

# Social Infrastructure, Employment and Human Development

## 10 CHAPTER

*Year 2020 began with the once-in-a-century pandemic, which saw the frontline health workers working tirelessly to save human lives from COVID-19. While the pandemic caused its ripples on the economy and on the social sector, Governments at the Centre and States intervened in a timely manner to respond to the pandemic. India has one of the lowest case fatality rates of less than 1.5 per cent. Also, as shown in Chapter 1 Volume I of the Economic Survey, India has been able to save lakhs of lives through its effective policy response. Public spending on social sector was increased in 2020-21 to mitigate the hardships caused by the pandemic and the loss to livelihood due to the lockdown.*

*During the lockdown, online schooling took off in a big way and the Government introduced several measures to make online education accessible to all children. Similarly the lockdown period also saw the growth of the gig economy and increasing work from home in the organized sector. As per the PLFS report 2018-19, there was an increase in workforce totalling 48.78 crore during 2018-19 as compared to 47.14 crore during 2017-18. The size of the workforce increased by about 1.64 crore, of which 1.22 crore were in rural sector and 0.42 crore in urban sector. The gender composition was 0.92 crore females and 0.72 crore males. Number of unemployed persons declined by about 0.79 crore between 2017-18 and 2018-19, largely in the category of females, and in rural sector. The females labour force participation rate increased from 17.5 per cent in 2017-18 to 18.6 per cent in 2018-19. These facts reveal that 2018-19 was a good year for employment generation. The net payroll data of Employees' Provident Fund Organisation (EPFO) as on 20th December, 2020 shows a net increase of new subscribers in EPFO of 78.58 lakhs in 2019-20 as compared to 61.1 lakhs in 2018-19. The quarterly PLFS, which covers the urban areas, shows improvements in the employment situation in Q4-2020 when compared to Q4-2019. Considering the proportion of the male workforce (15 years & above) by status of employment, casual labour decreased by 1 percentage points while self-employed and salaried workers increased by 0.6 percentage points and 0.4 percentage points, respectively. Similarly, in case of the female workforce (15 years & above), self-employed increased by 2 percentage points, regular/wage salaried workers decreased by 0.7 percentage points and casual labour decreased by 1.4 percentage points. The Time Use Survey, 2019 reported that females spend relatively more time in unpaid domestic and care giving activities (7.5 hours) as compared to employment related activities (5.7 hours) per day. This is reported to be one of the main reasons for the low female participation in*

*the labour market. In the health sector, strengthening of health infrastructure and efficiency in health care delivery was reflected in the outcomes of NFHS-5 with infant mortality rate and under-five mortality rate showing a decline in most of the selected States in NFHS-5 as compared to NFHS-4. As shown in the Chapter 9 of Volume I, this reduction resulted from the roll out of the Pradhan Mantri Jan Aushadhi Yojana under Ayushman Bharat. Allocation for the health sector has flowed towards special requirements in the fight against COVID-19 to ensure essential medicines, hand sanitizers, protective equipment including masks, PPE Kits, ventilators and adequate testing and treatment facilities as well as in vaccinating the population. In 2020-21, to mitigate the effects of COVID-19 induced restrictions on loss of livelihood, the Government has taken various measures such as giving incentive to boost employment under the scheme Aatmanirbhar Bharat Rojgar Yojana, higher allocation under MGNREGS, Garib Kalyan Rozgar Abhiyan for migrant workers in the destinations States and has also notified path-breaking labour reforms to attract big investment in the economy.*

## **INTRODUCTION**

10.1 The COVID-19 has brought into focus the vulnerabilities of societies, states and countries in facing a pandemic. India imposed a complete lockdown of the economy from 24<sup>th</sup> March, to 31<sup>st</sup> May 2020, which helped in arresting the number of fatalities due to COVID-19 as well as taking precautionary measures to contain the spread of the disease and it has helped India to save lakhs of lives. However, the lockdown had an inevitable impact on the vulnerable and informal sector, the education system, and on the economy as a whole. The Government announced the first relief package of ₹ 1.70 lakh crores under ‘Pradhan Mantri Garib Kalyan Yojana (PMGKY)’ in March, 2020 and comprehensive stimulus cum relief package of ₹ 20 lakh crore under ‘Atma Nirbhar Bharat Abhiyan’ in May, 2020. Development and welfare schemes being implemented by the Government over the years together with these relief measures enabled the country to endure the impact of the COVID-19 pandemic and led to a V-shaped economic recovery (Chapter 1 of Volume I).

## **TRENDS IN SOCIAL SECTOR EXPENDITURE**

10.2 The expenditure on social services (education, health and other social sectors) by Centre and States combined as a proportion of GDP increased from 6.2 to 8.8 per cent during the period 2014-15 to 2020-21 (BE). This increase was witnessed across all social sectors. For education, it increased from 2.8 per cent in 2014-15 to 3.5 per cent and for health, from 1.2 per cent to 1.5 per cent during the same period. Relative importance of social services in government budget, as measured in terms of the share of expenditure on social services out of total budgetary expenditure, has also increased to 26.5 per cent in 2020-21 (BE) from 23.4 per cent in 2014-15 (Table 1).

**Table 1: Trends in Social Service Sector Expenditure by General Government  
(Combined Centre and States)**

Item	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 RE	2020-21 BE
(₹ in Lakh crore)							
Total Budgetary Expenditure	32.85	37.61	42.66	45.16	50.41	58.76	64.70
Expenditure on Social Services	7.68	9.16	10.41	11.40	12.78	15.31	17.16
<i>of which:</i>							
i) Education	3.54	3.92	4.35	4.83	5.26	6.13	6.75
ii) Health	1.49	1.75	2.13	2.43	2.66	3.12	3.51
iii) Others	2.65	3.48	3.93	4.13	4.86	6.06	6.90
<b>As percentage to GDP</b>							
Expenditure on Social Services	6.2	6.6	6.8	6.7	6.7	7.5	8.8
<i>of which:</i>							
i) Education	2.8	2.8	2.8	2.8	2.8	3.0	3.5
ii) Health	1.2	1.3	1.4	1.4	1.4	1.5	1.8
iii) Others	2.1	2.5	2.6	2.4	2.6	3.0	3.5
<b>As percentage to total expenditure</b>							
Expenditure on Social Services	23.4	24.3	24.4	25.2	25.4	26.1	26.5
<i>of which:</i>							
i) Education	10.8	10.4	10.2	10.7	10.4	10.4	10.4
ii) Health	4.5	4.7	5.0	5.4	5.3	5.3	5.4
iii) Others	8.1	9.3	9.2	9.1	9.6	10.3	10.7
<b>As percentage to social services</b>							
i) Education	46.1	42.8	41.8	42.4	41.2	40.0	39.3
ii) Health	19.4	19.1	20.5	21.4	20.8	20.4	20.5
iii) Others	34.6	38.0	37.7	36.2	38.0	39.6	40.2

Source: Budget Documents of Union and State Governments, Reserve Bank of India

Note:

1. Social services include, education, sports, art and culture; medical and public health, family welfare; water supply and sanitation; housing; urban development; welfare of SCs, STs and OBCs, labour and labour welfare; social security and welfare, nutrition, relief on account of natural calamities etc.
2. Expenditure on 'Education' pertains to expenditure on 'Education, Sports, Arts and Culture'.
3. Expenditure on 'Health' includes expenditure on 'Medical and Public Health', 'Family Welfare' and 'Water Supply and Sanitation'.
4. The ratios to GDP at current market prices are based on 2011-12 base.
5. Data upto 2016-17 pertains to all states. From 2017-18 onwards, it pertains to all states and UTs.

10.3 A clarion call for 'Atma Nirbhar Bharat' was announced to revive the economy and to address the pandemic. A special economic and comprehensive package of ₹ 20 lakh crore - equivalent to 10 per cent of India's GDP was announced in May 2020. In subsequent announcements, additional support cumulating to ₹ 29.88 lakh crore up to November 2020 was announced. Of these, provision for ₹ 4.31 lakh crore made for social sector includes PMGKY and PMGKY Anna Yojana, housing and health (including R & D Grant for COVID-19 Suraksha), EPF support to worker & employers, street vendors, MGNREGS workers and ABRY etc.

## HUMAN DEVELOPMENT

10.4 India's rank in Human Development Index (HDI)<sup>1</sup> was 131 in 2019, compared to 129 in 2018, out of a total 189 countries according to UNDP Human Development Report, 2020. It may be mentioned that the decline in HDI ranking by two points in 2019 as compared to 2018 is relative to other countries. By looking at the sub-component wise performance of HDI indicators, India's 'GNI per capita (2017 PPP \$)' has increased from US\$ 6,427 in 2018 to US\$ 6,681 in 2019, and 'life expectancy at birth' has improved from 69.4 years in 2018 to 69.7 years in 2019, respectively. However, the 'mean years of schooling' and 'expected years of schooling' remained unchanged in 2019 compared to 2018. However, considering the value of Planetary pressures adjusted HDI (PHDI)<sup>2</sup>, India was positioned 8 ranks better than HDI rank. If a country puts no pressure on the planet, its PHDI and HDI would be equal, but the PHDI falls below the HDI as pressure rises. PHDI values are very close to HDI values for countries with an HDI value of 0.7 or lower. (Table 2).

**Table 2: Trends in India's HDI Value and its Sub-components**

Year	1990	2000	2005	2010	2015	2017	2018	2019
Life expectancy at birth	57.9	62.5	64.5	66.7	68.6	69.2	69.4	69.7
Expected years of schooling <sup>b</sup>	7.6	8.3	9.7	10.8	12.0	12.3	12.2	12.2
Mean years of schooling <sup>b</sup>	3.0	4.4	4.8	5.4	6.2	6.5	6.5	6.5
GNI per capita <sup>a</sup>	1,787	2,548	3,217	4,182	5,391	6,119	6,427	6,681
<b>HDI value</b>	<b>0.429</b>	<b>0.495</b>	<b>0.536</b>	<b>0.579</b>	<b>0.624</b>	<b>0.640</b>	<b>0.642</b>	<b>0.645</b>

Source: Human Development Report, 2020, UNDP.

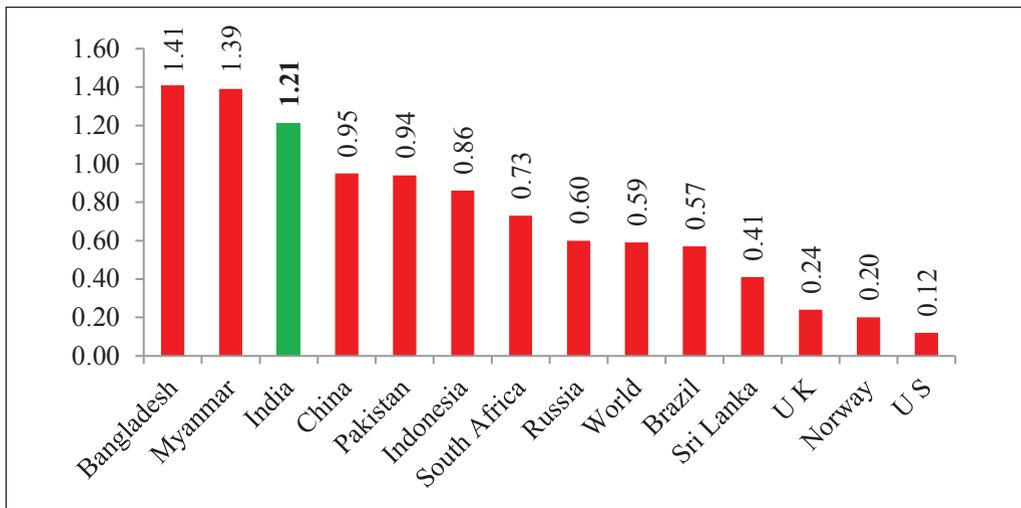
Note: <sup>a</sup>GNI (Gross national income) is based on 2017 dollar purchasing power parity (PPP), <sup>b</sup>Data refers to 2019 or the most recent year available.

10.5 The value of HDI for India has increased from 0.579 in 2010 to 0.645 in 2019. The average annual HDI growth during 2010-2019 was 1.21 per cent as compared to 1.58 per cent during the period 2000-2010. Cross country comparison of average annual HDI growth shows India is ahead of BRICS countries (Figure 1). To sustain this momentum, and overcome possible fallouts of COVID-19 on human development, the thrust on access to social services such as education and health is critical.

<sup>1</sup>The Human Development Report (HDR) published by the United Nations Development Programme (UNDP) estimates the human development index (HDI) in terms of three basic parameters: to live a long and healthy life, to be educated and knowledgeable, and to enjoy a decent economic standard of living.

<sup>2</sup>The adjustment factor for PHDI is calculated as the arithmetic mean of indices measuring carbon dioxide emissions per capita and material footprint per capita.

