

**LABOUR LAW SEMINAR (PAPER-IV)**

**TOPIC: - EMPLOYMENT EXCHANGE**

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**CLASS: - SECOND YEAR LL.M**

**SUBJECT: - LABOUR LAW (PAPER IV)**

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## EMPLOYMENT EXCHANGE

### 1. INTRODUCTION

The concept of 'employment exchange' is also termed as the *employment service* or *employment agency* or *Labour Exchange*. An employment service is defined as any of a number of government offices established to collect and supply to the unemployed information about job vacancies and to employers information about availability of prospective workers.<sup>1</sup>

An employment agency is an organization which matches employers to employees.<sup>2</sup>

Employment agencies serve as intermediaries between workers and employers, with the stated goal of matching the companies' needs with the workers' skills and interests. They may be privately owned or sponsored by local or national labor departments.

Employment agencies or recruitment agencies play a vital role as an intermediary between employers and job seekers/employees. It is an organization which role is to match employers to employees or jobseekers, as per their skills and interest and stated goal of matching the companies' requirements.

Many agencies, especially those sponsored by local governments, have enough personnel to process thousands of applications, unlike the companies' own human resource departments. Unemployed workers are strongly encouraged to contact these agencies in order to fill out numerous applications.

These employment agencies are usually sponsored by government or privately owned departments or publicly funded agencies. Today in this age of stiff competition, to find an appropriate job and have a proper career, it is necessary to consult an employment agency

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<sup>1</sup> <http://dictionary.reverso.net/english-definition/employment%20exchange>

<sup>2</sup> [http://en.wikipedia.org/wiki/Employment\\_agency](http://en.wikipedia.org/wiki/Employment_agency)

to get the right advise and the right job opportunity. There are different Employment Agencies Jobs. Manpower Consultants also play the role of employment agencies.

Private employment agencies perform many of the same services, but they are less likely to be overworked and understaffed. Applicants fill out detailed information sheets, covering all of their marketable skills and employment experiences. In addition, applicants may also receive training in resume writing, interviewing skills, and presentation. There may also be some aptitude testing available, in order to determine the applicant's strongest skills.

Private employment agencies also have established relationships with local employers, making it easier for applicants to get past the first round of screenings. They may also offer temporary job services, allowing workers to earn survival money until something more lucrative or satisfying becomes available. Temporary job assignments may involve menial labor in a factory setting or entry-level clerical work such as data entry or filing. As useful as these services may be, private employment agencies can charge fees for the privilege of having your name listed in their database.

## **2. INTERNATIONAL PERSPECTIVE**

### **A) PUBLIC EMPLOYMENT AGENCIES<sup>3</sup>**

One of the oldest references to a public employment agency was in 1650, when Henry Robinson proposed an "Office of Addresses and Encounters" that would link employers to workers. The British Parliament rejected the proposal, but he himself opened such a business, although it was short-lived.

Since the beginning of the twentieth century, every developed country has created a public employment agency as a way to combat unemployment and help people find work.

In the United Kingdom the first agency began in London, through the Labour Bureau (London) Act 1902 and subsequently went nationwide, a movement prompted by the Liberal government through the Labour Exchanges Act 1909. The present public provider of job search help is called Job Centre Plus.

In the United States, a federal programme of employment services was rolled out in the New Deal. The initial legislation was called the Wagner-Peyser Act of 1933 and more recently job services happen through one-stop centers established by the Workforce Investment Act of 1998.

### **B) PRIVATE EMPLOYMENT AGENCIES<sup>4</sup>**

The first private employment agency in the United States was opened by Fred Winslow who opened Engineering Agency in 1893. It later became part of General Employment Enterprises who also owned Businessmen's Clearing House (est. 1902). Another of the oldest agencies was developed by Katharine Felton as a response to the problems brought on by the 1906 San Francisco earthquake and fire.

Many temporary agencies specialize in a particular profession or field of business, such as accounting, health care, technical or secretarial.

