K. Nagar (Tamil Nadu)

SL. No.	Name of Posts	No. of posts sanctioned	In position	Vacant
1	Specialist	32	20	12
2	GDMOs	70	66	4
3	Nursing Staff	131	106	25
4	Paramedical Staff	94	76	18
5	Group – D staff	176	110	66
				125

14. ESI MH, Joka (West Bengal)

SL. No.	Name of Posts	No. of posts sanctioned	In position	Vacant
1	Specialist	43	14	29
2	GDMOs	86	39	47
3	Nursing Staff	199	126	73

4	Paramedical Staff	111	53+(2)	57
5	Group – D staff	125	97	28
				234

15. ESI MH, Jaipur (Rajasthan)

SL. No.	Name of Posts	No. of posts sanctioned	In position	Vacant
1	Specialist	26	14	12
2	GDMOs	61	35	26
3	Nursing Staff	107	83	24
4	Paramedical Staff	98	36	32
5	Group – D staff	131	94	37
				131

16. ESI MH, Chandigarh

SL. No.	Name of Posts	No. of posts sanctioned	In position	Vacant
1	Specialist	13	3	10
2	GDMOs	29	11	18
3	Nursing Staff	51	50	1

4	Paramedical Staff	29	28	1
5	Group – D staff	33	33	--
				30

Note 1 : All hospitals of Delhi & D(M)D have already been included in Statement 26.A under the heading DELHI.

Note 2 : ESI Model Hospital, Adityapur (Jharkhand) & Udyogmandal (Kerala) have been taken over by ESIC after 01.04.2009 and hence, the figures are not provided separately for these two hospitals.

3.39 Regarding the period from which these positions are lying vacant, the Ministry informed in their written reply as under :-

“The staff position is collected from the States at the end of the financial year and the position supplied was as on 31.03.2009. The staff position as on 31.03.2010 is yet to be received from the States. The same is being collected and will be provided in due course. It is further added that filling up of the vacancies is an on –going process.”

3.40 Regarding the attempts made so far to fill up these posts, the Ministry informed as under:-

“Employees’ State Insurance Corporation has taken several steps for filling up of the vacancies in the ESI Hospitals and dispensaries directly run by the Corporation and also

taken several steps to encourage State Govts. of fill up the vacancies at the earliest.

Hospitals / dispensaries run by ESIC directly

1. For filling up the post of Medical Officers and Specialists, in ESIC run hospitals, recruitments have been undertaken by ESI Corporation on zonal basis and appointment letters have already been issued. A total of 753 Medical Officers, 158 specialists, 12 Dental Surgeons and 11 Ayurvedic Physicians have been issued Offer of Appointment.
2. For recruitment of para medical staff, powers have been delegated to respective Medical Superintendents and they are doing the recruitments directly to fill up the vacancies.

Hospitals / dispensaries run by State Governments

The vacancies are to be filled up by the State Government itself. To encourage the State Government for filling up the vacancies, Employees' State Insurance Corporation has taken following steps:-

1. ESIC has increased the ceiling on reimbursement of expenditure on medical care from Rs.1000/- to Rs.1200/- per IP family unit per annum w.e.f. 01.04.2009.
2. In addition, ESI Corporation has also decided to reimburse the administrative expenditure incurred by the State Government

towards Medical Scheme on actual basis subject to fulfillment of certain conditions.

3. Teaching / non teaching staff required in Medical Colleges/ PG Institutes / Dental Colleges in State run hospitals, will be provided by ESI Corporation and the total expenditure will be borne by the ESI Corporation.

3.41 During oral evidence, the representatives of the Ministry informed as under:-

“So far as ESIC is concerned, we will furnish a supplementary information in this regard providing details of medical posts filled under ESIC Scheme. As you know under this scheme, some of the appointments are made by us and some are made by the State Government. We have made number of appointments to various medical posts. A total 753 officers, 158 specialists, 12 Dental surgeons and 11 Ayurvedic specialists have been issued offer of appointment. This is the achievement of last one year. Besides we have decentralized the process of recruitment of para-medical staff by vesting all the powers concerning in Medical Superintendent of every hospital. Now, even Medical Superintendents are recruiting staff. If Hon. Member so desires, we will collect related data and furnish the same to the Committee.”

3.42 On the issue of conducting study to assess the workload vis-à-vis staff strength, the Ministry stated that, “In the recent past no study has been conducted by the Management Service Unit (MSU) on All India basis to assess the workload vis-à-vis staff

strength, as the comprehensive IT Roll-Out is contemplated in the near future.”

3.43 When the Committee desired to know the basis on which coverage has been given to workers under ESI in Western Orissa, the Ministry informed as under:-

“One of the issues that we are discussing now is about the location of the hospital facilities or dispensary facilities where IPs are there. The IPs come into the ESIC purview when there is employer-employee relationship. The employer contributes 4.75 per cent of the salary as ESIC contribution and the employee gives 1.75 per cent. So, when the employee-employer relationship comes, ESIC comes into picture. When there is no such relation, then, they will not come under the ESIC’s purview. Recently, the Corporation has decided to look at each of the States, prepare what is called the IP mapping. In fact, one of the issues the hon. Chairman has raised and also the other hon. Members have raised is with regard to the IP roll out. We are gradually getting the figures across the States. We are now going for the GSP based mapping of the Insured Persons. The Corporation has already approved this proposal. If 25,000 IPs are in an area, they will be covered. Today, they are travelling more than 25 kms. to reach the ESI hospital. In such cases, we are going to immediately create the infrastructure for hospital. At the same time, outsourcing is also done, that is, networking with the immediately available hospital till the time we ourselves create any infrastructure. Coming to mapping, we are already in the process of doing it.

In some States, on a trial basis, we have started it. In the next three or four months, in each State in the country, we are going to do the IP mapping. Once that is over, wherever 25,000 people are concentrated and where they do not have a hospital, we will make a tie up. Similarly, wherever 5000 IPs are there and where there is no dispensary within a distance of 8 kms., we are going to make a tie up with the local ones so that primary healthcare is taken care of these IPs. In the hilly area, we reduce the distance to even 5 kms. In the next 3-5 months, wherever resource is available with anybody, we are going to tie up. We will see to it that the IPs get full benefit of that. We have already started it in some areas on a trial basis, on a pilot project basis.”