**Figure 1: Average Annual HDI Growth Rate (per cent), 2010-2019**



Source: Human Development Report, 2020, UNDP

### QUALITY EDUCATION FOR ALL

10.6 India will have the highest population of young people in the world over the next decade. So, our ability to provide high-quality educational opportunities to them will determine the future of our country (National Education Policy, 2020). The progress in school and higher education infrastructure and gross enrolment at all levels is given in Table 3. As per U-DISE+ 2018-19<sup>3</sup>, the physical infrastructure of more than 9.72 lakh government elementary schools has improved significantly. Out of these, 90.2 per cent have girls’ toilet, 93.7 per cent have boys’ toilet, 95.9 per cent have provision of drinking water facility, 88.1 per cent have hand wash facility, 82.1 per cent have wash (drinking water, toilet and hand wash) facility, 84.2 per cent have medical check-up facility, 20.7 per cent have computer and 67.4 per cent have electricity connection, 74.2 per cent have ramps, 56.5 per cent have boundary wall, 69.3 per cent have playground, 83.8 per cent have library, 21.5 per cent have kitchen garden and 13.9 per cent have rainwater harvesting structure, 23.6 per cent have facility for testing of water and 14.8 per cent have incinerator.

**Table 3: Increase in Number of Recognized Schools, Colleges and Universities Infrastructure**

Year	Primary & Upper Primary schools (in lakhs)	Secondary and Sr. Secondary Schools (in lakhs)	Colleges	Universities
2011-12	11.93	2.12	34852	642
2018-19	12.37	2.76	39931	993

Source: Education Statistics at a Glance, 2018 & U-DISE+ Report and AISHE Report 2018-19, M/o Education

<sup>3</sup>The Unified District Information System for Education plus (U-DISE+) collects data on various indicators on school education. For the purpose of this report schools with Primary or Upper Primary classes have been referred as ‘Elementary Schools’.

**Table 4: Percentage of Literates (age 7 years & above) by Social/ Religious Group in 2017-18**

Category Social Group	Rural + Urban		Category Religious Groups	Rural + Urban	
	Male	Female		Male	Female
ST	77.5	61.3	Hinduism	85.1	70.0
SC	80.3	63.9	Islam	80.6	68.8
OBC	84.4	68.9	Christianity	88.2	82.2
Others	90.8	80.6	Sikhism	87.3	75.9
All	84.7	70.3	All^	84.7	70.3

Source: NSS Report 585: Households Social Consumption on Education in India, 2017-18

Note: ^ All includes Jainism, Buddhism, Zoroastrianism and others

10.7 While India has attained a literacy level of almost 96 per cent at the elementary school level, it is still behind in achieving 100 per cent literacy. As per National Sample Survey (NSS), the literacy rate of persons of age 7 years and above at the All India level stood at 77.7 per cent but the differences in literacy rate attainment among social-religious groups, as well as gender still persists (Table 4). Female literacy remained below national average among social groups of SC, ST, OBC, including religious groups of Hinduism and Islam.

**Table 5: State-wise Age Specific Attendance Ratio for different Age Groups (2017-18) (per cent)**

State	3-5 years	6-10 years	11-13 years	14-17 years	18-23 years
Andhra Pradesh	37.9	97.5	96.7	83.0	27.2
Assam	35.2	97.5	96.9	74.7	21.9
Bihar	22.0	91.0	95.4	79.5	24.5
Chhattisgarh	25.3	96.6	95.5	81.9	22.7
Delhi	48.1	99.0	89.6	90.4	31.6
Gujarat	31.4	97.5	93.7	74.8	20.5
Haryana	46.7	98.3	94.7	83.8	31.5
Himachal Pradesh	54.8	99.9	99.3	94.7	42.2
Jammu & Kashmir	28.2	97.9	97.2	87.6	46.4
Jharkhand	35.0	97.1	95.7	79.2	22.8
Karnataka	18.3	97.4	98.1	83.6	30.3
Kerala	58.3	100.0	100.0	98.3	47.4
Madhya Pradesh	24.7	92.9	93.6	69.4	23.5
Maharashtra	39.1	98.0	97.0	86.2	36.2
Odisha	20.5	98.2	94.2	68.6	18.0
Punjab	61.6	96.9	98.6	86.3	31.8
Rajasthan	35.8	93.1	93.0	75.9	34.8
Tamil Nadu	53.9	99.6	99.5	89.8	35.0
Telangana	56.1	99.5	98.4	94.0	30.9
Uttarakhand	28.7	99.1	97.8	92.5	43.9
Uttar Pradesh	26.4	90.6	89.4	68.0	27.6
West Bengal	40.0	97.8	92.9	79.6	24.9
<b>All India</b>	<b>33.1</b>	<b>95.0</b>	<b>94.5</b>	<b>78.5</b>	<b>28.8</b>

Source: NSS Report 585: Households Social Consumption on Education in India, 2017-18

10.8 The age specific attendance ratio (ASAR) indicates the proportion of children of a particular age group actually attending schools/colleges irrespective of the level or class in which they are studying. Children in the age-group of 6-13 years have reported almost 95 per cent and above attendance across States (Table 5). But the attendance rate in the early childhood education, which the National Education Policy (NEP), 2020 emphasises on is low and diverging irrespective of the achievement in education status of the States concerned. While Punjab reported a high attendance rate of 61.6 per cent of the children in the age groups of 3-5 years (i.e. early childhood education), Karnataka reports the lowest attendance rate of only 18.3 per cent. In the 14-17 years age group, which covers the secondary and higher secondary education level, the attendance rates are low as compared to national average in Madhya Pradesh, Odisha, Assam, Gujarat, and Rajasthan. In the 18-23 years age bracket, which comprises students pursuing higher education, Kerala and the hilly States have reported higher attendance compared to rest of India.

10.9 The efforts made by the Government to provide quality education in schools and institutions of the government in affordable and competitive manner are given in Box 1. The government announced the new National Education Policy, 2020 replacing the 34 year old National Policy on Education, 1986. The new policy aims to pave the way for transformational reforms in school and higher education systems in the country (Box 2). It aims to provide all students, irrespective of their place of residence, quality education system with special focus on the marginalised, disadvantaged and underrepresented groups.

### Box 1: Programmes and Schemes for School Education during 2020-21

**Samagra Shiksha**, an overarching programme for the school education sector extending from pre-school to class 12, is being implemented with the broader goal of improving school effectiveness measured in terms of equal opportunities for schooling and equitable learning outcomes. The vision of the Scheme is to ensure inclusive and equitable quality education from pre-school to senior secondary stage in accordance with the SDG for Education. The main outcomes of the Scheme are envisaged as Universal Access, Equity and Quality including Vocational Education, Inclusive Education, increased use of Technology and strengthening of Teacher Education Institutions (TEIs). The scheme was launched in 2018-19 with the following major features:

**Holistic approach to education:** Treat school education holistically as a continuum from Pre-school to Class 12 with inclusion of support for senior secondary levels and pre-school levels for the first time.

**Focus on Quality of Education:**

- Enhanced focus on improving quality of education and learning outcomes by focus on the two T's – Teachers and Technology.
- Enhanced Capacity Building of Teachers and School Heads, BRC, CRCs.
- Focus on strengthening Teacher Education Institutions like SCERTs and DIETs to improve the quality of prospective teachers in the system.
- Annual Grant per school for strengthening of Libraries: Library grant of ₹ 5,000 to ₹ 20,000/-.
- Support for Rashtriya Avishkar Abhiyan to promote Science and Math learning.

**Focus on Digital Education:**

- Enhanced use of digital technology in education through smart classrooms, digital boards and DTH channels and ICT infrastructure in schools from upper primary to higher secondary level.
- Support to “DIKSHA”, a digital platform which offers teachers, students and parents engaging learning material relevant to the prescribed school curriculum.

**Strengthening of Schools:**

- Improve the Quality of Infrastructure in Government Schools at all levels.
- Enhanced Transport facility to children from classes I to VIII for universal access to schools.
- Composite school grant increased from ₹ 14,500-50,000 to ₹ 25,000- 1 lakh and to be allocated on the basis of school enrolment, with atleast 10 per cent allocation for Swachhta activities – support ‘Swachh Vidyalaya’

**Focus on Girl Education:**

- Upgradation of Kasturba Gandhi BalikaVidyalayas (KGBVs) from Class 6-8 to Class 6-12.
- Self-defence training for girls from upper primary to senior secondary stage
- Stipend for Children with Special Needs (CWSN) girls to be provided from Classes I to XII. – earlier only IX to XII.
- Enhanced Commitment to ‘Beti Bachao Beti Padhao’

**Focus on Inclusion:**

- Allocation for uniforms under RTE Act enhanced from ₹ 400 to ₹ 600 per child per annum.
- Allocation for textbooks under the RTE Act, enhanced from ₹ 150/250 to ₹ 250/400 per child per annum. QR coded Energized textbooks introduced.
- Allocation for CWSN increased from ₹ 3000 to ₹ 3500 per child per annum. Stipend of ₹ 200 per month for Girls with Special Needs from Classes 1 to 12.
- Special training for age appropriate admission of out of school children at elementary level.

**Focus on Skill Development:**

- Vocational education for Class 9-12 as integrated with the curriculum and to be made more practical and industry oriented.

**Focus on Sports and Physical Education**

- Sports Education to be an integral part of curriculum and every school will receive sports equipment’s at the cost of ₹ 5000 to ₹ 25,000 to inculcate and emphasize relevance of sports.

**Focus on Regional Balance:**

- Promote Balanced Educational Development
- Preference to Educationally Backward Blocks (EBBs), LWE affected districts, Special Focus Districts (SFDs), Border areas and the 115 aspirational districts identified by NITI Aayog
- Under the Samagra Shiksha scheme, a National Mission to improve learning outcomes at the elementary level through an **Integrated Teacher Training Programme** called **NISHTHA** (National Initiative for School Heads’ and Teachers’ Holistic Advancement) was contextualized and made 100 per cent online according to the needs of teaching and learning during the COVID-19 pandemic.

- **Padhna Likhna Abhiyan:** An adult education scheme has been introduced in FY 2020-21 with financial outlay of ₹ 142.61 crore with a target to make 57 lakh learners' literate.
- During 2019-20, the **Mid-Day Meal (MDM) Programme** in schools covered 11.59 crore children enrolled in elementary classes (I-VIII) in 11.34 lakh eligible schools. During COVID-19 pandemic, it was decided to provide food grains and pulses, oil etc., (equivalent to cooking cost) as a one-time special measure to eligible children during the summer vacations.

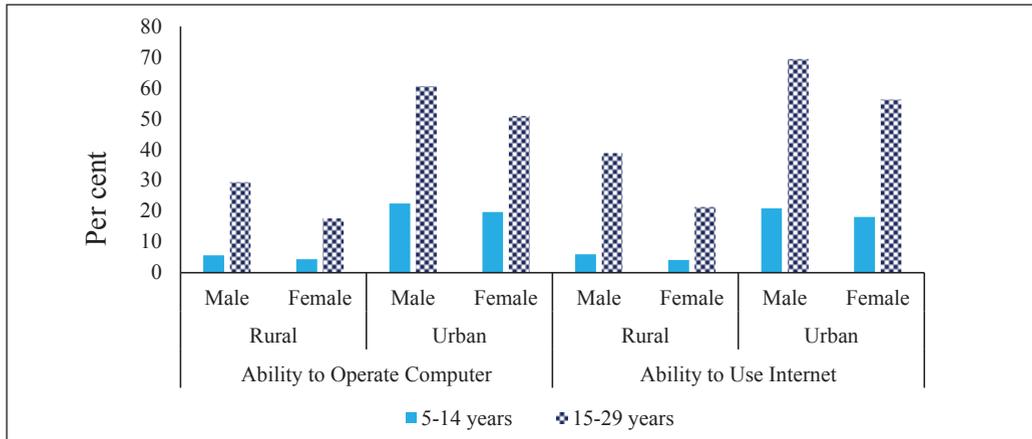
### Box 2: National Education Policy (NEP) 2020

- Universalization of education from pre-school to secondary level with 100 per cent Gross Enrolment Ratio (GER) in school education by 2030.
- To bring ₹ 2 crore out of school children back into the mainstream through universalization of access and expanding the open schooling system.
- The current 10+2 system to be replaced by a new 5+3+3+4 curricular structure corresponding to ages 3-8, 8-11, 11-14, and 14-18 years, respectively
- Class 10 and 12 board examinations to be made easier to test core competencies rather than memorized facts.
- School governance is set to change, with a new standards framework based on online self-declaration in the public domain for both public and private schools.
- Emphasis on foundational literacy and numeracy, and no rigid separation between academic streams, extra-curricular, vocational streams in schools.
- Vocational Education to start from Class 6 with Internships.
- Teaching up to at least Grade 5 to be in mother tongue/regional language, wherever possible. No language will be imposed on any student.
- Assessment reforms with 360-degree Holistic Progress Card, tracking student progress for achieving learning outcomes
- A new and comprehensive National Curriculum Framework for school education, Early Childhood Care & Education, Teacher Education and Adult Education.
- By 2030, the minimum degree qualification for teaching will be a 4-year integrated B.Ed. degree.