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<sup>3</sup> Ibid

<sup>4</sup> Ibid

### C) LEGAL STATUS<sup>5</sup>

For most of the twentieth century, private employment agencies were considered quasi illegal entities under international law. The International Labour Organization instead called for the establishment of public employment agencies. To prevent the abusive practices of private agencies, they were either to be fully abolished, or tightly regulated. In most countries they are legal but regulated.

Probably inspired by the dissenting judgments in a US Supreme Court case called *Adams v. Tanner* the International Labour Organization's first ever Recommendation was targeted at fee charging agencies.

The Unemployment Recommendation, 1919 (No.1), Art.1 called for each member to,

"take measures to prohibit the establishment of employment agencies which charge fees or which carry on their business for profit. Where such agencies already exist, it is further recommended that they be permitted to operate only under government licenses, and that all practicable measures be taken to abolish such agencies as soon as possible."

The Unemployment Convention, 1919, Art.2 instead required the alternative of,

"a system of free public employment agencies under the control of a central authority. Committees, which shall include representatives of employers and workers, shall be appointed to advice on matters concerning the carrying on of these agencies."

In 1933 the Fee-Charging Convention (No. 34) formally called for abolition. The exception was if the agencies were licensed and a fee scale was agreed in advance. In 1949 a new revised Convention (No. 96) was produced. This kept the same scheme, but secured an 'opt out' (Art.2) for members that did not wish to sign up. Agencies were an increasingly entrenched part of the labor market. The United States did not sign up to the Conventions. The latest Convention, the Private Employment Agencies Convention (No.181) takes a much softer stance and calls merely for regulation.

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<sup>5</sup> Ibid

In most countries, agencies are regulated, for instance in the UK under the Employment Agencies Act 1973, or in Germany under the Arbeitnehmerüberlassungsgesetz (Employee Hiring Law of 1972).

### **3. EMPLOYMENT EXCHANGE IN INDIA**

#### **A) HISTORICAL DEVELOPMENT<sup>6</sup>**

The Employment Service came into existence in India under the stress of post-war demobilization. Towards the end of the Second World War, the need for a machinery which could handle orderly re-absorption of civil life, of a large number of service personnel and war workers who were about to be released as keenly felt. Having regard to the complexity of the problem and in order to ensure uniformity in policies and effective co-ordination of efforts it was considered necessary that the proposed machinery be directed and controlled by the Central Government. In accordance with a scheme that was agreed upon by the Central and State Governments, the Directorate General of Resettlement and Employment (D.G.R. &E) was set up in July 1945 and Employment Exchanges were gradually opened in several parts of the country.

Till the end of 1946, Employment Service facilities were restricted to demobilized service personnel and discharged war workers. In 1947, consequent upon the partition of the country, the Employment Exchanges were called upon to deal with the resettlement of a large number of persons who were displaced as a result of partition. In response to popular demands, the scope of the service was gradually extended and by early 1948, Employment Exchanges were thrown open to all categories of applicants.

This transition of the Employment Service from a resettlement agency to an All India placement organization resulted in an enormous increase of work, which called for long-term measures. It was felt that the organization which was hurriedly set-up to tackle the immediate problem of resettlement of released war service personnel, required to be restructured if it was to function as effective machinery which could facilitate and further the employment process. Accordingly, the Training and Employment Services Organization Committee (popularly known as Shiva Rao Committee), was appointed in 1952 (under the chairmanship of Shri B. Shiva Rao), to review the set-up and functions of the Employment Service and to make recommendations for its reorganization. The Committee submitted their report in 1954 which was mainly responsible for the present

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<sup>6</sup> [dget.nic.in/dex/esm/Vol.I,%20Part.I-IV,.pdf](http://dget.nic.in/dex/esm/Vol.I,%20Part.I-IV,.pdf)

structure of the organization and diversification of its functions in the field of Occupational Research, Vocational Guidance and Employment Market Information. Based on the recommendations of the committee, the day -to-day administration of the organization was handed over to the State Governments with effect from 1<sup>st</sup> November 1956.