3.44 On the issue of re-organisation of the hospitals and dispensaries, the representatives of the Ministry, informed as under:-

“I would like to impress upon the Members that with regard to re-organisation, we have a policy according to which every State Government has to re-organise the medical set up. We all know that some of the very great industrial centres were there in the past. If you take Kanpur and Bombay, hospitals and dispensaries had come in a big way there. Now the industries have moved away from there, but the infrastructure is lying there. For that, the ESIC has asked the State Governments to close some of them, reduce the staff strength if the IP number has come down and move them to the dispensaries where the number has increased IPs.”

				executed			
1.	2.	3.	4.	5.	6.	7.	8.
51109.58	16721.76	513.55	4496.29	8.94	72850.12	8156.61	3164.42

Whereabouts known but closed unit	Exemption granted by State/Central Govt.	Total	Recoverable dues as on 31.03.09	Total of not recoverable	Total dues Recoverable & Non-Recoverable	Recovery done upto Jan. 10	Outstanding recoverable dues as on 01.02.2010
9.	10.	11.	12.	13.	14.	15.	16.
6928.01	126.51	18375.55	35506.03	91225.67	126731.70	9015.36	26490.67

3.47 The Committee note that as on 31st March, 2009 there were 14124 vacancies in ESI hospitals and dispensaries against the sanctioned strength of 49318 in medical staff, para-medical staff and others which is nearly 30% of the total sanctioned strength. As per the information furnished by the Government, 753 Medical Officers, 158 Specialists, 12 Dental Surgeons and 11 Ayurvedic Specialists have been issued offers of appointment in the last one year. Further, the Committee were also informed that the recruitment process has been decentralised and the

powers now have been given to the Medical Superintendents for filling up of the vacancies. The efforts made by the Corporation for filling up the vacancies are, surely, applaudable. The Committee desire that supervisory checks must be carried out at regular intervals to secure and ascertain the quality of recruitment to fill the vacancies. The Committee also be provided with the latest status of the vacancy position.

3.48 The Committee note with grave concern that no study has been conducted by the Management Service Unit of ESIC to assess the workload vis-à-vis staff strength in the Corporation. The plea that a comprehensive IT Roll-Out is contemplated in the near future by the Government, is not acceptable to the Committee. The Committee, therefore, recommend that a work measurement study be conducted urgently

on all India basis to assess the workload vis-à-vis staff strength.

3.49 The Committee are happy to note that the process of IP mapping has already been started by the Government to ensure that there is at least one hospital for 25,000 persons and one dispensary for 5000 persons to cater to their healthcare needs throughout the country. The Committee, however, recommend that work relating to IP mapping should be completed within a stipulated time so that the entitled workers may get ESI coverage.

3.50 The Committee were informed that as per policy every State Government has to re-organise the medical set up. Citing the example of Kanpur and Bombay which were once great industrial centres and

industries there have been either closed down or moved away due to which facilities provided to the workers in ESI hospital are thus lying un-utilised and therefore the ESIC has asked the State Governments to close some of them. The Committee are unable to reconcile the mutually contradictory decisions of the Union Government asking the State Governments to close the ESI hospitals/dispensaries on the one hand and to extend medical coverage to RSBY beneficiaries on the other. Since these hospitals already have good infrastructure and qualified staff, the Committee recommend that these facilities be utilised in providing health cover to the beneficiaries of RSBY as well as to others who desire to avail the facility on payment basis.

3.51 The Committee note that during 2010-11, ESIC proposes to set up four hospitals, two in Haryana

and one each on Himachal Pradesh and Rajasthan and one Super Specialty Hospital in Hyderabad. Since the ESIC is already facing acute shortage of medical and para-medical staff, the Committee desire that necessary posts for medical, para-medical and other staff should simultaneously be advertised and process of recruitment initiated so that after setting up of these hospitals, the infrastructure so developed does not remain un-utilised for want of staff as has been seen in other ESI hospitals. The Committee would also like the particulars of ESI hospitals and their staff strength including sanctioned vis-à-vis actual position, hospital-wise.

3.52 The Committee note that as on 1st February, 2010, there was an outstanding recoverable dues of contribution to ESIC to the tune of Rs.26490.67 lakh. Further, an amount of Rs.72850.12 lakh is

irrecoverable as it is locked under litigation, liquidation and BIFR cases, thus totalling to Rs.99340.79 lakh. An amount of Rs. 9015.36 lakhs only has so far been recovered as on January, 2010 which is only a fraction of the huge recoverable amount. Keeping in view that such a huge amount is lying unrecovered resulting in loss to the organisation, the Committee feel that the monitoring mechanism for the defaulting organisations/establishments needs re-examination. The Committee, therefore, recommend that the re-examination of the present monitoring mechanism should be done urgently to ward off such serious occurrences.

D. Contract Labour

3.53 Contract labour generally refers to workers engaged by a contractor for user enterprises. It is a significant and growing form of employment. These workers are millions in number and are engaged primarily in agricultural operations, plantation, construction industry, ports & docks, oil fields, factories, railways, shipping, airlines, road transport etc. The Contract Labour (Regulation and Abolition) Act, 1970 was enacted to protect and safeguard the interest of these workers. Every establishment and contractor, to whom the Act applies, has to register and obtain a license for execution of the contract work.

3.54 The total estimated number of contract labour in the country, according to the Ministry, and based on the report of the survey conducted by the National Sample Survey Organisation (NSSO) during 2005-06 was 20,32,103. At present, the number of workers engaged by the licensed contractors in the Central sphere is 13,77,710.

3.55 Regarding the next survey likely to be conducted by NSSO to assess the number of contract labour, the Ministry informed as under :-

“The NSSO conducts such surveys normally after a period of 5 years. This Ministry will take up the matter with NSSO to know about their next survey and inform the Committee accordingly.”

3.56 As regards safeguards available for protecting the interest of the contract labour, the Ministry stated as follows:-

“The interests of contract workers are protected in terms of wages, hours of work, welfare, health and social security. The amenities to be provided to contract labour include canteen, rest rooms, first aid facilities and other basic necessities at the workplace such as drinking water, etc. The contract labour who performs same or similar kind of work as regular workmen will be entitled to the same wages and service conditions as regular workmen as per the Contract Labour (Regulation and Abolition) Central Rules, 1971. The establishments employing contract labour have to follow the statutory provisions under all labour laws.”

3.57 Elaborating the matter, the representatives of the Ministry further informed that:-

“The second major recommendation in the recently held State Labour Ministers Conference was that at the time of issue of contract to any contractor, that contract itself should indicate and ensure that the contractor, when he engages labourers, provides them with the same social security as is available to the regular employees. We cannot say for sure that this will solve all the problems but the State Labour Ministers

Conference did feel it that if these two important steps are taken, then at least some improvement will be there towards protecting the rights of the contract labour.”