### Impact of COVID-19 pandemic on School Education

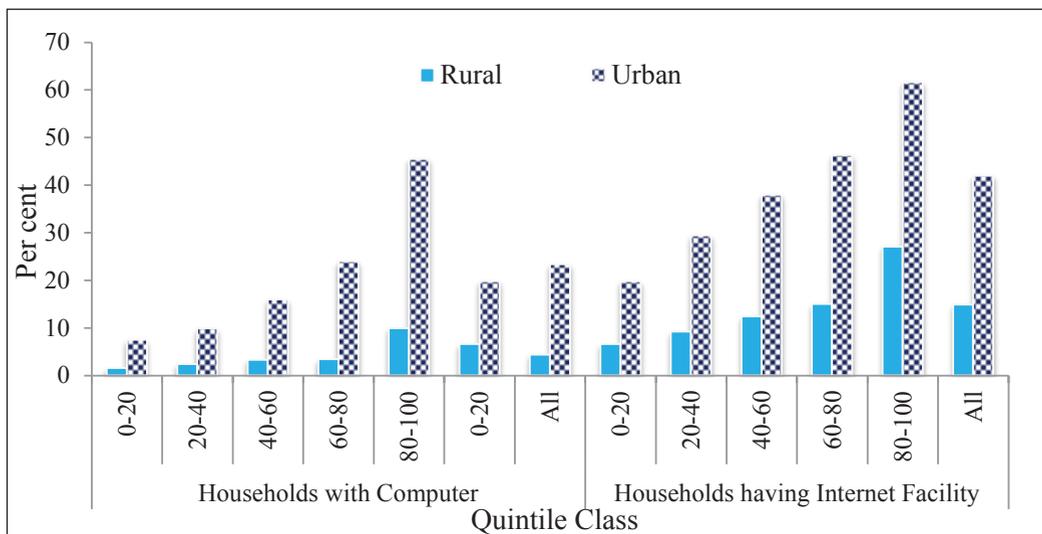
10.10 Since March 2020, most of the schools are closed due to the COVID-19 induced restrictions and children are taught online from their homes using available assets at home. Access to data network, electronic devices such as computer, laptop, smart phone etc. gained importance due to distance learning and remote working. As per Annual Status of Education Report (ASER) 2020 Wave-1 (Rural), released in October 2020, percentage of enrolled children from government and private schools owning a smartphone increased enormously from 36.5 per cent in 2018 to 61.8 per cent in 2020 in rural India. If utilized well, the resultant reduction in the digital divide between rural and urban, gender, age and income groups is likely to reduce inequalities in educational outcomes (Figure 2 and Figure 3). To enable this process, the Government is implementing several initiatives to make education accessible to children during this pandemic (Box 3).

**Figure 2: Persons (age 5-14 & 15-29 years) by Ability to Operate Computer and Ability to Use Internet, 2017-18**



Source: NSS Report No.585-Household Social Consumption on Education in India, 2017-18

**Figure 3: Households with Computer and Internet Facility for Each Quintile Class of Usual Monthly Per Capita Expenditure, 2017-18**



Source: NSS Report No.585-Household Social Consumption on Education in India, 2017-18

**Box 3: Initiatives for school going students during COVID-19 pandemic**

1. **PM eVIDYA:** This initiative was announced for school and higher education under the Atma Nirbhar Bharat programme in May, 2020. It is a comprehensive initiative to unify all efforts related to digital/online/on-air education to enable multi-mode and equitable access to education for students and teachers. The four PM e-Vidya components of school education are:
  - a. **One nation, one digital education infrastructure:** Under this component all States/UTs have free access to a single digital infrastructure i.e, DIKSHA. It is artificial intelligence based, highly scalable, and can be accessed through a web-portal and mobile application. It provides access to a large number of curricula linked e-content through several use cases and solutions such as QR coded Energized Textbooks (ETBs), courses for teachers, quizzes and

others. DIKSHA has experienced more than 800 crore hits since lockdown. In April, 2020, **VidyaDaan** portal was launched on DIKSHA as a national content contribution program that leverages the DIKSHA platform and tools to seek and allow contribution/donation of e-learning resources for school education by educational bodies, private bodies, and individual experts.

- b. One class, one TV channels through Swayam Prabha TV Channels:** Swayam Prabha DTH channels are meant to support and reach those who do not have access to the internet. 12 channels are devoted to telecast high quality educational programmes in school education. The pilot/beta version has been launched in October, 2020.
  - c. Extensive use of Radio, Community radio and Podcasts:** Radio broadcasting is being used for children in remote areas who are not online. 303 pieces of curriculum-based radio programmes (for Classes 1-8) have been produced by CIET-NCERT for its dissemination/broadcast on 12 GyanVani FM Radio Stations, 60 Community Radio Stations, iRadio and Jio Saavn Mobile apps. 289 Community Radio Stations have also been used to broadcast content for NIOS for grades 9 to 12. A Podcast of CBSE called Shiksha Vani is being effectively used by learners of grades 9 to 12. It contains over 430 pieces of audio content for all subjects of grades 9 to 12.
  - d. For the differently-abled:** One DTH channel is being operated specifically for hearing impaired students in sign language. For visually and hearing-impaired students, study material has been developed in Digitally Accessible Information System (DAISY) and in sign language; both are available on NIOS website/ YouTube. 25 NCERT textbooks have also been converted into DAISY format.
- 2. Swayam MOOCs for open schools and pre-service education:** Online MOOC courses relating to NIOS (grades 9 to 12 of open schooling) are uploaded on SWAYAM portal. Around 92 courses have started and 1.5 crore students are enrolled under Swayam MOOCs.
  - 3. Funding support for digital initiative:** To mitigate the effect of COVID-19, ₹ 818.17 crore is allotted to states/UTs to promote online learning through digital initiatives, and ₹ 267.86 crore for online teacher training to ensure continuous professional development of teachers under Samagra Shiksha Scheme.
  - 4. National Repository of Open Educational Resources (NROER):** NROER is an open storehouse of e-content. Nearly 17,500 pieces of e-content are available for various school subjects in all grades.
  - 5. PRAGYATA guidelines on digital education** was developed with a focus on online/blended/digital education for students who are presently at home due to the closure of schools.
  - 6. MANODARPAN:** The 'Manodarpan' initiative for psychosocial support has been included in the Atmanirbhar Bharat Abhiyan, as part of strengthening and empowering the human capital to increase productivity and efficiency through reforms and initiatives in the education sector.

## SKILL DEVELOPMENT

10.11 There is an improvement in the proportion of skilled people over the annual cycle of Periodic Labour Force Survey (PLFS) across rural, urban and gender classification (Table 6).

However, the level of skill acquirement remained low, as only 2.4 per cent of the workforce of age 15-59 years have received formal vocational / technical training and another 8.9 per cent of the workforce received training through informal sources. Out of the 8.9 per cent workforce who received non-formal training, the largest chunk is contributed by on-the-job training (3.3 per cent), followed by self-learning (2.5 per cent) and hereditary sources (2.1 per cent) and other sources (1 per cent).

**Table 6: Percentage of Persons of Age 15-29 Years and 15-59 Years who Received Formal Vocational/Technical Training during 2017-18 and 2018-19**

Age group	Rural			Urban			All India		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>2017-18</b>									
15-29 years	2.0	1.3	1.7	4.6	4.2	4.4	2.8	2.2	2.5
15-59 years	1.5	0.9	1.2	4.0	3.3	3.7	2.3	1.7	2.0
<b>2018-19</b>									
15-29 years	2.4	1.5	2.0	4.8	4.6	4.7	3.2	2.5	2.8
15-59 years	1.8	1.1	1.5	4.9	3.9	4.4	2.8	2.0	2.4

Source: Annual Report PLFS, 2018-19

10.12 Among those who received formal training, the most opted training course is IT-ITeS among both males and females, followed by electrical-power and electronics, mechanical engineering- capital goods- strategic manufacturing, automotive, office and business-related work for males while the other preferred courses of females were textiles-handloom-apparels, office & business-related work, healthcare & life sciences and work related to childcare-nutrition-pre-school & crèche. The Government is committed to take all measures to translate India's demographic advantage by various skill development initiatives (Box 4).

#### Box 4: Policy Reforms under Skill Development Initiatives

- Operationalizing Unified Skill Regulator:** A significant step to make the skill ecosystem more dynamic and credible has been undertaken through the operationalization of the unified skills regulator- National Council for Vocational Education and Training (NCVET). As a first milestone towards more credible certifications and assessments, the Awarding and Assessment Bodies guidelines was notified in October 2020. Unique numbered certification has also been approved by the new regulator. The regulatory capacity is being continuously strengthened through notification of various standardization processes, regulatory systems, human resources, LMIS and research capabilities with an aim to create a regulatory institution at par with international standards.
- Pradhan Mantri Kaushal Vikas Yojana 3.0 (PMKVY 3.0):** First phase of PMKVY 3.0 was rolled out in 2020-21 with a tentative target to skill 8 lakh candidates including migrants. A paradigm shift in implementation strategy is adopted by making it demand driven with bottom up approach for identification and mapping of job roles. District Skill Committees (DSCs) would be playing a pivotal role under the guidance of State Skill Development Missions in

PMKVY 3.0. DSC shall be the focal point of implementation of PMKVY 3.0 and shall play a major role in preparation of District level plan, mobilization and counselling of candidates, formation of training batches, monitoring of quality assurance and post training support. A phase-wise introduction of vocational courses in schools shall be initiated in coordination with Ministry of Education. This component shall be implemented for classes 9 to 12 to expose students to skill development avenues.

- **Quality Enhancement:** Towards enhancing the quality of long-term training programs and providing a choice to learners about the institutes, the grading of ITIs has been undertaken to improve their quality and transparency. Draft grading of ~11000 ITIs have already been published. For ensuring greater industrial connect, new model of Dual System of Training (DST) and Flexi MoUs is being implemented under which more than 950 MoUs with enterprises have already been signed.
- **Integration of Vocational and Formal education both at school and higher education:** The efforts towards integration of Vocational Education and Training (VET) in general education has received a big fillip with the NEP, 2020 envisioning giving 50 per cent of school and higher education candidates exposure to VET over the next 5 years. Some of the key ingredients of VET integration includes offering vocational courses in schools and equal weightage to vocational courses for admission in undergraduate courses have been implemented. The draft Credit Framework for vertical and horizontal mobility from vocational to general and vice-versa is being developed. A 'hub-n-spoke' model is also being piloted in 2 States with the conceptual framework of early introduction of VET in schools and an ITI becoming a 'Hub' for providing VET related training and exposure to students of adjoining 5-7 schools. It is hoped that the artificial separation of the education system into formal and vocational shall end with such enabling frameworks allowing seamless integration.

## STATUS OF EMPLOYMENT

10.13 Based on the results of PLFS, estimates in absolute numbers of labour force, employed persons and unemployed persons have been derived for 2017-18 and 2018-19, separately for rural and urban sectors and for males and females in usual status (ps+ss)<sup>4</sup> for all ages (Table 7).

10.14 The size of labour force in 2018-19 was estimated at about 51.8 crore persons: about 48.8 crore employed and 3.0 crore unemployed. The size of the labour force increased by about 0.85 crore between 2017-18 and 2018-19. Out of these, 0.46 crore were from urban sector and 0.39 crore were from rural sector. The gender composition of the increase in the labour force comprised about 0.64 crore males and about 0.21 crore females. The size of the workforce increased by about 1.64 crore, of which 1.22 crore were in rural sector and 0.42 crore in urban sector. The gender composition was 0.92 crore females and 0.72 crore males.

<sup>4</sup>The workers in the usual status (ps+ss) are obtained by considering the usual principal status (ps) and the subsidiary status (ss) together. The workers in the usual status (ps+ss) include (a) the persons who worked for a relatively long part of the 365 days preceding the date of survey and (b) the persons from among the remaining population who had worked at least for 30 days during the reference period of 365 days preceding the date of survey.

Number of unemployed persons declined by about 0.79 crore between 2017-18 and 2018-19, largely in the category of females, and in rural sector. The females labour force participation rate increased from 17.5 per cent in 2017-18 to 18.6 per cent in 2018-19. These facts reveal that 2018-19 was a good year for employment generation.

**Table 7: Estimates of Labour Force, Employment, and Unemployment for year 2017-18 and 2018-19 (all ages; ps+ss, in crore)**

Category	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>2017-18</b>									
Labour Force	25.48	8.67	34.15	13.25	3.57	16.82	38.73	12.24	50.97
Employment	23.91	7.70	31.61	12.39	3.15	15.53	36.29	10.85	47.14
Unemployment	1.57	0.97	2.54	0.86	0.42	1.29	2.44	1.39	3.83
<b>2018-19</b>									
Labour Force	25.77	8.77	34.54	13.60	3.68	17.28	39.37	12.45	51.82
Employment	24.37	8.46	32.83	12.64	3.31	15.96	37.01	11.77	48.78
Unemployment	1.40	0.31	1.71	0.96	0.37	1.33	2.36	0.68	3.04

Source: Estimated using PLFS 2017-18 and 2018-19 Surveys. The estimates are approximate.