The Government of India had also appointed in March, 1978, a Committee on National Employment Service under the Chairmanship of Shri P.C. Mathew (popularly known as Mathew Committee) to examine the various aspects of the Working of Employment Exchanges, and to suggest suitable measures to make it more responsive to changing circumstances and needs. This Committee submitted its report in November, 1978 and made a number of recommendations for improvement of the Employment Service. Some of the recommendations made by this committee have been accepted by the Government for implementation.

The Employment Service is now the joint concern of the Central and State Governments. The respective responsibilities of the Government of India and the State Government are as under :- (i) The Government of India Shall:-

- (a) Establish in collaboration with State Governments national policies, standards and procedure to be followed by this Employment Service in the States;
- (b) Co-ordinate the work of the Employment Service in the States;
- (c) Plan and formulate Programme for expansion and development of the Employment service in consultation with State Governments and examine local programmes and procedure, through appropriate officers with a view to ensure that agreed policies are being implemented, standards maintained and programmes followed;
- (d) Conduct, whenever necessary, training programmes for Employment Officers and develop staff training materials for use by the Employment Service in the States;

- (e) Provide central machinery for adjustment surplus and shortages of workers in different states;
  - (f) Collect and disseminate information concerning employment and unemployment and prescribe uniform reporting procedure;
  - (g) Pan, develop and carry out a continuous programme of employer and worker relations directed to employers and workers' organization at the national level and to employers who maintain establishments in several states;
  - (h) Arrange for co-ordination and consultation with the Ministries of the Government of India whose activities affect the employment situation in the country;
  - (i) Carry out at the national level, a public relations and information programme and develop informational material and provide Employment Service in the States with technical assistance in the operation of public relations and information programmes; and
  - (j) Carry out a continuous programme of evaluation of policies, procedure and working practices of Employment Exchanges in the States with a view to assess and advise the State Government on the progressive development of the service and to ensure that national policies, standards, and procedure are effectively implemented.
- (ii) The responsibilities of the State Government are to:-
- (a) Exercise full control over the Exchange in the States, including the power of appointment, control, promotion and punishment of all their staff as well as the staff of State Directorates;
  - (b) Carry out inspection of Employment Exchanges to assess the effectiveness of their work and take appropriate action to bring about necessary improvements;
  - (c) Organize and carry out training programmes for non-gazetted staff in accordance with national policies;

- (d) Organize vacancy and labour clearing in Employment Exchanges at the State level and co-ordinate with the central machinery;
- (e) Collect, compile, analyze and interpret statistical and employment market data in the prescribed manner and furnish such data and information to the Government of India as may be required;
- (f) Provide and disseminate information to public and private bodies in the State interested in such information;
- (g) Plan, develop and carry out at State and local levels a programme of employer and worker relations in accordance with national policies;
- (h) Arrange for co-ordination and consultation with departments of the State Government whose activities effect the employment situation in the State;
- (i) Set up, in accordance with national policies, Committees on Employment at State and local levels;
- (j) Refer to the Government of India for consideration recommendations of Committees on Employment involving major changes in policy or procedure;'
- (k) carry out at State and local levels, a public relations and information programme in accordance with national policies; and
- (l) Provide full facilities to the authorized officers of the Government of India to evaluate the work of Employment Exchanges.

**B) THE EMPLOYMENT EXCHANGES (COMPULSORY NOTIFICATION OF VACANCIES) ACT, 1959<sup>7</sup>**

In private sector and in some public sector establishments, the employers used to fill vacancies in their establishment as per their own choice. Persons registered with the employment exchanges were seldom called. Neither the employment exchanges knew the position of vacancies in such establishments and due to this, exchanges could never recommend the names of registered employment seekers. To overcome this problem the Government set up a Training and Employment Services Organization Committee<sup>8</sup> in 1952 to suggest means and ways so that in private sector as well as in public sector establishments persons registered with the employment exchanges may be absorbed to fill in the vacancies in such establishments.

The Training and Employment Services Organization Committee had recommended:

- i) That employers should be required on a compulsory basis to the Employment Exchanges all vacancies other than vacancies in unskilled categories, vacancies of temporary duration and vacancies proposed to be filled through promotion;
- ii) That employer should also be required on a compulsory basis to render to the employment exchanges staff strength returns at regular intervals.