3.58 On the issue of steep rise in the establishments resorting to contract labour system and avoiding regular appointment and the mechanism adopted to keep a check on such establishments, the Ministry informed as under :-

“Any establishment may engage contract labour for employment which is not prohibited u/s 10(1) of Contract Labour (Regulation & Abolition) Act, 1970. The appropriate Government may prohibit contract labour in a particular establishment or for particular work if the conditions mentioned as per Section 10(2) exist. On receipt of such representations, the Government may refer the issue to Central Advisory Contract Labour Board or State Labour Advisory Board depending on whether Central or State Government is appropriate Government for that particular establishment. So far in the Central Sphere, the Government has issued 76 Notifications to prohibit employment of contract labour in certain establishments on the recommendations of the Central Advisory Contract Labour Board(CACLB).”

3.59 On the issue of action against the establishments who throw out these contract labourers at their whim and fancy by

resorting to hire and fire policy, the representatives of the Ministry informed as under :-

“It is an issue which has to be immediately addressed... This Ministry has been under tremendous pressure to liberalize the legal provisions with regard to hire and fire.”

3.60 There is a wide disparity in the wages of a permanent unskilled labour of a public sector and a contract labour as a permanent unskilled labour in a public sector undertaking is getting Rs.400 whereas a contract labour for doing the same work is getting only Rs.100.

3.61 Responding to the issue, the representative of the Ministry informed as under:-

“This is the most important issue. I do not mean to say that other issues are not important. This issue was also discussed with the State Labour Ministers. We emphasized this aspect and most of the States are in agreement that we should move towards equal wages. As such the present Act provides for that. We want to make it more stringent. In fact, we will impress upon the Central Public Sector Undertakings to take a lead and show the way to the private sector by ensuring that it is done.”

3.62 Regarding the licenses issued during the last three years for employing contract labour, the Ministry informed that in the Central sphere under the Contract Labour (Regulation and

Abolition) Act, 1970, 9280, 9587, and 10,389 licences have been issued in 2006-07, 2007-08, 2008-09 respectively.

3.63 Regarding the mechanism available to ensure that the contractors whose licenses have been revoked/cancelled do not enter again in any manner, the Ministry informed that:-

“The Inspecting Officer keeps in mind while issuing fresh license whether the contractor’s license has been revoked earlier or not. Further , as per Section 12 of Contract Labour (Regulation & Abolition) Act, 1970, read with Rule 22(c) of the Contract Labour (Regulation & Abolition) Central Rules 1971, the Licensing Officer is required to investigate the contents of the application for license including the fact whether any order has been made under sub section (1) of section 14 revoking the license and if so whether a period of 3 years has elapsed from the date of order. In case of less than 3 years, the application will be rejected. These provisions coupled with the system of regular inspection of the contractors’ establishment by the Inspectors are the mechanism available to ensure that the contractor whose license has been revoked do not execute the contract work in any manner.”

3.64 Whether there is any proposal to review the entire Contract Labour (Regulation and Abolition) Act 1970, the Ministry stated that:-

“To examine issues relating to the contract labour, a Tripartite Group was constituted by the Government. The Group has submitted its report which is being examined by the Ministry. Considering the importance of the issues, these were also discussed at length during the State Labour Ministers’ Conference on the 22nd January, 2010. Some very useful suggestions were given in this conference. Ministry is now making use of all these inputs in formulating proposals that should go a long way in addressing pending issues relating to the contract labour.”

3.65 Regarding cases of under-payment of wages to the Contract Labourers received by the Ministry and how the Ministry deals with them, the response of the Ministry was as under:-

“Whenever a contract labour is paid less than minimum rates of wages, claim cases under Section 20 of Minimum Wages Act, 1948 are filed. The details of claim cases filed for payment before the Authority i.e. the Regional Labour Commissioner in the last three years for establishments in the Central Sphere are as follows:-

Sl. No.		2004-05	2005-06	2006-07
01.	No. of Inspections Conducted	17,188	12,392	15,147
02.	No. of Prosecutions	6,267	4,620	5,692
03.	No. of Cases disposed off	3,235	4,643	4,942
04.	No. of claim cases brought forward	4,248	3,526	25,721
05.	Claims Cases filed	3,471	2,543	1,706

06.	No. of claim cases decided	4,507	3,434	1,860
07.	Amount awarded	3,76,84,296	3,64,16,655	2,04,20,540

3.66 The Committee note that the figure of 20,32,103 of the contract labour is based on the survey conducted by the NSSO in 2005-06, i.e. more than four years back and there is no indication of any such fresh survey to be conducted in near future. The Committee feel that it is very essential for the Government to know the approximate number of contract labourers in the country at regular intervals so that the welfare schemes meant for them are tailored and implemented properly and effectively. The Committee, therefore, desire that NSSO may be requested to conduct the survey during 2010-11 positively.

3.67 The Committee note that as per the Contract Labour (Regulation and Abolition) Central Rules, 1971, a contract labour who performs same or similar kind of

work as regular workman will be entitled to the same wages and service conditions as a regular workman. To manipulate the law to deprive the labourers of certain guarantees, they are engaged on ad-hoc, daily wages and contractual basis. Further, there have been complaints of gender disparity in the payment of wages. The Committee, therefore, recommend that stringent and exemplary action be taken against the establishments engaging contract labourers against the permanent posts and also indulging in gender disparity in payment of wages so that other organizations are deterred from resorting to such irregular practices. The Committee also desire that for the establishments where the contractual employment is permissible, the principal employer should add a clause at the time of the issue of contract that the contractor would provide the same social security to the labourers engaged by him as is available to regular employees.

3.68 The Committee find that there is a disparity in wages of permanent unskilled labour and a contract labour. The Committee recommend that the State Governments as well as Central Public Sector Undertakings be reminded of their constitutional obligation, being part of the State, to ensure implementation of equal pay for equal work and also equal remuneration to men and women as envisaged in the Equal Remuneration Act, 1976.

3.69 The Committee note that there is a steep rise in the licenses issued in the Central sphere under the Contract Labour (Regulation and Abolition) Act, 1970. Regarding the mechanism available to ensure that the contractors whose licenses have been revoked/cancelled do not enter again in any manner,

the Committee are informed that *'the Inspecting Officer keeps in mind while issuing fresh licenses whether the contractor's license has been revoked earlier or not'*. The Committee are astonished to note that the entire process is working on the memory of the Inspecting Officer as there is no foolproof institutional mechanism to detect these contractors. The Committee therefore, strongly recommend that proper documents should be maintained or computerization introduced to ensure that the contractors once debarred do not enter again in the stream in any manner by flouting the norms/rules.