Note 1: Projected population as on 1st January, 2018 was 135 crore which has been derived using the NSO EUS (2011-12) formula,  $A = A1 * [1 + R / 100]^{(82/120)}$ , and population as on 1st January 2019 was 137 crore projected with the formula  $A = A1 * [1 + R / 100]^{(94/120)}$ , where A1 is the census population as on 1st March 2011, R is the percentage decadal change in population between census 2001 and 2011 and A is the projected population as on 1st January, 2018 and as on 1st January 2019 respectively.

Note 2: Principal status (ps) measures the activity in which an individual has spent relatively longer time of a reference year (major time criterion) while subsidiary status (ss) measures the activity status of an individual who has spent majority of days out of work force but have worked for short period of time (more than 30 days).

10.15 Industry-wise estimates on workforce shows that the largest, about 21.5 crore persons are employed in 'Agriculture', which is still the largest employer with 42.5 per cent of workforce (Annexure I). Next important industry is 'other services' where about 6.4 crore persons (13.8 per cent) were engaged. 'Manufacturing' and 'Trade, hotel & restaurants' each employed about 5.9 crore persons with the share of nearly 12.1 per cent and 12.6 per cent respectively, while 'Construction' sector employed about 5.7 crore persons in 2018-19 with share of 12.1 per cent. Employed persons have significantly increased in Agriculture, Manufacturing and Transport storage & communication in 2018-19 from 2017-18 (Annexure I).

10.16 Among the total employed, about 25 crore are self-employed, 12.2 crore regular wage/salaried employees and 11.5 crore casual workers (Table 8). Self-employment is still the major source of employment with close to 52 per cent of the workforce was self-employed. The proportion of regular wage/salaried employees saw an increase in both rural & urban areas and for both males & females. This increase was more among urban females which increased from 52.1 per cent in 2017-18 to 54.7 per cent in 2018-19. This also indicates the improvement in quality of employment. At the same time, the proportion of casual labour showed a decline,

which was more in the case of urban females from 13.1 per cent in 2017-18 to 10.7 per cent in 2018-19, as compared to males from 15.1 per cent in 2017-18 to 14.2 per cent in 2018-19. The quarterly PLFS covers only the urban areas and it may be seen that the proportion of male engaged as regular wage/salaried employees has increased during the period January-March, 2020 from the January-March, 2019, while decline was noticed for both male and female in the category of casual labours during the same period (Table 9).

**Table 8: Number of Workers for 2018-19 (ps+ss), all ages by Sector, Gender and Employment Status (in crore)**

2018-19	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Self employed</b>	13.99	5.05	19.04	4.89	1.14	6.04	18.88	6.19	25.07
• Own account worker and employer	11.75	1.84	13.59	4.37	0.83	5.20	16.12	2.67	18.79
• Helper in household enterprise	2.24	3.21	5.45	0.52	0.32	0.84	2.76	3.52	6.28
<b>Regular wage/ salary</b>	3.46	0.93	4.39	5.97	1.81	7.78	9.43	2.74	12.17
<b>Casual labour</b>	6.90	2.48	9.37	1.80	0.35	2.15	8.69	2.83	11.52
<b>Total</b>	24.37	8.46	32.83	12.64	3.31	15.96	37.01	11.77	48.78

Source: Estimated using PLFS 2018-19 survey. Figures are approximate.

**Table 9: Percentage Distribution of Persons Employed by Status of Employment in Urban Areas (Age: 15 years & above, as per CWS)**

Status of Employment by Category	Jan-March, 2019 (Q4)		April-June, 2019 (Q1)		July-Sep, 2019 (Q2)		Oct-Dec, 2019 (Q3)		Jan-March, 2020 (Q4)	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Self employed	38.9	32.8	38.7	33.3	39.4	34.0	39.0	34.4	39.3	34.8
Regular wage/ salaried employees	47.9	58.2	48.0	58.3	47.5	57.4	48.0	57.3	48.5	57.5
Casual labour	13.2	9.1	13.3	8.4	13.1	8.6	13.1	8.4	12.2	7.7

Source: Quarterly Bulletin, PLFS, January-March, 2020

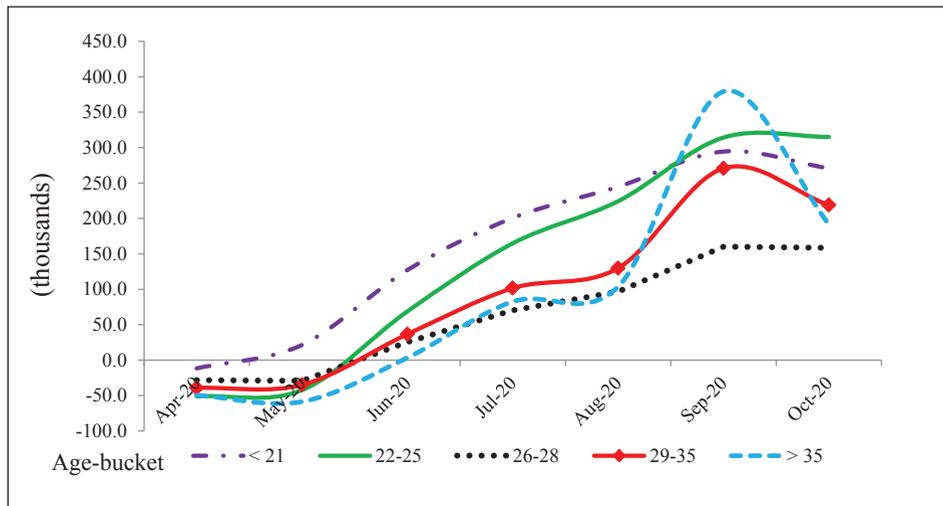
Note: CWS-Current Weekly Status of a person, is the activity status obtaining for a person during a reference period of 7 days preceding the date of survey.

## Formal Employment

10.17 The net payroll data of Employees' Provident Fund Organisation (EPFO) as on 20<sup>th</sup> December, 2020 shows a net increase of new subscribers in EPFO of 78.58 lakhs in 2019-20 as compared to 61.1 lakhs in 2018-19. These estimates are net of the members newly enrolled, exited and re-joined during the year as per records of the EPFO. During FY 2020-21, the net new EPF subscribers shows an increase across all age groups and had peaked in September, 2020 to 14.2 lakh subscribers. Age-wise net new EPF subscribers from April to September 2020 is presented in Figure 4. Data from Department for Promotion of Industry and Internal

Trade also shows that employment reported by startups increased from 1.52 lakh in January-December, 2019 to 1.75 lakh in January-December, 2020 due to increase in the number of active recognition of startups from 11,694 to 14,784 in the same period.

**Figure 4: Pay Roll Data of Net New EPF Subscribers, age-bucket wise (years) for the period from April-October, 2020 (in thousands)**



Source: EPFO

Note: Data is provisional as updation of employees' records is a continuous process and gets updated in subsequent month/s.

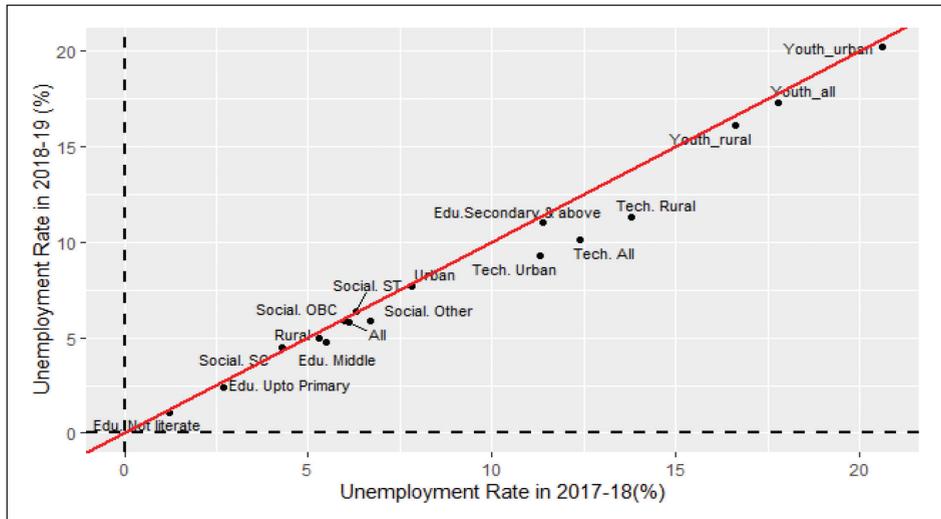
## Unemployment

10.18 Unemployment rates at all India level, for all ages, as per usual status, declined marginally to 5.8 per cent in 2018-19 from 6.1 per cent in 2017-18. Figure 5 compares the unemployment rate for various categories like rural, urban, youth, SC, OBC etc., between 2017-18 and 2018-19. Most of the categories are either on the red line (45-degree) or below the line, which show that unemployment rates have remained the same or declined in 2018-19 as compared to 2017-18.

10.19 The decline in unemployment rate is widespread across all the categories. The highest decline in unemployment rates is seen among those who have received formal vocational/technical training. The level of unemployment is recorded the highest, 20.2 per cent, among urban youth (age 15-29 years) and the lowest for the subgroup 'not literates' at 1.1 per cent among the persons of age 15 years and above with different educational attainments.

10.20 Youth unemployment rates of State/UTs in 2018-19 for urban and rural areas are plotted in Figure 6. The youth unemployment rates varies widely across States in India. The States like Arunachal Pradesh, Kerala, Manipur, and Bihar are on the high extreme while the States such as Gujarat, Karnataka, West Bengal and Sikkim are on the lower extreme. States/UTs on the red line or close to it, such as Bihar, Himachal Pradesh and Maharashtra, indicates that their youth unemployment rate in urban areas is almost equal to the unemployment rate in rural areas, and the States/UTs above the line indicate higher youth unemployment in urban than rural. It is quite visible that unemployment rates in urban are much higher than the rural sector in most of the States/UTs.

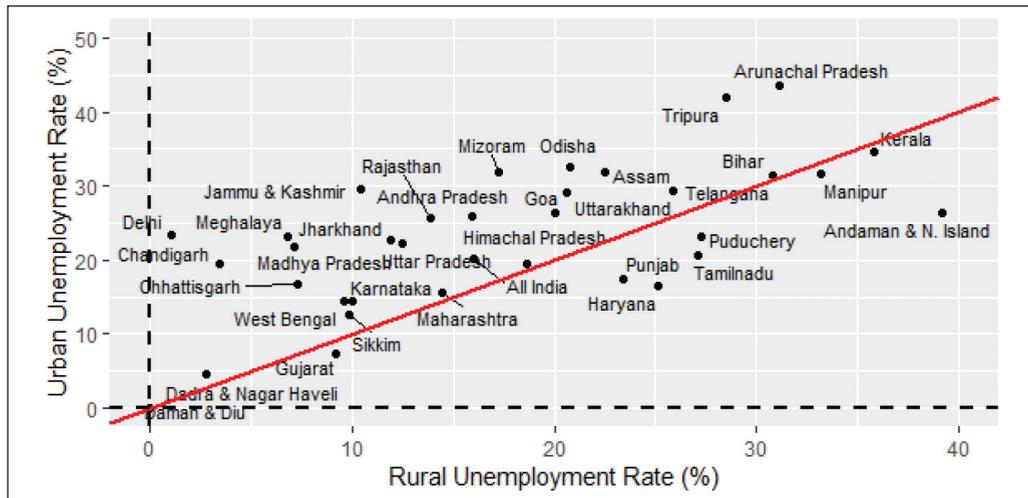
**Figure 5: Level and Change in Unemployment Rates (ps+ss) between 2017-18 and 2018-19**



Source: Annual Report PLFS, 2017-18 and 2018-19.

Note: Tech. indicated the age group 15-59 years who received formal vocational/technical training by broad activity status (viz., employed, unemployed and not in labour force); Youth indicates person between the age 15 to 29 years; and Edu. Indicates persons of age 15 years and above with different educational attainments.

**Figure 6: Rural and Urban Unemployment Rates in States (2018-19)**



Source: Annual Report PLFS, 2018-19.

## Labour Reforms

10.21 Years 2019 and 2020 are landmark years in the history of labour reforms, when the country saw the nearly 29 Central Labour laws being amalgamated, rationalized and simplified into four labour codes viz.: (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020, (iii) the Occupational Safety, Health and Working Conditions Code, 2020 and (iv) the Code on Social Security, 2020, thereby bringing these laws in tune with the changing labour market trends and at the same time accommodating the minimum wage requirement and welfare needs of the unorganized sector workers, including the self-employed and migrant workers, within the framework of legislation. The reforms was a long drawn process spread over nearly three decades as may be seen in Box 5. The highlights of each of the Labour Codes are given in Annexure II.