The Committee had further recommended that the measure of compulsion so suggested may be embodied in suitable legislation and subsequently the Parliament enacted the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.

The Act defines the term employment exchange as follows:

*“employment exchange”* means any office or place established and maintained by the Government for the collection and furnishing of information, either by the keeping of registers or otherwise, respecting-

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<sup>7</sup> Act No. 31 of 1959

<sup>8</sup> Supra page 6

- i) Persons who seek to engage employees,
- ii) Persons who seek employment, and
- iii) Vacancies to which persons seeking employment may be appointed<sup>9</sup>

**a) Jobs not covered**

The Act applies to all establishments in the public sector and such establishments in the private sector as are engaged in non-agricultural activities and employing 25 or more workers<sup>10</sup> but this Act does not apply in relation to vacancies in any employment-

- i) In agriculture and horticulture in any establishment in private sector except in farm jobs involving the operation of machinery;
- ii) In domestic service;
- iii) Where the period of employment is less than three months;
- iv) To do unskilled office work;
- v) Connected with the staff of Parliament;
- vi) Proposed to fill through promotion or by absorption of surplus staff;
- vii) Which carries a remuneration of less than sixty rupees a month<sup>11</sup>

**b) Notifications<sup>12</sup>**

Every establishment in public sector and in private sector and every establishment pertaining to any specified class or category of establishment in private sector is required to notify the vacancies to be filled in by that establishment to the prescribed employment exchanges and the particulars of employments in which such vacancies have occurred or are about to occur. But there is no obligation to recruit any person through the employment exchanges.

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<sup>9</sup> *The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959* Section 2(d)

<sup>10</sup> <http://employmentservice.nic.in/>

<sup>11</sup> *Ibid* Section 3

<sup>12</sup> *Ibid* Section 4

**c) Information and Returns<sup>13</sup>**

Every establishment in public sector and in private sector and every establishment pertaining to any specified class or category of establishment in private sector shall furnish such information or return as prescribed in relation to vacancies that have occurred or are about to occur in that establishment to the prescribed employment exchanges.

The form in which, and the intervals of time at which, such information or return shall be furnished and the particulars which they shall contain shall be as may be prescribed.

**d) Access to records and documents<sup>14</sup>**

The prescribed officer of the Government, or any person authorized by such officer in writing, shall have access to any relevant record or document in the possession of any employer required to furnish any information or returns under section 5 and may enter at any reasonable time any premises where he believes such record or document to be and inspect or take copies of relevant records or documents or ask any question necessary for obtaining any information required under that section.

**e) Penalties for Non-compliance<sup>15</sup>**

If any employer fails to notify to the employment exchange any vacancy, he is punishable for the first offence with fine up to five hundred rupees, and for every subsequent offence with fine up to one thousand rupees.

If any person –

- a) Required to furnish any information or return-
  - i) Refuses or neglects to do so, or

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<sup>13</sup> Ibid Section 5

<sup>14</sup> Ibid Section 6

<sup>15</sup> Ibid Section 7

- ii) Knowingly furnishes or causes to be furnished any false information or return,  
or
- iii) Refuses to answer, or gives any false answer; or
- b) Impedes the right of access to relevant records or documents;

He shall be punishable for the first offence with fine up to two hundred and fifty rupees, and for every subsequent offence with fine up to five hundred rupees.

**f) Cognizance of offences<sup>16</sup>**

The prosecution for an offence under this Act shall be instituted only with the sanction of prescribed officer of the Government in this behalf or any person authorized by such officer in writing.

**g) Power to make rules<sup>17</sup>**

The Central Government may, by notification in the Official Gazette and subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

Such rules may provide for all or any of the following matters, namely-

- (a) the employment exchange or exchanges to which, the form and manner in which, and the time within which, vacancies shall be notified, and the particulars of employments in which such vacancies have occurred or are about to occur;
- (b) the form and manner in which and the intervals at which, information and returns required under Section 5 shall be furnished, and the particulars which they shall contain;
- (c) the officers by whom and the manner in which the right of access to documents and the right of entry conferred by Section 6 may be exercised;
- (d) any other matter which is to be, or may be, prescribed under this Act.