3.70 The Committee note that a Tripartite Group was constituted by the Government to examine the issues relating to contract labour. The Group has submitted its report which is being examined by the Ministry. The Committee desire that the entire Contract Labour (Regulation and Abolition) Act, 1970

be reviewed and the Bill for amending the Act be brought before Parliament at the earliest. The Committee would like to be informed of the recommendations of the said group and the action taken therein.

E. Bonded Labour

3.71 The Bonded Labour System was abolished throughout the country with effect from 25th October, 1975 with the enactment of Bonded Labour System (Abolition) Act, 1976. It freed unilaterally all the bonded labourers from bondage with simultaneous liquidation of their debts. It made the practice of bondage a cognizable offence punishable by law. In order to assist the State Governments in their task of rehabilitation of released bonded labourers, the Ministry of Labour launched a Centrally Sponsored Scheme on 50:50 basis since May, 1978 for rehabilitation of bonded labourers. The rehabilitation assistance @ Rs.20,000/- per bonded labourer is provided to State Governments and in the case of seven North Eastern States, 100% Central assistance, if they express their inability to provide their share.

3.72 As per the estimation based on the reports received from the State Governments, the total number of bonded labourers identified and released as on 31.12.2009 was 2,88,387.

3.73 When attention of the Ministry was drawn towards the figures provided in the Annual Report (2009-10) stating that 19,962 bonded labours are not available for rehabilitation as either they have died or left the place without leaving their addresses, the Ministry stated as under :-

“The total number of identified and released bonded labourers as on 30.09.2009 were 2,88,123 where as the number of rehabilitated bonded labourers were 2,68,161 thereby leaving 19962 bonded labourers as not available for rehabilitation because either they have died or left the place without leaving their addresses.... With a view to supplementing the efforts of the State Governments, a centrally sponsored plan scheme for rehabilitation of bonded labour was launched by this Ministry in May 1978. Under the scheme, State Governments are provided central assistance of Rs. 20,000/- per identified Bonded Labour on matching grants basis (50:50) for rehabilitation of bonded labour. The scheme is being implemented by the State Governments. After identification, the bonded labourers are expected to be released immediately. However, on account of local set of circumstances, identification, release and rehabilitation of the bonded labourers do not take place simultaneously. There have been instances wherein there have been delays in securing the release of the identified bonded labourers. A number of reasons have been given for this delay by the State Governments. These are summarized as follows:-

(i) Some of the bonded labourers had, after identification, migrated/were sent to their home-states and therefore, the local authorities were not able to follow up their release.

- (ii) Some bonded labourers were wrongly identified.
- (ii) Some names were duplicated which had inflated the figures.
- (iv) Some of the cases were pending in courts which delayed the release.”

3.74 As per the features of the Centrally Sponsored Scheme for rehabilitation of bonded labour, the Central Government provides Rs.2 lakh to the concerned State Governments to conduct surveys. Regarding surveys/raids conducted in the suspected areas for identification of bonded labour, the Ministry furnished as under:-

“Surveys are conducted by the State Governments in their sensitive districts. The Central Government provides Rs. 2.00 lakhs to the concerned State Governments to conduct such surveys under the scheme. During the last three years and in the current year the amount released to the State Government for conducting survey of bonded labourers is as under:

Year	Name of the State	Amount released for Survey (Rs.In Lakhs)
2006-07	Tamil Nadu	60.00

2007-08	Uttar Pradesh	10.00
	Nagland	22.00
2008-09	Manipur	18.00
	Haryana	26.00
	Madhya Pradesh	6.60
2009-10	Madhya Pradesh	45.40
	Sikkim	8.00

3.75 As regards the proposals for grants under the Scheme received from the States, the Ministry submitted as under :-

“A statement showing the proposals received for grants under the Centrally Sponsored Plan Scheme for rehabilitation of bonded labour during the last three year and in current year is as under:

Year	Name of the State	No. of bonded labour rehabilitated	Amount released (Rs. In lakhs)
2006-07	Uttar Pradesh	104	10.40
	West Bengal	93	3.01
2007-08	Bihar	150	15.00
	Madhya Pradesh	192	19.20
	Haryana	09	0.90
	Uttar Pradesh	277	27.70

	West Bengal	88	8.80
2008-09	Bihar	409	36.00
	Uttar Pradesh	80	7.98
	West Bengal	54	5.40
2009-10	Bihar	264	22.10
	Uttar Pradesh	100	12.23

3.76 A summary of the report of the International Labour Organisation relating to bonded labour released in May, 2009, under the title 'The Cost of Coercion', as furnished by the Ministry as follows:-

Para 73 : In brick kilns in Tamil Nadu much of the workforce is migrant labour, and a central feature of recruitment and labour force management is the payment by labour agents to wage advances during the rainy season at the workers' place of origin. At the end of the season, workers are remunerated on a piece rate basis. Should part of the advance remain unpaid, as is often the case, the worker is obliged to return to work at the same kiln the following season.

Para 157 : In South Asian countries such as India, there is very detailed legislation against the 'bonded labour', together with regulations and procedural guidelines for detecting its incidence. But there appear to have been very few

prosecutions, despite beliefs that the incidence of bonded labour may be quite widespread in different economic sectors.

Para 170 : In India, the Government has indicated that it gives priority to the identification, release and rehabilitation of bonded labour. According to official statistics, as of mid-2008, 5893 prosecutions and 1,289 convictions had been reported by the States under the 1976 Bonded Labour System (Abolition) Act.

Since 1997 India's Supreme Court has vested responsibility for monitoring and implementation of 1976 Act in the National Human Rights Commission, which has since reviewed the situation in a number of States. For example, in Uttar Pradesh, a review by the Commission's Special Rapporteur in September, 2005 focused on the carpet-weaving belt, and provided some useful data on law enforcement. During the period 1996-2006, a total of 2,778 bonded labourers were identified and released across the State and rehabilitation was being actively pursued. Two hundred and thirty-one prosecutions had been launched up to mid-June 2005, but only six cases had been decided to that date and all had ended in acquittal.

Para 206 : In developing countries, alternative models to labour inspection have been tried for the detection of

trafficking victims. In India for the identification and rehabilitation of bonded labour District Village Committees are also part of the system. It has been suggested that effectiveness of these Committees could be enhanced by linking them to the formal labour inspection system.