### Box 5: Chronology of Labour Reforms post 1991

S. No.	Name of Commission/ Committee / Report	Year	Chairman/ Organization	Recommendations
1	National Commission on Rural Labour	1991	Prof. C. H. Hanumantha Rao	Made recommendations for specific categories of workers, definition of migrant workers to cover all migrants, recommended a minimum wage of ₹ 20 per day at 1990 prices.
2	Simplification, Rationalization and Consolidation of Labour laws	1994	National Labour Law Association	Recommended the Indian Labour Code 1994. This Code was extensively quoted by the Second National Commission on Labour.
3	Ninth Five Year Plan Vol-2, Human & Social Development	1997-2002	Planning Commission	Existing labour laws cover a small segment of workforce. Ninth Plan aims at reducing the number of laws, with the objective that a smaller number of laws reach the entire workforce.
4	Mitra Committee	1997	Shri Mitra	Major recommendations in IR Act, definition of workman should have no nexus with wages drawn by workman, and should be made uniform in all labour legislations.
5	Commission on Review of Administrative Laws, Vol-I & II	1998	Shri P. C. Jain, Retd. Secy to Govt. of India	Endorsed recommendations of Mitra Committee. IR Act be renamed as Employment Relations Act in order to shift the focus from disputes to measures for harmonious relations. Amend Contract Labour Act to enable engagement of contract labour in all peripheral and seasonal activities.
6	Report of the Task Force on Employment Opportunities	2001	Dr. Montek. S. Ahluwalia	To increase share of organized sector in total employment problem of labour laws need to be addressed. Deletion of Chapter VB of Industrial Disputes Act. Introduce short term employment contracts where workers can be hired on contract basis by paying premium wage. Introduce “strike ballot” -a strike can be called only if supported by a qualifying majority of workers. Timelimit for three years for filing industrial disputes. Amendment of Contract Labour (Regulation and Abolition) (R&A) Act, to allow outsourcing of peripheral activities from specialized firms.

7	Report of the Steering Committee on Labour & Employment for Tenth Five Year Plan (2002-07)	2001	Dr. S. P. Gupta, Member, Planning Commission	Labour laws to be modernised and made more harmonious. State Governments maybe permitted to amend labour laws as per their requirements, keeping in view the safety requirements of workers. Pension and unemployment benefit for unorganized workers to be considered.
8	Special Group on Targeting 10 million Employment Opportunities per year	2002	Dr. S. P. Gupta, Chairman, Planning Commission	State Governments may be permitted to amend labour laws as per their requirements, but keeping in view safety requirements of workers. Pension and unemployment benefit for unorganized workers to be considered. Avoid disproportionate regulatory burden on small scale units. Self certification by Units and random inspection may be allowed.
9	Second National Commission on Labour	2002	Shri Ravindra Varma	Existing set of Central labour laws be grouped into four or five broad groups pertaining to industrial relations, wages, social security, safety and welfare & working conditions and so on. The Commission opined, “... <i>in an attempt to rationalize labour laws, we could, with advantage, group the existing labour laws into well-recognised functional groups. While the ultimate object must be to incorporate all such provisions in a comprehensive Code, such a codification may have to be done in stages and what we have proposed is hopefully the first step</i> ’. Labour code should also lay down a floor of substantive labour rights or standards such as minimum wages, maximum hours of work, minimum standards of safety and health at workplace etc as a form of basic law which would be applicable to all workers. Need for National Floor Level Minimum Wage (NFLMW) applicable to all employments. States to fix Minimum Wages above NFLMW.

10	Tenth Five Year Plan, Vol-I & II, Labour Welfare & Social Security	2002-07	Shri K. C. Pant, Dy. Chairman, Planning Commission	Rigid labour laws applied to the organised sector make it difficult for the entrepreneur to rationalise labour than to dispose of capital assets when the need arises. Effective cost of labour to the entrepreneur can be many times the nominal wage bill. Reform labour laws. Exempt small scale industry from the rigour of labour laws by replacing compliance through self-certification and introducing random inspection. State Governments authorised to amend labour laws as per their requirements. Encourage social dialogue to reduce industrial disputes. Legislative and administrative framework be created for providing social security cover to unorganised sector workers. A National Policy on Minimum Wages be evolved to reduce inter-state variations. Creation of a reliable information system for labour migration, initially by conducting a Survey.
11	National Commission for Enterprises in the Unorganized Sector	2009	Dr. Arjun Sengupta	Recommended a separate legislation for providing social security to unorganized sector workers and also a National Social Security scheme for providing minimum social security to the workers.
12	Eleventh Five Year Plan Vol-I, Inclusive Growth	2007-12	Dr. Montek Singh Ahluwaliah, Dy. Chairman, Planning Commission	Lack of flexibility in labour laws, such as Chapter V-B of the Industrial Disputes Act, 1947 and Contract Labour (R&A) Act, which focus on job protection, remains a psychological block for entrepreneurs against establishing new enterprises with a large workforce. Contract Labour (R&A) Act results in the industry letting go of opportunities for seasonal supplies, from external markets. In a globalized economy, manufacturers have to compete with rivals who enjoy greater flexibility, so it is necessary to find practical solutions for the problems created by these laws. Review existing laws and regulations to : encourage the corporate sector to move into more labour-intensive sectors and facilitate the expansion of employment and output of the unorganized enterprises that operate in the labour-intensive sectors.

13	Report of the Working Group on Labour Laws & other Regulations for the Twelfth Five Year Plan (2012-17)	2007-12	Shri P. C. Chaturvedi, Secretary, M/o Labour & Employment	Consolidation, simplification and rationalization of labour laws to reduce multiplicity of laws and for better enforcement and effective compliance. This would help in moving closer to uniform labour policy on common issues. The Group recommended four cognate groups for consolidation: viz (A) Law governing Industrial Relations to include Industrial Disputes Act, Industrial Employment (Standing Orders) Act, and Trade Unions Act. (B) Laws governing Wages will cover Equal Remuneration Act, Minimum Wages Act, Payment of Bonus Act, and Payment of Wages Act. (C) Laws governing Social Security would cover Employees' State Insurance Act, Employees Provident Fund & Miscellaneous Provisions Act and Payment of Gratuity Act (D) Laws governing Working Conditions & Welfare would include Factories Act, 1948, Maternity Benefit Act, Workmen's Compensation Act, Contract Labour (R&A) Act and Inter-State Migrant Workers (RE&CS) Act and (E) Welfare Cess Laws -All Cess Act and Welfare Fund Acts to be clubbed into one Act.
14	Twelfth Five Year Plan Vol-II, Employment & Skill Development	2012-17	Dr. Montek Singh Ahluwaliah, Dy. Chairman, Planning Commission	Multiplicity of labour laws not conducive for development of factory sector. Need to simplify labour laws. Review labour laws which inhibit the hiring of short term interns and trainees
15	Economic Survey, Volume-II, Chapter-10	2014-15	Department of Economic Affairs, M/o Finance	Multiplicity of labour laws and difficulty in their compliance has been an impediment to industrial development. In a major initiative for bringing compliance in the system and ensuring ease of doing business, a set of labour reform measures has been put forth by the government. Facilitating Presidential Assent for labour reforms in Rajasthan sets an example for further reform initiatives by the States.

16	Economic Survey, Volume-I, Chapter-3	2018-19	Department of Economic Affairs, M/o Finance	Rigidity in the labour laws make employers in Inflexible States prefer substituting labour with capital. Inflexible states due to rigidity of their labour laws suffer in all dimensions as they are unable to create enough employment, cannot attract adequate capital into their states and their wages are lower as their productivity is lower. The Survey recommended deregulating labour law restrictions can create significantly more jobs.
17	Labour Codes- Present status	2020	Ministry of Labour & Employment	The Government has simplified, rationalized and amalgamated 29 Central Labour Laws/ Acts into four Labour Codes, viz.: (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020, (iii) Occupational Safety, Health and Working Conditions Code, 2020, (iv) Code on Social Security, 2020. The Code on Wages has been notified on 08.08.2019. The other three Codes, namely, the Industrial Relations Code, the Occupation Safety, Health and Working Conditions Code and the Code on Social Security have been notified on 29.09.2020.

Source: Survey Compilation from Government websites

### Changing Nature of Work: Gig and Platform Workers

10.22 The nature of work has been changing with the change in technology, evolution of new economic activities, innovation in organization structures and evolving business models. Digital platforms have emerged as enablers for employment creation with the power to easily discover job seekers and job providers in the absence of middlemen. Apart from traditional forces, these new forces have created massive opportunities for the consumer and service provider to interact through innovative ways. Digital technology enables two-sided markets<sup>5</sup> which saw the emergence of e-commerce and online retailing platforms such as Amazon, Flipkart, Ola, Uber, Urban Clap, Zomato, Swiggy etc. India has emerged as one of the largest country for flexi-staffing in the world.

10.23 During the period of COVID-19 induced lockdown, the increasing role of the gig economy was evident with significant growth of online retail business. The lockdown period also saw employers preferring 'Work from home' of their employees, cutting down on staff strength and engaging freelancers or outsourcing tasks to reduce overhead costs as well as to hire skilled services. With increasing demand in industries for on hire project-specific consultants, logo/content designers, web designers etc. for the white-collar workers, the delivery boys and taxi

<sup>5</sup>Two-sided market is one in which i) two sets of agents interact through an intermediary or platform, and ii) the decisions of each set of agents affects the outcomes of the other set of agents, typically through an externality [Rysman, Marc. 2009. 'The Economics of Two Sided Market'. Journal of Economic Perspectives, 23 (3): 125-143].

drivers engaged in platforms like Uber/Ola, Swiggy, Big Basket, Pizza Hut etc, are now showing potential as well. As a result, the gig economy have been popular amongst the workers in India. The benefit of the gig economy is that it allows flexibility in employer-employee relationship to both service seeker and service provider.

10.24 The nature of job contract for a gig worker is different from the contract between an employer and employee/worker. Their labour contract is usually shorter and more specific to the task or job assigned. Their employment type might be either temporary or contractual and certainly not regular. The nature of payment against the work is more of piece rate, negotiable, may be as wage or partly as profit/reward than a fixed salary. The control over their work by employer varies in degree but in any case, is not full. The workers most of the time are flexible to decide on when to work, where to work *etc.*

10.25 Till recently, gig or platform workers were devoid of their basic rights and social security protections mainly because they were neither considered as worker nor employee under definition of employee in the labour laws of the country and were not entitled to legal protections under labour laws. For the first time, these class of workers have been brought under the ambit of the newly introduced Code on Social Security 2020 by defining them exclusively in the category of unorganized worker for providing social security benefits (Annexure II).

### Impact of COVID-19 on the Labour Market

10.26 COVID-19 has exposed the vulnerability of urban casual workers, who account for 11.2 per cent of urban workforce (All-India) as per PLFS, January-March, 2020, a significant proportion of them are supposed to be migrants who were impacted by the lockdown. About 63.19 lakh migrant workers travelled through *Shramik* Special trains from May-August 2020. With limited data available on inter-state migration and employment in informal sectors, it is difficult to figure the numbers of migrants who lost jobs and accommodation during the pandemic and returned home. Government of India has taken several initiatives for the welfare of workers during the pre-lockdown and lockdown period to mitigate the crisis (Box 6).

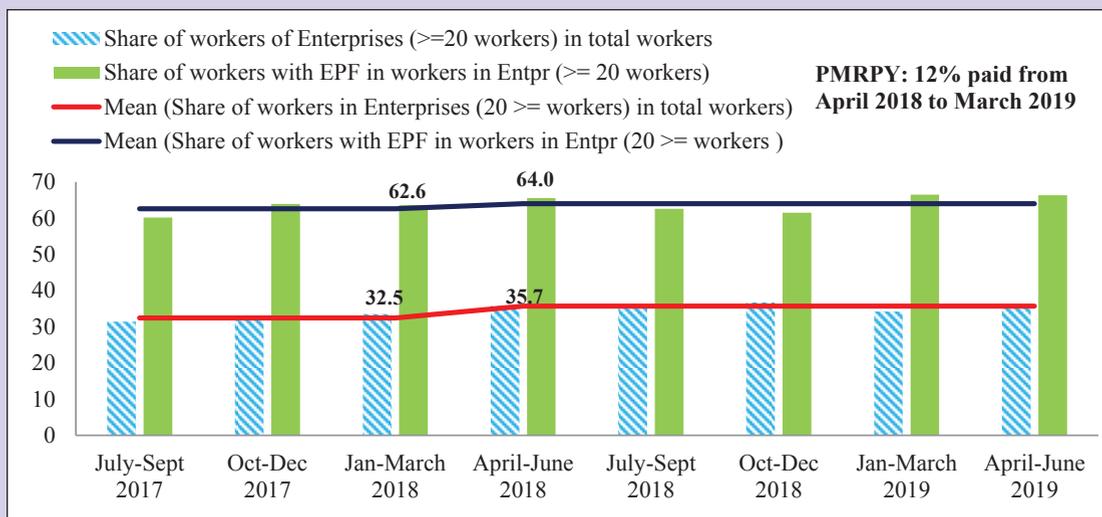
#### Box 6: Programmes and schemes to improve employment opportunities

**Aatmanirbhar Bharat Rojgar Yojana (ABRY):** ABRY, a component of Aatmanirbhar Bharat 3.0 package announced in November, 2020 has total estimated outlay of ₹ 22,810 crore for the scheme period i.e., up to wage month 31st May, 2023. The scheme proposes to pay:

- (i) Entire employees' and employers' contribution (12 per cent of employees' EPF and 12 per cent of employers' EPF contribution or statutory rate applicable to establishment) i.e. 24 per cent of wages towards EPF in respect of new employees in establishments employing up to 1000 employees (contributing EPF members with UAN) during the period from October, 2020 to June, 2021 and also to re-employee who lost their jobs due to COVID-19.
- (ii) Only employees' share of EPF contribution (i.e. 12 per cent) of wages in respect of new employees in establishments employing more than 1000 employee during the period from October 2020 to June 2021, and also to re-employee who lost their jobs due to COVID-19.