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<sup>16</sup> Ibid Section 8

<sup>17</sup> Ibid Section 10

Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

In exercise of powers conferred by Section 10 of the Employment Exchanges (Compulsory Notification of Vacancies) Act 1959, the Central Government has enacted the Employment Exchanges (Compulsory Notification of Vacancies) Rules 1960 which provides for the matters referred to in section 10 of the Act.

## **C) CONSTITUTION/ORGANIZATION OF EMPLOYMENT EXCHANGE<sup>18</sup>**

### **a) Directorate General of Employment and Training**

In 1960, the name of the Directorate General was changed from Directorate General of Resettlement and Employment to Directorate General of Employment and Training (D.G.E&T). The D.G.E.&T constitutes the national headquarters of the Employment Service as well as the Craftsmen Training Scheme of the Ministry of Labour, Government of India. The Director General is at the apex of both the organizations at the national level.

The Apprentices Act, 1961 was enacted in 1961 to provide for regulation and control of apprentices in selected trades and matters connected therewith.

The D.G.E. &T was made responsible for the implementation of the Act and the Director of Apprentices Training in the D.G.E&T functions as the Central Apprenticeship Adviser.

The first National Commission on Labour after reviewing the set-up and functions of the Employment Service recommended that:-

- (i) uniform standards, policies and procedure will be needed in all states to enable the service to work as a well-knit and co-ordinated organization through-out the country;
- (ii) the national character of the service should be fostered and strengthened to help efficient utilization of manpower particularly critical skills required for planned economic growth;
- (iii) the service should be extended to all towns with a labour force of ten thousand or more in a phased manner so that rural workers can take advantage of the service;

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<sup>18</sup> [dget.nic.in/dex/esm/Vol.I,%20Part.I-IV,.pdf](http://dget.nic.in/dex/esm/Vol.I,%20Part.I-IV,.pdf)

iv) Programmes for Occupational Research, Vocational Guidance, Employment Market Information, Special Surveys & Studies and forecasting of Manpower supply and demand should be speeded up.

The second National Commission on Labour in its report which was submitted in 2002 made the following recommendations:-

- (i) It is important to redefine the role of the employment exchanges to meet the new challenges.
- (ii) Stress the need to increase the coverage and timely release of data collected by the National Employment Service so as to provide a complete picture of employment and unemployment scenario.

#### **b) Directorate of Employment Exchanges**

At the Directorate General of Employment and Training, the Director of Employment Exchanges is responsible for advising Deputy Director General (Emp) and the Director-General on matters concerning policy, procedure and co-ordination of the Employment Service. It is also responsible for the codification of instructions and for formulating procedures according to the policies agreed upon by the Central and State Governments. It conducts technical evaluation of the Employment Exchanges and other field units; and advises the State Directors on technical matters referred to it from time-to-time.

#### **c) Central Institute for Research and Training in Employment Service**

The Central Institute for Research and Training in Employment Service (C.I.R.T.E.S) established in 1964 under the D.G.E&T is responsible for imparting professional in service training to the officers of the organization and for conducting research on matters concerning the Employment Service. The Career Study Centre attached to the Institute is responsible for preparation and publication of career literature and other occupational information materials.

#### **d) Vocational Rehabilitation Centre for the Physically Handicapped**

Vocational Rehabilitation Centre for the Physically Handicapped set up under the Directorate General of Employment and Training; assist physically handicapped persons in developing rehabilitation plans, depending on their specific needs, aptitudes, interests etc. and their placement in employment and self-employment etc. Facilities for assessing the vocational and psychological rehabilitation needs of physically handicapped persons are available at these centres. The services of these centres are, however, restricted to the needs of the blind, the deaf and dumb, the orthopedics, cured negative leprosy patients and mild mentally retarded for the present. The VRCs have been given co-sponsoring powers to submit Physically Handicapped persons against reserved vacancies.