3.77 Regarding countries where the existence of forced labour is reported, the laws available in those countries vis-à-vis the laws available in India and the proposal to amend them to bring them at par with the other countries, the Ministry stated as under :-

“(a) The Report of International Labour Organization released in May, 2009 under the heading “The Cost of Coercion” mentions about the existence of forced labourers in India and other countries. The other countries are Niger, Mauritania, Ghana, Congo, Gabon, Cameroon, Tanzania, Zambia, Kenya, in the continent of Africa, China, India, Nepal, Myanmar, in Asia, Brazil, Peru, Argentina, Guatemala, United States and Canada in Americas and Ukraine, Azerbaijan, Kyrgyzstan, Uzbekistan, Portugal in Europe and Central Asia. The ILO’s definition of Forced Labour comprises two basic elements: the work of service is exacted under the menace of a penalty and it is undertaken involuntarily. In India we use the term Bonded Labour as against the term Forced Labour used by ILO which have been defined in Section 2 of the Bonded Labour System (Abolition) Act, 1976 as under:

“Bonded Labour means service arising out of loan/debt/advance. The bonded labour system essentially

represents the relationship between a creditor and a debtor. When such a relationship exists and the debtor undertakes to mortgage his services or the services of any of his family members to the creditor for a specified or for an unspecified period with or without wages accompanied by denial of choice of alternative avenues of employment, or to deny him freedom of movement, then the person would normally be covered under the definition of bonded labour.”

(b) As per the Report, most countries have legislation that deals with Forced Labour as serious criminal offence but it still survives. Almost all countries now prohibit forced labour, in either their constitutional, criminal, labour or other administrative laws. Para 157 of the Report mentions that in South Asian countries such as India, there is very detailed legislation against “bonded labour” together with legislations and procedural guidelines for detecting its incidence. As regards law enforcement, labour administrations worldwide have taken up the challenge of fighting forced labor, identifying their own role in prevention and prosecution, and working together with other law enforcement agencies to tackle abuses. Targeted action against forced labour must become a centerpiece of human rights, anti discrimination, poverty reduction and development programmes. The Report aims to set out the challenges facing the key actors and institutions involved in a global alliance against force labour. The Report shows how such challenges have so far been met,

often with the support or involvement of ILO's Technical Cooperation programmes. There is now a substantial amount of good practice that can guide future efforts to tackle forced labour in all its forms.

(c) The Report mentions laws and legislations made by various countries for tackling the problems of forced labour but do not give the detail of such laws. No comparative assessment has been made in the Report in this regard.

(d) There is no proposal at present to amend the Bonded Labour System (Abolition) Act, 1976.”

3.78 The Committee note that under the Centrally Sponsored Scheme, a total of 2,88,123 bonded labour were identified and released upto 30th September, 2009. Out of these 2,68,161 have been rehabilitated. The Committee are perturbed to note that 19,962 bonded labourers are not available for rehabilitation either due to their death or having left the place without leaving their addresses. The Committee, therefore, desire that immediate steps be taken to trace these labourers to save them from further

exploitation. The Committee also recommend that the action be expedited to rehabilitate the remaining labourers once they are traced.

3.79 The Committee note that under the Centrally Sponsored Scheme for rehabilitation of bonded labour, the Central Government provides Rs. two lakh to the concerned State Government to conduct surveys. The Committee find that during the last three years the respective State Governments were given funds for conducting the surveys. However, going through the proposals received for grants under the Plan Scheme for rehabilitation of bonded labour, none of these States namely, Tamil Nadu, Uttar Pradesh, Nagaland, Manipur, Haryana, Madhya Pradesh and Sikkim have sent any proposals. The Committee rather find it difficult to believe that out of so many surveys conducted for identification and release of bonded

labour, these States could not find a single bonded labour for rehabilitation. This information needs to be given due publicity so that the civil society or NGOs may report back to the Union Government any case of bonded labour in these States.

3.80 The Committee note that the report of International Labour Organisation was released in May, 2009 under the heading “The Cost of Coercion” which mentions about the existence of forced labour in many developing as well as developed countries. As regards law enforcement, labour administrations worldwide have taken up the challenge of fighting forced labour, identifying their own role in prevention and prosecution, and working together with other law enforcement agencies to tackle these abuses.

The report says that Indian Government has indicated that it does accord priority to the identification, release and rehabilitation of bonded labour. According to official statistics, as of mid-2008, 5893 prosecutions and 1,289 convictions had been reported by the States under the Bonded Labour System (Abolition) Act, 1976.

Since 1997, the Supreme Court has vested the responsibility for monitoring and implementation of the Act with the National Human Rights Commission. From the abstract of the report, the Committee find that in Uttar Pradesh, during the period 1996-2006, a total of 2,778 bonded labourers were identified and released and their rehabilitation was being actively pursued. Two hundred and thirty-one prosecutions had been launched up to mid-June 2005, but only six cases had been decided to that date which ended in acquittal.

Keeping in view the number of cases tried and the number of acquittals, the Committee feel that there are some loopholes in the enforcement of laws on bonded labour. The Committee are, therefore, of the considered view that the bonded labour laws require a comprehensive and early review.

NEW DELHI

16 April, 2010

26 Chaitra, 1932 (Saka)

HEMANAND BISWAL,

CHAIRMAN,

Standing Committee on Labour

ANNEXURE**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 29TH MARCH, 2010.**

The Committee met from 1130 hrs. to 1345 hrs. and again from 1430 hrs. to 1630 hrs. in Committee Room No.53, Parliament House, New Delhi to have oral evidence by the representatives of the Ministry of Textiles and Ministry of Labour and Employment on Demands for Grants for the year 2010-11.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

**MEMBERS
LOK SABHA**

2. Shri M. Anandan
3. Shri P. Balram
4. Dr. Shafiqur Rahman Barq
5. Shri Sudarshan Bhagat
6. Shri Kaushalendra Kumar
7. Shri P. Lingam
8. Shri Hari Manjhi
9. Shri P. R. Natarajan
10. Km. Mausam Noor
11. Shri Ramkishun
12. Shri Mahendra Kumar Roy
13. Shri Chandu Lal Sahu
14. Shri Murari Lal Singh
15. Shri Raj Babbar
16. Shri Paban Singh Ghatowar

RAJYA SABHA

17. Shri Rudra Narayan Pany
18. Shri Rajaram
19. Smt. Renubala Pradhan
20. Shri G.N. Ratanpuri

SECRETARIAT

- | | | | |
|----|---------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri B.S. Dahiya | - | Director |
| 3. | Shri Ashok Sajwan | - | Additional Director |

Witnesses

2.	XX	XX	XX	XX
3.	XX	XX	XX	XX
4.	XX	XX	XX	XX
5.	XX	XX	XX	XX
6.	XX	XX	XX	XX
7.	XX	XX	XX	XX
8.	XX	XX	XX	XX

The Committee met again in the afternoon at 1430 hrs. to 1630 hrs. to take oral evidence of the representatives of the Ministry of Labour and Employment.