**Pradhan Mantri Rojgar Protsahan Yojana (PMRPY):** PMRPY was launched on 9<sup>th</sup> August, 2016 with the objective to incentivise employers for creation of new employment. Under the scheme, Government of India was paying 8.33 per cent of the employer EPS contribution for all sectors in respect of these new employees. The scheme targeted employees earning upto ₹ 15,000 per month and with the aims to cover a large number of informal workers to the formal workforce. The benefits of the scheme were extended to the textile sector under PMPRPY for made-ups and apparels sector with an additional 3.67 per cent of the employers EPF contribution, thus bringing the total incentive to 12 per cent towards EPF and EPS both. The scope of the scheme was further enhanced w.e.f. 01.04.2018 to provide the benefit of full 12 per cent employers' contribution for all sectors. Under the scheme, benefits have been provided to 1.21 crore beneficiaries through 1.52 lakh establishments. The terminal date for registration of beneficiary through establishment was 31<sup>st</sup> March, 2019. The average share of workers in eligible enterprises has improved from 62.6 per cent to 64 per cent and the share of workers eligible for EPF within the eligible enterprises has increased from 32.5 per cent to 37.5 per cent (Figure 7). These, facts support the view that the formalization of the workers in eligible enterprises has improved with the incentive under the PMRPY scheme.

**Figure 7: Formalization Effect of PMRPY: Share of Workers (in per cent)**



Source: Unit level PLFS quarterly data.

Note: Workers getting regular wage/salaries.

### Other measures

- In order to provide relief to the organized sector employees, a notification issued on 28<sup>th</sup> March, 2020 by the Government provisioning non-refundable advance of 75 per cent of outstanding balance or 3 months' wages whichever is lower, allowed to the members of EPFO. As on 9<sup>th</sup> December, 2020, 53.62 lakh members of EPFO have availed facility of online withdrawal amounting to ₹ 13,587.53 crore.
- Reduction in statutory rate of contribution from 12 per cent to 10 per cent for wage months May, June and July, 2020 for all class of establishments covered under the EPF & MP Act, 1952 announced as part of Atmanirbhar Bharat package. Reduction in rate of EPF contributions is intended to benefit 4.3 crore employees and employers of 6.5 lakh establishments to tide over the immediate liquidity crisis to some extent.

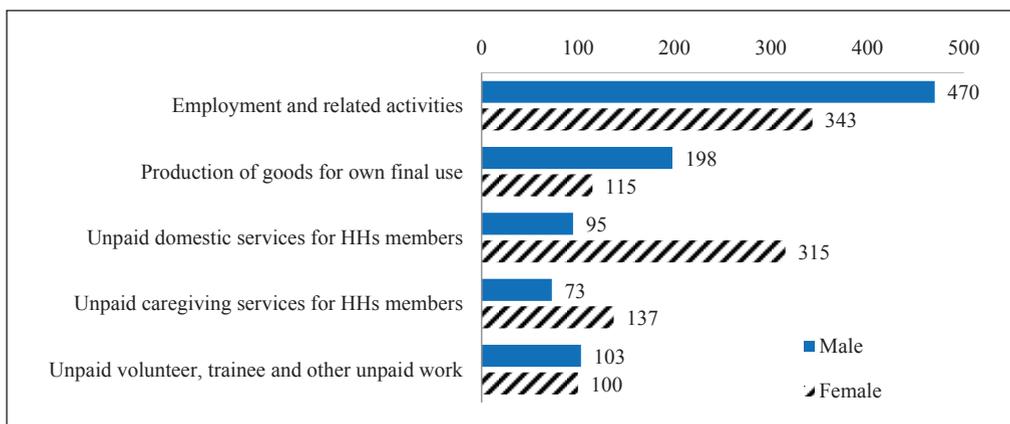
- Under Prime Minister's Garib Kalyan Package (PMGKP) financial assistance was given to building & other construction workers (BOCW) which largely included migrant workers from the funds collected under BOCW's cess. 31 State/UT Governments have announced cash benefits, ranging from ₹ 1000 to ₹ 6000 per month to around 2.0 crore workers and total amount of ₹ 4973.65 crore was disbursed.
- **Shramik Special Trains:** The Indian Railways operated special trains as per the State Government's request to facilitate migrant labourers/stranded passengers from 1<sup>st</sup> May 2020. These special trains facilitated about 63.19 lakh migrant workers to reach their destination between 1<sup>st</sup> May 2020 to 31<sup>st</sup> August 2020.

## GENDER DIMENSION OF EMPLOYMENT

10.27 LFPR of females in the productive age (15-59 years) was 26.5 per cent in 2018-19, as compared to 80.3 per cent for males (rural+urban). While 54.7 per cent of urban women were employed in the regular wage/salaried category, about 59.6 per cent of rural females were not only self-employed but 37.9 per cent among them were helpers in household enterprises. The low female LFPR is attributed to high participation of women (15 years & above) in domestic duties (activity code of 92 & 93 of NCO, 2004), that is 55.7 per cent in rural areas and 59.1 per cent in urban areas in 2018-19.

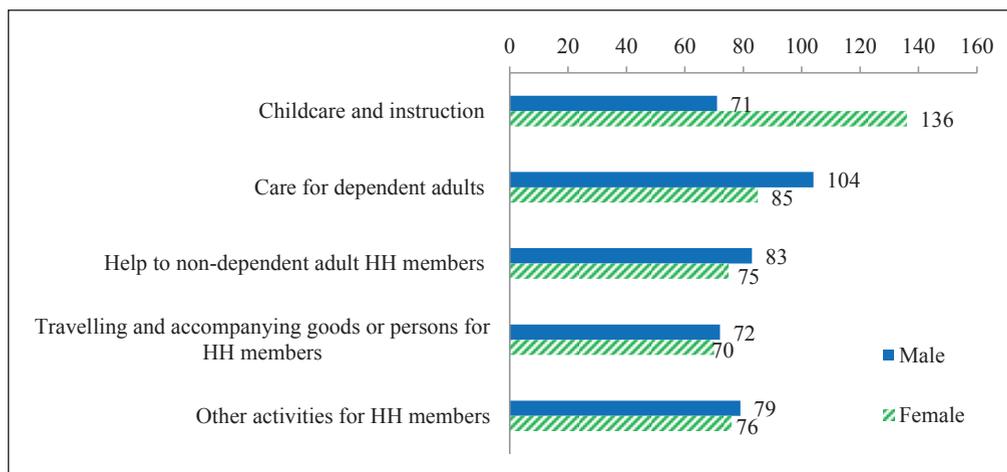
10.28 The NSO conducted Time Use Survey (TUS) during Jan-Dec, 2019 which *inter-alia*, provides insights on how males and females spend their time in rural and urban areas in various activities during a 24-hour time period. It is observed that time spent by a female on unpaid domestic services and unpaid caregiving services to household members is prominent and higher than male counterparts (Figure 8). Time spent on employment-related activities by female members is 127 minutes lower than male. Among unpaid caregiving services for household members, females spent disproportionately higher time on childcare and instruction as compared to males (Figure 9). Similarly, among unpaid domestic services for household members, females spent most of the time in food, meal management and preparation (Figure 10).

**Figure 8: Average Time (in minutes) Spent in a Day per Participant in Different Activities (15-59 age group)**



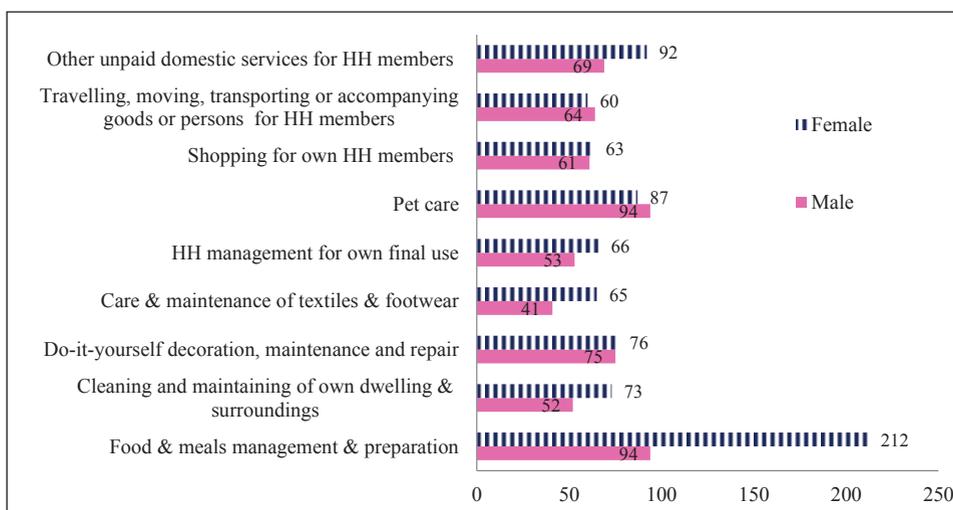
Source: Time Use Survey, 2019.

**Figure 9: Average Time (in minutes) Spent in a Day per Participant in Unpaid Caregiving Services for Household Members (15-59 age group)**



Source: Time Use Survey, 2019

**Figure 10: Average Time (in minutes) Spent in a day per Participant in Unpaid Domestic Services for Household Member (15-59 age group)**



Source: Time Use Survey, 2019

**Table 10: Average Time (in minutes) Spent in a Day per Female participants of Different Levels of Education**

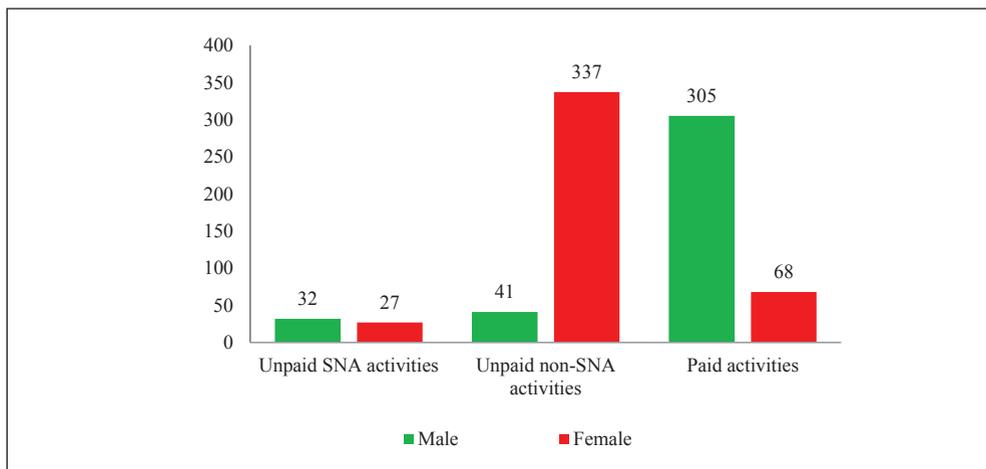
Level of education	Unpaid domestic services for household members	Unpaid caregiving services for household members
Not literate	296	126
Below primary	301	126
Primary	304	131
Upper primary/middle	308	131
Secondary and above	295	146

Source: Time Use Survey, 2019

10.29 The unpaid domestic and caregiving services provided by women are not influenced by their level of education. As shown in Table 10, even with education level of “secondary and above”, women spend 295 minutes in unpaid domestic services for household members and 146 minutes in unpaid caregiving services for household members.

10.30 In terms of contribution to the economy, while women of productive age group spent 337 minutes in unpaid non-SNA activity<sup>6</sup>, it was only 41 minutes in the case of males. Similarly, males spent 305 minutes in paid activities, while it was only 68 minutes for females (Figure 11).

**Figure 11: Average Time (in minutes) Spent in a Day per Person in Paid and Unpaid Activities (15-59 age group)**



Source: Time Use Survey, 2019 (Table 42, Appendix A)

10.31 Similarly, the time spent on unpaid domestic and care giving services (340 minutes or 5.6 hrs) is high for females in the workforce as compared to males but relatively less than females who are not in the labour force (457 minutes or 7.60 hours) (Table 11). Thus, women in the workforce shoulder the responsibility of domestic activities as well as paid work, which leaves them with less time to spend on employment related activities.

10.32 There was no distinction among social groups as regards the time spent on unpaid non-SNA activities which was highest among 'Others' group (286 minutes) followed by SC (285 minutes). Time spent by females on paid activities was highest for ST (75 minutes). We can see the women of ST social group are positioned better compared to other social groups as regards paid activities (Table 12).