#### **e) Coaching-cum-Guidance Centre**

Coaching-cum-Guidance Centres have been set-up at selected places to cater to the needs of the Scheduled Caste and Scheduled Tribe applicants in matters of career planning and advice through group and individual guidance programmes. These centres aim at enhancing the employability of scheduled caste and scheduled tribe applicants. They operate confidence building programmes and render assistance in preparing them for employment interviews.

#### **f) Committees on Employment**

The need for, formation of Tripartite Committee on Employment at various levels have been suggested to advise the Employment Service at State and District level. To review the employment position and assess employment and unemployment trends and suggest measures for expanding employment opportunities, the State Governments are required to constitute State Committees on Employment to advise the State Governments on such matters. Similarly, District level Committees on Employment are required to be constituted so as to develop the employment potential of the District, in addition to usual functions relating to matter connected with Employment Service.

**g) Working Group of the National Employment Service**

A Working Group of the National Employment Service consisting of the representatives of the Central and State Governments has been constituted at the national headquarters with a view to enable it to evolve and formulate policies and procedure in consultation with the State Governments. The Working Group meets annually and discusses matters relating to Employment Exchange policy and procedure as have been proposed or raised by representatives of the Central or State Governments. Based on the recommendations of the Working Group as approved by the Government of India, necessary amendments, additions or deletions to the policies and procedure are issued by the D.G.E. &T.

**h) Organization and Structure of the Employment Service in the States**

The State Director will be at the apex of the organization in the States. In larger States, he will be assisted by an Additional Director who will also deputize for him. The State Directorates will have adequate administrative and technical staff to ensure efficiency in performance and timely collection and publication of data. The State Directorate will also function as manpower organization and planning agency for the State.

**i) State Employment Exchange (SEE)**

There will be a State Employment Exchange at the headquarters of the State. It will deal with applicants of professional and executive standard, vacancy and labour clearing at the State level, research and job development for the Physically Handicapped, Ex-servicemen, Scheduled Caste and Scheduled Tribe applicants.

**j) Regional Employment Exchange (REE)**

Normally four District Employment Exchanges will be under one Regional Employment Officer who will also be in charge of one of the four Exchanges in the region which is located centrally and in an important town of the region. The Regional Employment Officer will be responsible for inspection of the Exchanges in the region, Staff training, special problems of the Physically Handicapped applicants, Ex-servicemen, Scheduled

Castes and Scheduled Tribes applicants, job development efforts and enforcement of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 within the region. He will also supervise and assist in carrying out special studies and surveys within the region.

**k) District Employment Exchange (DEE)**

The district will normally constitute the basic unit for implementing and co-coordinating all programmes of employment assistance, career advice, employment market information and surveys and studies in the district. The District Employment Officer will be responsible for inspection and enforcement of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959. He will also be responsible for the efficient functioning of the Town Employment Exchanges and Rural Employment Bureaux in the district.

**l) Town Employment Exchange (TEE)**

Town Employment Exchanges will be set up in all towns having a labour force of 10,000 or a population of 25,000 or above.

**m) Rural Employment Bureau (REB)**

The lowest formation of the Employment Service will be the Rural Employment Bureau (Presently known as Employment Information and Assistance Bureau). These Bureaux will be set up in areas where there is a concentration of Scheduled Caste or Scheduled Tribe population and where rural works programme and other employment oriented projects are under implementation.

**n) University Employment Information and Guidance Bureau (UEI &GB)**

There will be one University Employment Information and Guidance Bureau in each University.

**o) Set-up of Employment Service in Metropolitan Areas**

The Employment Service in metropolitan areas such as Bombay, Calcutta, Delhi and Madras are confronted with special problems arising from the large population, large number of employment seekers, and the sophisticated nature of jobs available in these areas. To meet the problems of placement service, career advice and of collection of employment market information, it is essential to organize the Employment Service in these areas on special lines.