Witnesses**Ministry of Labour and Employment**

Sl.No	Name of the Officer	Designation
.		
1.	Shri S.K. Srivastava	Additional Secretary (L&E)
2.	Shri Chaman Kumar	Additional Secretary/FA

		(L&E)
3.	Dr. Ashok Sahu	Labour and Employment Adviser
4.	Dr. C.S. Kedar	Director General, ESIC
5.	Shri Anil Swarup	Joint Secretary (DGLW)
6.	Shri Sharda Prasad	Joint Secretary (DGE&T)
7.	Shri S.K. Dev Verman	Joint Secretary
8.	Dr. Harcharan Singh	Deputy Director General
9.	Shri S.K. Mudkhopadhyay	Chief Labour Commissioner (C)
10.	Shri S. Chatterjee	CPFC
11.	Shri Suraj Bhan	Economic Adviser
12.	Shri Abhay Kumar Singh	FA, EPFO
13.	Shri Sudhakar Basu	Addl. Central Provident Fund Commissioner, EPFO
14.	Shri B.K. Sahu	Insurance Commissioner, ESIC
15.	Shri S.J. Sibal	Director General Mines Safety (DGMS)
16.	Dr. A.K. Chakrabarti	Director General, Factory Advice Service and Labour Institute (DGFASLI)
17.	Shri S.K. Verma	Director, Social Security

9. At the outset, the Chairman welcomed Shri S.K. Srivastava, Additional Secretary and other accompanying officials of the Ministry of Labour and Employment and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker and asked them to make the submission regarding Demands for Grants (2010-2011). The Chairman drew their attention towards the delay on the part of the Ministry in furnishing the information sought by the Committee Secretariat. He expressed serious concern of the Committee over the issue and directed the Additional Secretary to ensure at his level that the information sought by the Committee is given well in time in future.

10. The Chairman, thereafter, asked the Additional Secretary to brief the Committee regarding the Demands for Grants (2010-2011) of the Ministry of Labour and Employment.

11. The Additional Secretary briefed the Committee on the budgetary allocations, revised estimates and the actual expenditure for the last year vis-à-vis for the year 2010-2011 on various schemes/programmes undertaken by the Ministry.

12. The Committee, thereafter, held detailed discussions with the representatives of the Ministry. Some of the topics discussed in the meeting inter-alia included:

- (a) General Performance of the Ministry.
- (b) Difference between the allocation made this year vis-à-vis previous year.
- (c) Impact of global slow down on the labour sector.

- (d) Employees' Provident Fund Scheme.
- (e) Employees' State Insurance Scheme.
- (f) Opening of Medical Colleges under ESI and filling up of vacancies of medical and para-medical staff in ESI hospitals.
- (g) Security to contract labour.
- (h) Skill Development.
- (i) Bonded Labour.

13. The Chairman and Members then asked questions based on the information furnished by the Ministry.

14. The Additional Secretary and other officials of the Ministry replied to some of the queries raised by the Chairman and Members. The Chairman directed the Additional Secretary to send written replies to the Supplementary List of Points (a copy of which was handed over to him) and the rest of the unanswered queries to the Secretariat within three days.

15. The Chairman thanked the Additional Secretary and other officials for giving valuable information to the Committee on the subjects.

The verbatim proceedings of the sitting was kept for record.

{The witnesses then withdrew}

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING
COMMITTEE ON LABOUR HELD ON 16TH APRIL, 2010.**

The Committee met from 1530 hrs. to 1700 hrs in Committee Room `C', Parliament House Annexe, New Delhi to consider and adopt draft Reports on Demands for Grants for the year 2010-11 of the Ministry of Labour and Employment and Ministry of Textiles.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Murugesan Anandan
3. Shri Shafiqur Rahman Barq
4. Shri Sudarshan Bhagat
5. Shri Hassan Khan
6. Shri Kaushalendra Kumar
7. Shri P. Lingam
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RAJYA SABHA

14. Shri G.N. Ratanpuri

SECRETARIAT

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|------------------------|---|---------------------|
| 1. Shri Devender Singh | - | Joint Secretary |
| 2. Shri B.S. Dahiya | - | Director |
| 3. Shri Ashok Sajwan | - | Additional Director |

2. At the outset, the Chairman welcomed the Members and apprised them about the draft Reports on Demands for Grants for the year 2010-11 of the Ministry of Labour and Employment and Ministry of Textiles.

3. The Committee first took up the draft Report on Demands for Grants of the Ministry of Labour and Employment for consideration. After detailed deliberations, the Committee adopted the draft Report without any modification.

4. XX XX XX XX

5. XX XX XX XX

6. The Committee then authorized the Chairman to finalise the Reports in view of the consequential changes arising out of factual verification and to present the same to both the Houses of Parliament.

The Committee then adjourned.

**STATEMENT OF RECOMMENDATIONS/OBSERVATIONS
CONTAINED IN THE REPORT**

Sl. No.	Para No.	Recommendations/observations
1.	3.11	<p>The Committee note that an amount of Rs.165001.00(CW 1925) Lakhs was allocated to the Ministry for implementing plan schemes in 2009-10 which was later revised downwards, at the RE stage, to Rs. 151001.00 (+CW1925) lakhs. The Committee find that even after reducing the allocation at RE stage, the expenditure reported upto 31st January, 2010 was only to the tune of Rs. 98240.31 lakhs. The Committee would like to be apprised of the actual</p>

		<p>expenditure incurred upto 31st march, 2010 and the reasons for shortfall. The Committee strongly recommend that adequate measures be taken including completion of all procedural formalities before hand to ensure that allocated funds, both plan and non plan, duly spent in the manner prescribed by the Government.</p>
2.	3.12	<p>The Committee note that while during the first two quarters expenditure was minimal, during the third and fourth quarters there was rush of expenditure. Such an uneven trend in expenditure, besides being violative of the financial instructions</p>

		<p>of the Government, dilutes scrutiny of proposals and compromises with the set standards in implementation of the Schemes. The Committee, therefore, desire that diligent and rational planning should be made to ensure that expenditure in all four quarters is spread evenly so far as possible to avoid any slapdash spending towards the fag end of the financial year.</p>
3.	3.30	<p>The Committee note that the Central Board of Trustees approved appointment of four fund managers to augment the returns on the investments made by these funds</p>