<sup>6</sup>Unpaid activities include taking care of children, elderly in the household, production of goods and services for own consumption, while paid activities include self-employment, regular wage/salary jobs and casual work. SNA production activity include employment, Unpaid direct volunteering for other households for production of goods or for production of goods/services for market/non-market units, Unpaid community and organization-based volunteering for production of goods or for production of goods/services for market/non-market units, etc and Non-SNA Production includes Unpaid domestic services for household members, Unpaid caregiving services for household members, Unpaid direct volunteering for other households for production of services for the households and Unpaid community- and organization-based volunteering for production of services for the households (Source: TUS, 2019).

**Table 11: Average Time (in minutes) Spent in a Day per Participant of Different Broad Usual Principal Activity Status**

Activity Status	Employment and related activities		Unpaid domestic services for household members		Unpaid caregiving services for household members	
	Male	Female	Male	Female	Male	Female
Worker	472	382	93	237	71	103
Unemployed	245	233	112	222	102	157
Labour Force	470	381	93	237	72	105
Not in a labour force	170	182	112	317	100	140

Source: Time Use Survey, 2019

**Table 12: Average Time (in minutes) Spent in a Day per Person in Paid and Unpaid Activities Among Various Social Groups**

Activities	ST		SC		OBC		Others	
	Male	Female	Male	Female	Male	Female	Male	Female
Unpaid SNA activities	51	48	27	23	29	23	24	18
Unpaid non-SNA activities	42	266	38	285	37	279	37	286
All Unpaid activities	94	313	65	307	66	303	61	304
Paid activities	218	75	247	60	238	56	247	45

Source: Time Use Survey, 2019 (Table 44, Appendix A)

10.33 In order to incentivise more women to join into the labour force, investment in institutional support to affordable and quality child care facilities, paid paternal leave, family-friendly work environment, and support for elderly care needs to be made. There is also a need to promote non-discriminatory practices at the workplace like pay and career progression, improve work incentives, including other medical and social security benefits for female workers.

## HEALTH

10.34 COVID-19 demonstrated the importance of investing and strengthening public health system. India has made significant progress in improving its health outcomes over the last two decades by eliminating Polio, Guinea worm disease, Yaws and maternal & neonatal Tetanus. Health indicators shows, Total Fertility Rate (TFR) has reduced sharply from 3.6 in 1991 to 2.2 in 2018. Maternal Mortality Ratio (MMR) was 113 per 1,00,000 live births for the period 2016-2018 and Under Five Mortality Rate (U5MR) was 36 per 1000 live births in 2018. But in 2020, it was the COVID-19 pandemic that put to test the health infrastructure of India. The pandemic brought forth the inherent strengths of the medical fraternity in effectively managing the spread of the disease. There are more than 1 crore COVID-19 cases reported in India, with recovery of more than 95 per cent. However, the country lost around 1.52 lakh lives due to the COVID-19 pandemic<sup>7</sup>. Public health measures were taken in pre-emptive, pro-active and graded manner based on the evolving scenario. To provide, financial support, 'COVID-19 Emergency Response

<sup>7</sup>As on 12.01.2021 (Source: [www.covid19india.org](http://www.covid19india.org)).

and Health Systems Preparedness Package' of ₹15000 crore was announced and implemented with an aim to deliver a combination of emergency response and health system capacity building efforts. Government has taken several measures including world's largest vaccination drive to prevent, control, and mitigate the impact of COVID-19 (Box 7).

### Box 7: Achievements in Fight Against COVID-19

- The Government has assessed and ensured the availability of the essential medicines, hand sanitizers as well as protective equipments including masks, PPE Kits.
- A fast-track processing of applications for clinical trials and new drug including vaccines for COVID-19.
- Central Drugs Standard Control Organization (CDSCO) issued a circular on easing out the lot release of Human vaccines for smooth supply due to COVID-19 pandemic situation on 3<sup>rd</sup> April, 2020 and published a notice on extending validity of WHO GMP/CoPP certificate in light of COVID-19 situation on 1<sup>st</sup> May, 2020.
- CDSCO issued letter to States Drugs Controller requesting for regular survey on availability of formulations like Azithromycin, Paracetamol and Hydroxychloroquine. Government has issued notification on 18<sup>th</sup> May, 2020 so that manufacturer can manufacture and stock any vaccine for COVID-19, which is under clinical trial, for sale or distribution after completion of clinical trial and grant of manufacturing approval by CDSCO.
- Considering the emergency and unmet medical need, CDSCO has approved following three drugs for Restricted Emergency Use in the country for treatment of COVID-19 infection:
  - Remdesivir Injectable formulations for treatment of patients with severe COVID-19 infection initially on 1<sup>st</sup> June 2020 for import and marketing and subsequently, for manufacture and marketing the same drug to three indigenous manufacturers.
  - Manufacturing and marketing permission on 19<sup>th</sup> June 2020 for Favipiravir Tablets for mild to moderate COVID-19 infection.
  - Marketing permission on 10.07.20 for Itolizumab injection for the treatment of Cytokine Release Syndrome (CRS) in moderate to severe Acute Respiratory Distress Syndrome (ARDS) patients due to COVID-19
- CDSCO has been able to process more than 150 applications of COVID-19 related new drug and clinical trial applications after thorough deliberation of the proposals in more than 25 Subject Experts Committee meetings through video conference till 4<sup>th</sup> December 2020.
- CDSCO has approved a total of 242 diagnostic kits for COVID-19 on fast-track basis which includes 124 RT PCR kits and 118 Rapid antibody kits till 4<sup>th</sup> December, 2020.
- Ministry of AYUSH issued an advisory about self-care guidelines and preventive health measures for immunity. Ministry launched a three-month campaign on “AYUSH for Immunity”.
- **A Fit Health Worker Campaign** was launched at Aayushman Bharat-Health & Wellness Centres (AB-HWCs) to enable the screening and early detection of non-communicable diseases in the Frontline-Health care workers. This enabled the screening of more than 12 lakh in 502 districts till 1<sup>st</sup> December, 2020 to enable them to take preventive, promotive and curative measures and also caution them towards their risk categorization towards COVID-19 as these frontline workers were not only involved in ensuring essential services at these centres but also played a crucial role in community-based surveillance and pandemic outbreak management related activities in the community.

- The ‘**PMGKP Insurance Scheme for Health Workers Fighting COVID-19**’ was announced on 30<sup>th</sup> March 2020. The Scheme provides an insurance cover of ₹ 50 lakh to healthcare providers, including community health workers, who may have to be in direct contact and care of COVID-19 patients and therefore at risk of being infected.
- **COVID-19 Vaccine:** The world’s largest COVID-19 immunization programme commenced on 16<sup>th</sup> January 2021 through the two indigenously manufactured vaccines viz; COVISHIELD and COVAXIN. Based on the humane principle the people at maximum risk of getting infected, about 3 crore people mainly frontline health workers have been offered the vaccine in the first round, while about 30 crores including elderly and people with serious co-morbidities will be vaccinated in the second round. As on 24<sup>th</sup> January, 2021, 16.13 lakh beneficiaries were vaccinated (PIB release dated 24<sup>th</sup> January, 2021). The vaccination exercise is underpinned by the principles of people’s participation (Jan Bhagidari), utilizing experience of elections (booth strategy) and Universal Immunization Program (UIP). There will be no compromise of existing healthcare services, especially national programs and primary health care; on scientific and regulatory norms, other SOPs. The Co-WIN software has been developed by Government for real time information of vaccine stocks, their storage temperature and individualized tracking of beneficiaries for COVID-19 vaccine, which has been operationalized.

**10.35 Accredited Social Health Activists (ASHAs):** ASHAs played a key role in the country’s response for prevention and management of the COVID-19. During the pandemic, in addition to performing tasks related to COVID-19, they also continued to support community members for accessing essential health services such as anti-natal care, immunization, safe delivery and treatment adherence for chronic illnesses. All ASHAs and ASHA facilitators were covered under PMGKP insurance scheme (Box 7). Their incentives were increased to ₹ 2000 per month.

### Child health outcomes

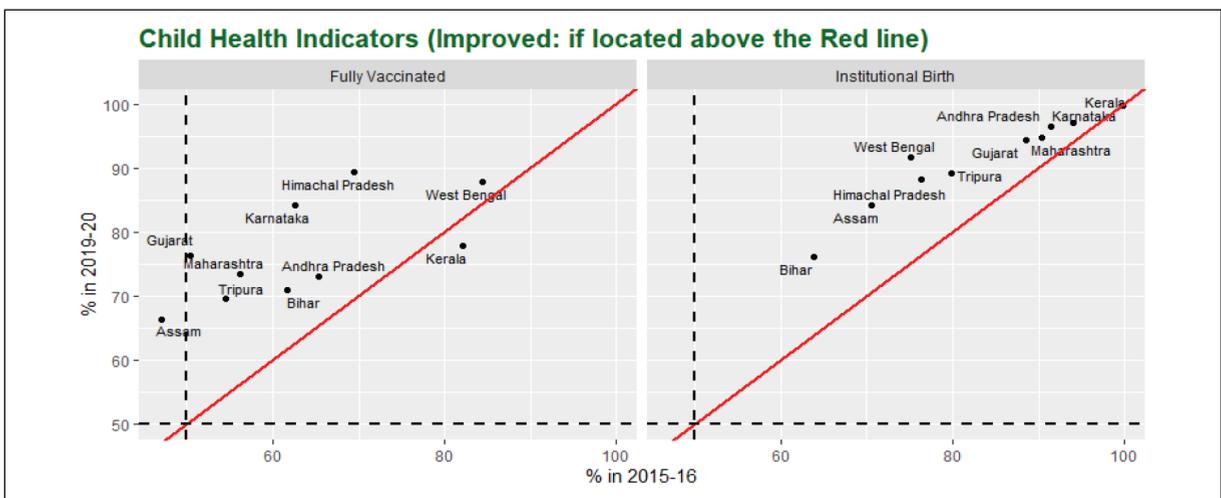
**10.36** The Phase-I of National Family Health Survey-5 (NFHS-5)<sup>8</sup>, shows that immunization coverage for children has increased for all 10 States under analysis except for Kerala. The cash incentives for institutional delivery of pregnant women and ASHAs under Janani Suraksha Yojana (JSY) and conditional cash transfer under Pradhan Mantri Matru Vandana Yojana (PMMVY) aims to reduce maternal and infant mortality rates. NFHS-5 shows significant improvement in the institutional birth in selected States (Figure 12A). The inter-State difference on immunization and institutional birth has come down in NFHS-5 in those States showing low level of immunization and institutional birth in NFHS-4 (Figure 12B).

**10.37** Infant mortality rate and under five mortality rate have declined in most of the selected States in NFHS-5 compared to NFHS-4 (Figure 13). However, inter-State difference in mortality rates remained quite large. The findings also show mixed picture on stunting, wasting and anaemic children. When compared to NFHS-4, stunting has declined in Andhra Pradesh,

<sup>8</sup>NFHS-5, 2019-20, Phase-I covered 17 States & 5 UTs for the period of Aug-Dec, 2019. Due to change in the boundary of districts between NFHS-4 and NFHS-5, only 263 out of 342 districts data were comparable. Hence, point estimates of NFHS-5 needs to be compared with interval estimates of NFHS-4 (2015-16).

Assam, Bihar and Karnataka in NFHS-5. Similarly, Andhra Pradesh, Bihar and Karnataka have done better in reducing underweight children during the same period. Wasting has also declined in Andhra Pradesh, Gujarat and Karnataka during NFHS-5 (Figure 14). To address the problem of malnutrition in the country, Anganwadi Services, Pradhan Mantri Matru Vandana Yojana and Scheme for Adolescent Girls under the Umbrella Integrated Child Development Services Scheme (ICDS) are some targeted interventions of the Government. PM Overarching Scheme for Holistic Nutrition (POSHAN) Abhiyan was launched on 8<sup>th</sup> March, 2018 to address the problem of malnutrition in a mission-mode.