Employment Service in these metropolitan areas will be organised as follows:-

- (i) There will be one Employment Exchange in an area for a population of 4,00,000. These Exchanges will be known as Zonal Employment Exchanges(Z.E.E.) whose responsibilities may be laid down either on geographical or functional basis;
- (ii) Each Zonal Employment Exchange will be under the charge of a Regional Employment Officer and will have the minimum staff prescribed for a Regional Employment Exchange. Additional staff will be provided on the basis of the staffing formulae for Employment Exchange.
- (iii) There will be one Assistant Director in charge of four Zonal Exchanges. He will be responsible for inspection, Staff training, job development, enforcement of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, etc.
- (iv) The Employment Exchanges in each metropolitan area will be placed under the overall charge of Deputy Director.

**p) Evaluation and Implementation Cell for the State**

There will be one Evaluation and Implementation Cell for Vocational Guidance in each State but the States having more than 30 Vocational Guidance Units will have two such units.

**q) Career Study Centre**

There will be one Career Study Centre in each State for bringing out career literature, audio visual aids, occupational information materials and tools for use in the career advising programme

## **D) ROLE AND FUNCTIONS OF EMPLOYMENT EXCHANGE<sup>19</sup>**

The Ministry of Labour, Directorate General of Employment and Training operates National Employment Service (NES). NES works through the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and rules framed thereof. It operates through a network of over 900 employment exchanges and carries out the following functions:-

1. Registration and placement of job-seekers.
2. Collect comprehensive employment market information on a quarterly basis for creation of data base for use in effective management of the demand and supply of labour, preparing career literature for counseling and vocational guidance.

It may involve activities like:

- i) to provide information at short intervals about the structure of employment in the public and private sectors at the area, state and national levels and also to monitor the changes in the level of employment
- ii) to present occupational composition and educational profile of employees in the public and private sector establishments.
- iii) to identify the occupations which are characteristic to a given industry.
- iv) to assess the manpower shortages in various industries and in various occupations in the organised sector.
- v) to make available information required for career counseling and vocational guidance through the National Employment Service.

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<sup>19</sup> [http://labour.and.nic.in/functions\\_ee.htm](http://labour.and.nic.in/functions_ee.htm)

- vi) to monitor the progress in generating employment in organized sector during the five year Plans.<sup>20</sup>
3. Career Counseling and Vocational Guidance in order:
- i) To suggest measures with a view to enhancing the employability of an individual or groups of individual.
  - ii) To offer assistance to an individual or groups of individuals in preparing to choose, change and adjust to occupational life.
  - iii) To evaluate the strengths and weaknesses of the individuals and match them with the job requirements.
  - iv) To generate awareness and appreciation of the realities of employment market in the community.
  - v) To collaborate or co-operate with other agencies in the field of guidance to stimulate and promise joint efforts.
  - vi) To promote self-employment.<sup>21</sup>
4. Guidance, training and placement of Physically Handicapped and disabled Candidates

A sizeable number of persons in India are handicapped and disabled. Government of India has been providing relief and help in rehabilitating them so that they stand on their own feet economically and also prove useful to the society.

Vocational rehabilitation of the handicapped and disabled person is a process which enables them to secure suitable employment which he could retain and advance a permanent base with an ultimate aim of integrating or re-integrating him in the society.

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<sup>20</sup> <http://dget.nic.in/dex/emi.htm>

<sup>21</sup> Ibid

5. Conduct area specific specialized study/surveys to have an assessment of skills available and the marketable skills required for encouraging the job-seekers for self-employment, particularly in rural informal sector.
6. Some of the State Governments arrange disbursement of unemployment allowance to certain specific categories of job seekers out of their own resources through the employment exchanges as registered with them.
7. Renewal of Registrations
8. Entering Higher Qualification
9. Change of Address in Identity Cards
10. Issue of Duplicate Registration Cards
11. Transfer of Registration Cards
12. Issue of Unemployment Certificate

#### 4. PRIVATE PLACEMENT AGENCIES

The Union Labour & Employment Minister Shri Mallikarjun Kharge had informed the Rajya Sabha that there are various types of private placement agencies operating in the country. On the basis of their regulation/coverage, these agencies can be broadly classified into four categories:

- (i) Manpower Export and Placement Agencies- covered under Immigration Act, 1983;
- (ii) Labour Contractors covered under Contract (Abolition & Regulation) Act, 1970 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- (iii) Private Security Agencies– governed by Private Security Agencies (Regulation) Act, 2005; and
- (iv) Private Placement Agencies catering to specific needs of the employers/labour market or temporary workers and not covered under first three categories