		<p>Managers. The Committee hope that the CBT have a foolproof system of monitoring and supervision over these fund managers for evaluating their performance. However, the Committee are not convinced with the reply of the Government that in case of any slippage by these fund managers no firm action is taken against them as appointment of a fund manager is a cumbersome process. The Committee, strongly feel that there is a need to establish accountability so that subscribers' money is not misused or invested imprudently by the fund Managers.</p>
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4.	3.31	The Committee note that as on 31st March, 2009 there was an unrecovered amount of Rs. 2206.99 crore from the un-exempted sector and Rs.786.13 crore from the exempted sector. Further, an amount of Rs.1727.50 crore from un-exempted sector and Rs.624.51 crore from exempted sector is locked under litigation. Keeping in view that such a huge amount is lying unrecovered, the Committee desire that a Committee of not more than five independent members be formed specifically for taking stringent measures to recover this amount within a specific time frame. The Committee would also like to be
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		<p>apprised of the reason for these unrecovered amount, region-wise.</p>
5.	3.32	<p>The Committee note that as on 31st March, 2009, a total of 166096 accounts were lying inoperative and total deposits in these accounts were to the tune of Rs.5892.53 crore. According to the Ministry wide publicity was given through newspapers, Employees' Associations, Employers' Associations, Seminars etc. to trace the beneficiaries and the claims thus received are being settled. The Committee find these steps of the Ministry too little and too late. The Committee, therefore,</p>

		<p>desire that all out efforts be made, including thoroughly scrutinizing the admission forms of the account holders to ascertain their permanent addresses or the addresses of their employers so that their hard earned money could be returned to them</p> <p>The Committee would like to know the details of the claims settled so far and the claims which are outstanding as on 31 March, 2010.</p>
6.	3.33	<p>The Committee note that the Central Government constituted an Expert Committee in June, 2009 to review the Employees' Pension Scheme 1995 and to submit its report within six</p>

		<p>months. The Committee deplore that the Expert Committee only started functioning just before the expiry of its term of six months. The sluggish manner in which such an important assignment has been taken up reflects utter lack of seriousness on the part of all concerned. The Committee desire to know the time limit fixed for the Expert Committee for completion of its assignment and submission of report.</p>
7.	3.34	<p>The Committee note that as on 31st March, 2009, there were 11,75,160 cases pending for settlement of claims for a period straddling from</p>

		<p>one month to over six months. The reasons for the pendency are stated to be increase in receipt of claims over the previous years without corresponding increase in the manpower. The Committee do not find the reasons advanced by the Ministry as tenable since there are over 60,000 cases which are pending for over 6 months and even could be for a longer period. Since there is a well laid down procedure for settlement of these claims (i.e. within a week), such a huge pendency is wholly unwarranted had the Ministry worked diligently and adhered the prescribed time schedule for disposal of claims. The Committee, therefore,</p>
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		<p>desire that all the pending cases be settled within two months so as to extend relief to the deserving subscribers to the Fund. The Committee would like to see the pendency position of claims zone-wise as on May, 2010 and year-wise and also the vacancy position of the staff zone-wise.</p>
8.	3.35	<p>The Committee find that EPFO is undergoing the process of computerisation. M/s Siemens Information Systems Ltd (SISL) was engaged in the year 2002 as a consultant for computerisation of EPFO. The agency worked on the</p>

		<p>project for five to six years. According to the Government, the project failed on many counts on its initial testing. The agreement was, however, terminated in 2008. The Committee note that an amount of Rs. 2,90,53,840/- was paid as a consultancy fee to SISL. SISL delivered only eight modules out of eleven modules initially which had 2900 observations, out of which 71 observations were considered serious and, therefore, SISL was asked to look into these observations on priority basis so that it could be implemented in the six chosen pilot offices. The Committee are astonished to note that the matter was taken seriously</p>
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		<p>only when the SISL sought additional costs for changes and also additional compensation for delays in the project which was contrary to the provisions of the agreement. It is a matter of grave concern that huge amount of public money as well as time has been wasted on a failed project. The Committee are shocked over the cavalier manner in which such an important project was handled. They desire that this project which is now being implemented through NIC should undergo proper appraisal and regular monitoring so that any shortcomings found could be course corrected.</p>
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9.	3.36	<p>The Committee find that there were 6301 vacancies in aggregate in EPFO as on 31st March, 2009 out of which 5058 were in Group 'C' only. Besides, 2415 posts were created in various grades, on the recommendation of the Central Board of Trustees, EPF for restructuring of EPFO. The Committee are happy to note that posts created in the cadre of Additional CPFC, RPFC-I, RPFC-II and APFC have since been filled up and the vacancies in the cadre of EO/AO have also been filled up on <u>ad-hoc</u> basis. The Government have also conducted an All India recruitment test to fill up</p>

the vacancies in the cadre of SSA. The Committee observe that the newly created posts, which were all promotional posts, have been filled up whereas for posts which require direct recruitment, no concrete steps have so far been taken.

As regards the number of accounts handled by a clerk, the Committee were informed that as against the prescribed norm of 2200 accounts, each clerk is handling approximately 4700 accounts. Apparently the work of two officers has been thrust upon one officer which besides detrimental to his physical and mental health is bound

		<p>to breed corruption, malpractices and bring down the efficiency of the organisation. The Committee therefore, desire that all the existing vacancies in EPFO be filled up without further delay.</p>
10.	3.47	<p>The Committee note that as on 31st March, 2009 there were 14124 vacancies in ESI hospitals and dispensaries against the sanctioned strength of 49318 in medical staff, para-medical staff and others which is nearly 30% of the total sanctioned strength. As per the information furnished by the Government, 753 Medical Officers, 158 Specialists, 12</p>

		<p>Dental Surgeons and 11 Ayurvedic Specialists have been issued offers of appointment in the last one year. Further, the Committee were also informed that the recruitment process has been decentralised and the powers now have been given to the Medical Superintendents for filling up of the vacancies. The efforts made by the Corporation for filling up the vacancies are, surely, applaudable. The Committee desire that supervisory checks must be carried out at regular intervals to secure and ascertain the quality of recruitment to fill the vacancies. The Committee also be provided with the</p>
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		latest status of the vacancy position.
11.	3.48	The Committee note with grave concern that no study has been conducted by the Management Service Unit of ESIC to assess the workload vis-à-vis staff strength in the Corporation. The plea that a comprehensive IT Roll-Out is contemplated in the near future by the Government, is not acceptable to the Committee. The Committee, therefore, recommend that a work measurement study be conducted urgently on all India basis to assess the workload vis-à-vis staff strength.

12.	3.49	The Committee are happy to note that the process of IP mapping has already been started by the Government to ensure that there is at least one hospital for 25,000 persons and one dispensary for 5000 persons to cater to their healthcare needs throughout the country. The Committee, however, recommend that work relating to IP mapping should be completed within a stipulated time so that the entitled workers may get ESI coverage.
13.	3.50	The Committee were informed that as per policy every State Government

		<p>has to re-organise the medical set up. Citing the example of Kanpur and Bombay which were once great industrial centres and industries there have been either closed down or moved away due to which facilities provided to the workers in ESI hospital are thus lying un-utilised and therefore the ESIC has asked the State Governments to close some of them. The Committee are unable to reconcile the mutually contradictory decisions of the Union Government asking the State Governments to close the ESI hospitals/dispensaries on the one hand and to extend medical coverage to RSBY beneficiaries on the other. Since</p>
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		<p>these hospitals already have good infrastructure and qualified staff, the Committee recommend that these facilities be utilised in providing health cover to the beneficiaries of RSBY as well as to others who desire to avail the facility on payment basis.</p>
14.	3.51	<p>The Committee note that during 2010-11, ESIC proposes to set up four hospitals, two in Haryana and one each on Himachal Pradesh and Rajasthan and one Super Specialty Hospital in Hyderabad. Since the ESIC is already facing acute shortage of medical and para-medical staff, the Committee desire that necessary</p>

		<p>posts for medical, para-medical and other staff should simultaneously be advertised and process of recruitment initiated so that after setting up of these hospitals, the infrastructure so developed does not remain un-utilised for want of staff as has been seen in other ESI hospitals. The Committee would also like the particulars of ESI hospitals and their staff strength including sanctioned vis-à-vis actual position, hospital-wise.</p>
15.	3.52	<p>The Committee note that as on 1st February, 2010, there was an outstanding recoverable dues of contribution to ESIC to the tune of</p>

		<p>Rs.26490.67 lakh. Further, an amount of Rs.72850.12 lakh is irrecoverable as it is locked under litigation, liquidation and BIFR cases, thus totalling to Rs.99340.79 lakh. An amount of Rs. 9015.36 lakhs only has so far been recovered as on January, 2010 which is only a fraction of the huge recoverable amount. Keeping in view that such a huge amount is lying unrecovered resulting in loss to the organisation, the Committee feel that the monitoring mechanism for the defaulting organisations/establishments needs re-examination. The Committee, therefore, recommend that the re-</p>
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		<p>examination of the present monitoring mechanism should be done urgently to ward off such serious occurrences.</p>
16.	3.66	<p>The Committee note that the figure of 20,32,103 of the contract labour is based on the survey conducted by the NSSO in 2005-06, i.e. more than four years back and there is no indication of any such fresh survey to be conducted in near future. The Committee feel that it is very essential for the Government to know the approximate number of contract labourers in the country at regular intervals so that the welfare schemes</p>

		<p>meant for them are tailored and implemented properly and effectively. The Committee, therefore, desire that NSSO may be requested to conduct the survey during 2010-11 positively.</p>
17.	3.67	<p>The Committee note that as per the Contract Labour (Regulation and Abolition) Central Rules, 1971, a contract labour who performs same or similar kind of work as regular workman will be entitled to the same wages and service conditions as a regular workman. To manipulate the law to deprive the labourers of certain guarantees, they are engaged on <u>ad-hoc</u>, daily wages and contractual</p>

		<p>basis. Further, there have been complaints of gender disparity in the payment of wages. The Committee, therefore, recommend that stringent and exemplary action be taken against the establishments engaging contract labourers against the permanent posts and also indulging in gender disparity in payment of wages so that other organizations are deterred from resorting to such irregular practices. The Committee also desire that for the establishments where the contractual employment is permissible, the principal employer should add a clause at the time of the issue of contract that the contractor would</p>
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		<p>provide the same social security to the labourers engaged by him as is available to regular employees.</p>
18.	3.68	<p>The Committee find that there is a disparity in wages of permanent unskilled labour and a contract labour. The Committee recommend that the State Governments as well as Central Public Sector Undertakings be reminded of their constitutional obligation, being part of the State, to ensure implementation of equal pay for equal work and also equal remuneration to men and women as envisaged in the Equal Remuneration Act, 1976.</p>

19.	3.69	<p>The Committee note that there is a steep rise in the licenses issued in the Central sphere under the Contract Labour (Regulation and Abolition) Act, 1970. Regarding the mechanism available to ensure that the contractors whose licenses have been revoked/cancelled do not enter again in any manner, the Committee are informed that <i>‘the Inspecting Officer keeps in mind while issuing fresh licenses whether the contractor’s license has been revoked earlier or not’</i>. The Committee are astonished to note that the entire process is working on the memory of the</p>

		<p>Inspecting Officer as there is no foolproof institutional mechanism to detect these contractors. The Committee therefore, strongly recommend that proper documents should be maintained or computerization introduced to ensure that the contractors once debarred do not enter again in the stream in any manner by flouting the norms/rules.</p>
20.	3.70	<p>The Committee note that a Tripartite Group was constituted by the Government to examine the issues relating to contract labour. The Group has submitted its report which is being examined by the Ministry.</p>

		<p>The Committee desire that the entire Contract Labour (Regulation and Abolition) Act, 1970 be reviewed and the Bill for amending the Act be brought before Parliament at the earliest. The Committee would like to be informed of the recommendations of the said group and the action taken therein.</p>
21.	3.78	<p>The Committee note that under the Centrally Sponsored Scheme, a total of 2,88,123 bonded labour were identified and released upto 30th September, 2009. Out of these 2,68,161 have been rehabilitated. The Committee are perturbed to note</p>

		<p>that 19,962 bonded labourers are not available for rehabilitation either due to their death or having left the place without leaving their addresses. The Committee, therefore, desire that immediate steps be taken to trace these labourers to save them from further exploitation. The Committee also recommend that the action be expedited to rehabilitate the remaining labourers once they are traced.</p>
22.	3.79	<p>The Committee note that under the Centrally Sponsored Scheme for rehabilitation of bonded labour, the Central Government provides Rs. two</p>

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		<p>for rehabilitation. This information needs to be given due publicity so that the civil society or NGOs may report back to the Union Government any case of bonded labour in these States.</p>
23.	3.80	<p>The Committee note that the report of International Labour Organisation was released in May, 2009 under the heading “The Cost of Coercion” which mentions about the existence of forced labour in many developing as well as developed countries. As regards law enforcement, labour administrations worldwide have taken up the challenge of fighting forced</p>

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Since 1997, the Supreme Court

		<p>has vested the responsibility for monitoring and implementation of the Act with the National Human Rights Commission. From the abstract of the report, the Committee find that in Uttar Pradesh, during the period 1996-2006, a total of 2,778 bonded labourers were identified and released and their rehabilitation was being actively pursued. Two hundred and thirty-one prosecutions had been launched up to mid-June 2005, but only six cases had been decided to that date which ended in acquittal. Keeping in view the number of cases tried and the number of acquittals, the Committee feel that there are some loopholes in the enforcement of</p>
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