The first three categories of private placement agencies have to obtain license and register themselves with respective authorities as per the provisions of relevant Act/Rules. However, the fourth category of private placement agencies is not covered by any specific Act. Some States/UTs have issued guidelines to register them under their Shop & Establishment Act by the Labour Department.<sup>22</sup>

In order to safeguard the interest of jobseekers, Ministry of Labour & Employment issued guidelines on 30.10.2003 to the State Governments/ Union Territory Administrations to consider regulation of the functioning of Private Placement Agencies, as per local needs. These guidelines do not stipulate mandatory registration with local police station.

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<sup>22</sup> <http://archive.indianexpress.com/news/complaints-against-private-placement-agencies-govt-for-panel/931181/>

Complaints, if any, are received by respective State Government/UT Administrations, and are dealt with by them as per the provisions of above mentioned Act(s) and /or provisions of Indian Penal Code. The details of these complaints are not maintained centrally.

The government had proposed a tripartite committee to examine issues relating to private placement agencies in the wake of rising complaints of some of them misleading job aspirants and resorting to irregularities.

In its reply to a Parliamentary Panel, Labour and Employment Ministry had said that while the issue is being debated with "severity" at various levels, it has proposed the tripartite committee after taking note of such discussions.

"The committee will examine the whole issue relating to private placement agencies and how to regulate and control their illegitimate activities," the Ministry said.

The panel had sought to impress upon the government to review guidelines issued way back in October, 2003, on regulating private placement to ensure proper implementation so that "unwitting unemployed youth are not exploited".

It had strongly recommended that that the "unscrupulous" agencies must be regulated and checked lamenting that some of such agencies mislead the unemployed youths, collect money from them and vanish into thin air.<sup>23</sup>

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<sup>23</sup> <http://equalityindia.wordpress.com/2011/08/24/registration-of-placement-agencies/>

## 5. CONCLUSION

An integral part of the process of development is to create opportunities for the people. Generating employment is a key way to enable each and every individual to stand on his or her own feet and lead a life of dignity. Employment is as much a means to develop a variety of skill sets, as it is a means to secure one's bread and butter.

Employment Exchanges play a significant role in assisting the youth in finding employment. They also assist them in starting Self-Employment Ventures through Vocational Guidance activities.

National Employment Service or Employment Exchange, operated by the Directorate General of Employment and Training, Ministry of Labour, runs over 900 Employment Exchanges in order to bring about a better matching of the demand for, and the supply of work opportunities. Job seekers register themselves with these Employment Exchanges and get notified as soon as any vacancy in the Government sector matches their desired profile.

The statistical reports of the Director General of Employment & Training, New Delhi shows that the State of Gujarat tops the list in providing the employment through the employment exchange followed by, State of Maharashtra. It can also be noticed that only these two states have done well in providing employment through the exchanges.

Earlier in Goa, the modus operandi for getting access to a government job consisted of registering one's name in the employment exchange and waiting for a call letter, which would arrive in a duration ranging from one month to two years.

However, the trend has currently undergone a change with the people required to register their names with the EE, but would not receive any call letters. They are now expected to respond to the advertisements published by various government departments, whenever some vacancies are created in them. Nevertheless, the applicants have to submit the employment registration number to get the job.

The employment exchange, from its side also sends a list of approximately 30 qualified candidates per vacancy created in a government or semi-government body, which ensures that annually names of 35,000 to 40,000 candidates on the live register of the EE are sent to various government and semi-government bodies. Interestingly, out of these 40,000 names forwarded by the exchange, not even 1 per cent candidates are found to get the said jobs.

The credit should also be given to the Post Office for lesser response to the call letters from Goa EE. The call letters in many cases never reach on time and applicants have to approach the offices for duplicate call letters. The Employment Exchanges in Goa are also not providing the mode of online registration and other employment related services which most of the other States provides. These two things are to be taken care of in Goa so that the number of employment through the employment exchange increases.

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