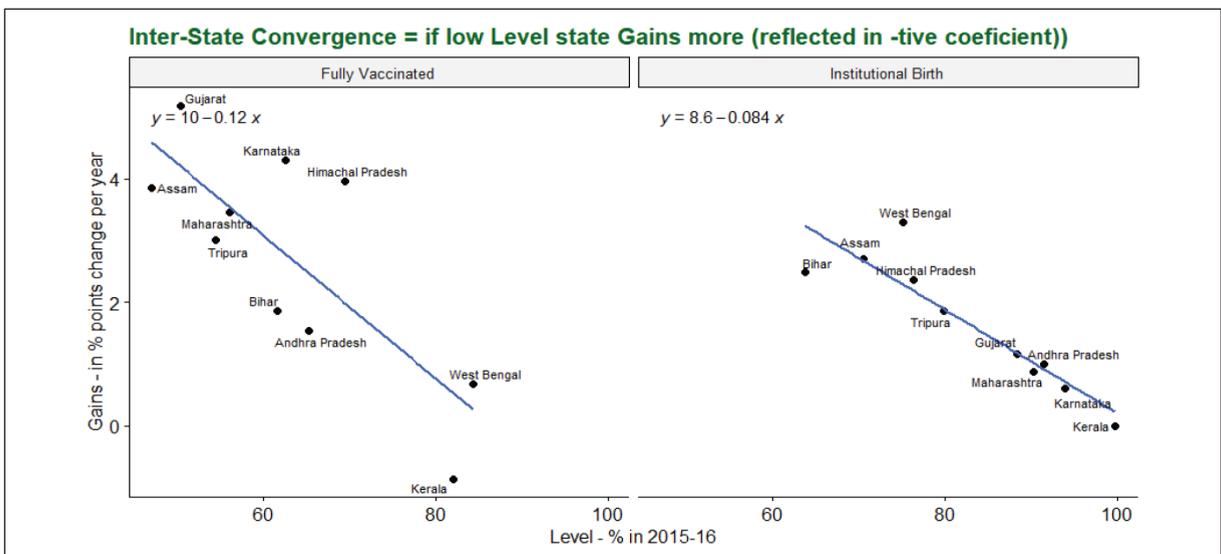
**Figure 12A: Child Health Indicators: Vaccination and Institutional Birth**



Source: NFHS-5 (2019-20)

Note: Vaccinated: Children age 12-23 months fully vaccinated based on information from either vaccination card or mother’s recall.

**Figure 12B: Inter-State difference in Child Vaccination and Institutional Birth**



Source: NFHS-5 (2019-20)

Note: Vaccinated: Children age 12-23 months fully vaccinated based on information from either vaccination card or mother’s recall.

Figure 13: Child Health Indicators: IMR and U5MR

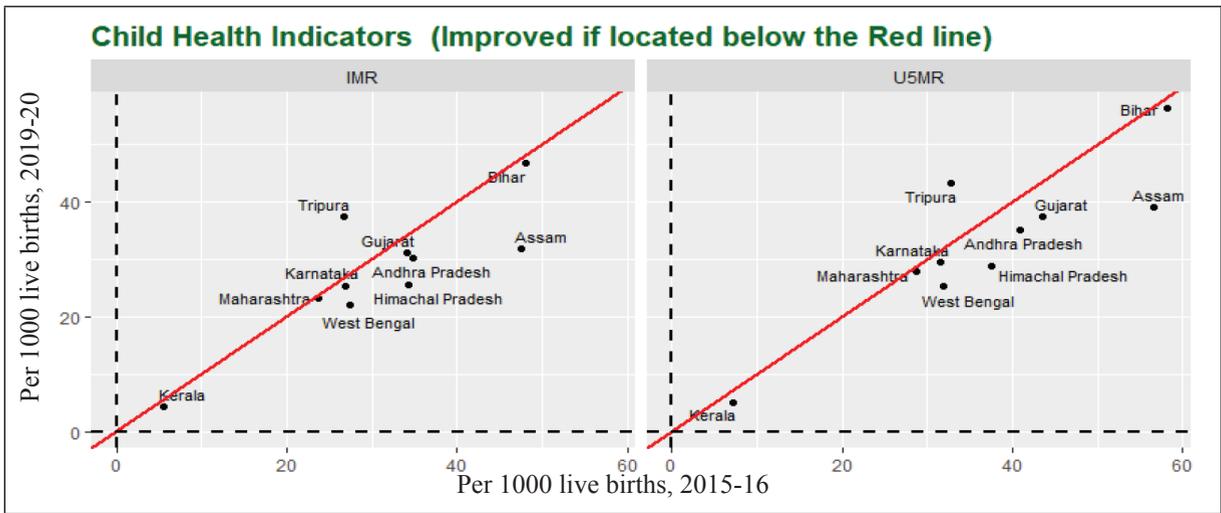
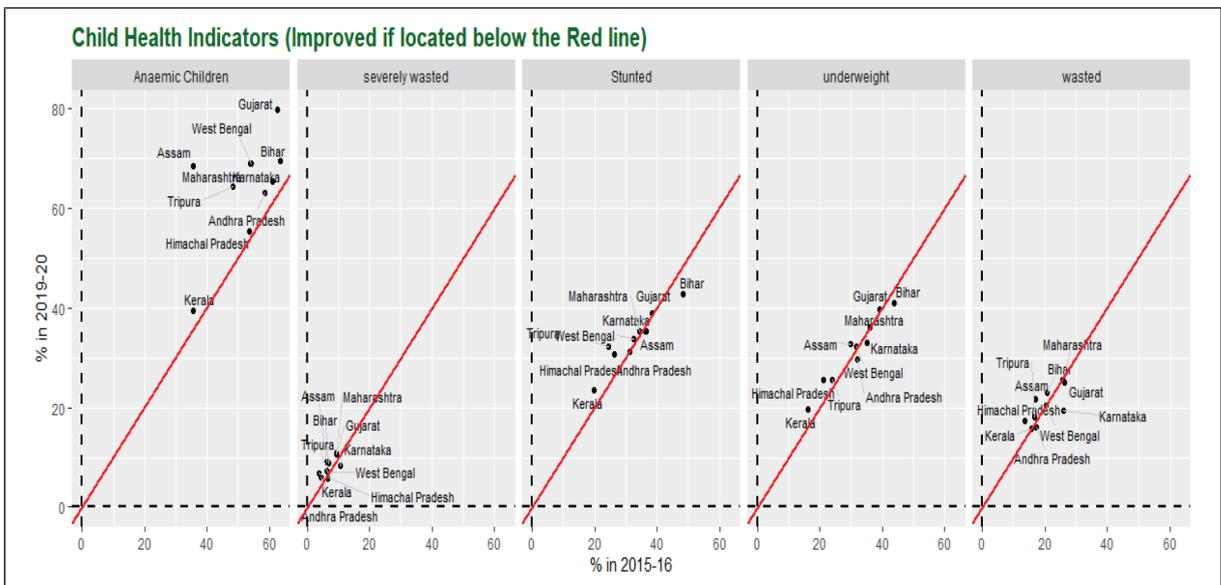


Figure 14: Child Health Indicators: Anemic children, Wasted, Severe Wasted, Stunted, and Underweight Children



Source: NFHS-5 (2019-20)

Note: IMR: Infant mortality rate (IMR); U5MR: Under-five mortality rate (U5MR); Stunted: Children under 5 years who are stunted (height-for-age); Wasted: Children under 5 years who are wasted (weight-for-height); Severely wasted: Children under 5 years who are severely wasted (weight-for-height); Underweight: Children under 5 years who are underweight (weight-for-age); Anaemic: Children age 6-59 months who are anaemic (<11.0 g/dl).

10.38 **AYUSH:** About 12,500 HWCs to be set up through National AYUSH Mission. The AYUSH HWCs would be created by upgrading existing AYUSH dispensaries (10000) and Sub Health Centres (2500) to provide comprehensive primary health care to the general public with focus on the AYUSH system of medicine. A total of 4061 facilities are approved for upgradation as AYUSH HWCs in 27 States/UTs during 2019-20 and 2020-21.

## WATER AND SANITATION

### Swachh Bharat Mission-Grameen (SBM-G)

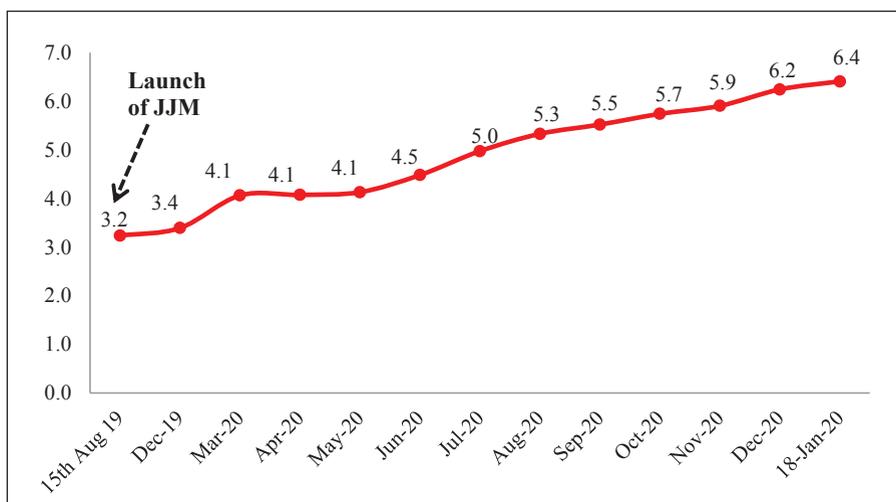
10.39 Under SBM-G, rural sanitation coverage has made an incredible leap in the target achievement from 39 per cent in 2014 to 100 per cent in 2019 with more than 10 crore toilets built since 2014. UNICEF study on ‘Access to Toilets and Safety, Convenience and Self-respect of Women in Rural India’ (February, 2020), states that 91 per cent of the women reported that they have been able to save upto an hour and do not have to travel up to a kilometre for defecation after the construction of toilets. With a view to sustain the gains made under the programme in the last five years and to ensure that no one is left behind and to achieve the overall cleanliness in villages, Phase-II of SBM(G) from 2020-21 to 2024-25 is being implemented with a total outlay of ₹ 1,40,881 crores focusing on Open Defecation Free (ODF) sustainability and Solid & Liquid Waste Management (SLWM) through convergence between different verticals of financing and various schemes of Central and State Governments such as 15<sup>th</sup> Finance Commission grants to local bodies, MGNREGS, Corporate Social Responsibility (CSR) funds etc. Further, PMGKRA was also launched in June, 2020 under ANB package for creating employment opportunities and sanitary infrastructure creation in order to have better, safe hygiene and sanitary practices during COVID-19. Under the PMGKRA, 29,695 Community Sanitary Complexes (CSCs) have been constructed so far.

### Jal Jeevan Mission (JJM)

10.40 Government has accorded highest priority to improve the quality of life and enhance ease of living of people especially those living in rural areas by announcing the Jal Jeevan Mission (Box 8). At the time of roll out of the scheme in August 2019, about 3.23 crore (17 per cent) households out of total 18.93 crore rural households had tap water supply. Remaining 15.70 crore (83 per cent) rural households were to be provided with functional tap water connections (FTWC) by 2024.

#### Box 8: Jal Jeevan Mission (JJM)

- Goal of JJM is to enable every rural household get assured supply of potable piped water at a service level of 55 litres per capita per day (lpcd) regularly on long-term basis by ensuring functionality of the tap water connections
- To provide FTWC to every rural household by 2024 with a total outlay of ₹ 3.60 lakh crore in partnership with States.
- JJM is a decentralized, demand-driven and community-managed programme with the Gram Panchayat and/ or its sub-committee, i.e. Village Water and Sanitation Committee (VWSC)/ Paani Samiti/ User Group, etc. playing a key role in planning, implementation, management, operation and maintenance of water supply systems.
- JJM envisions empowering water supply department and local communities to function as water utilities for long-term water security in the country.

**Figure 15: Cumulative progress of FTWC coverage in Rural Households (in crore)**

Source: Department of Drinking Water & Sanitation, Ministry of Jal Shakti (as on 18.01.2021)

10.41 Keeping with ‘no one is left out’ principle, 18 districts in the country spread across Gujarat (5), Telangana (5), Himachal Pradesh (1), Jammu & Kashmir (2), Goa (2) and Punjab (3) have become ‘Har Ghar Jal districts’. Similarly, 402 Blocks, 31,848 Gram Panchayats, 57,935 villages have also become ‘Har Ghar Jal Block’, ‘Har Ghar Jal Panchayat’ and ‘Har Ghar Jal Gaon’, respectively. Goa has become first State in the country to have 100 per cent households with ‘tap water connections i.e. ‘Har Ghar Jal Rajya’. About 3.2 crore of rural households have been provided with FTWC since the launch of the Mission (Figure 15).

## RURAL DEVELOPMENT

10.42 The rural sector in India witnessed the phenomenon of reverse migration during the period of complete lockdown, with migrants availing all possible means of transport or even walking back kilometers to reach homes. But the eventual return of these migrants back to metropolitan cities would materialize only with the normalization of COVID-19 related stringencies. Despite such adversities, the resilience of the rural economy in tackling the COVID -19 related crisis was supported by a good crop season and stimulus packages of the Government.

10.43 The first of measures announced under the PMGKP in March, 2020 included cash transfers of upto ₹ 1000 in two installments of ₹ 500 each to the existing old aged, widowed and disabled beneficiaries under the National Social Assistance Programme (NSAP). An amount of ₹ 2814.50 crore was released to 2.82 crore NSAP beneficiaries. An amount of ₹ 500 each was transferred for three months digitally into bank accounts of the women beneficiaries in PM Jan Dhan Yojana, totaling about 20.64 crores. Free distribution of gas cylinders to about 8 crore families for three months was also undertaken. Limit of collateral free lending for 63 lakh women SHGs increased from ₹ 10 lakhs to ₹ 20 lakhs which would support 6.85 crore households.

10.44 In the second tranche of stimulus measures announced under ANB Abhiyan, an additional ₹ 40,000 crore was allocated for Mahatma Gandhi NREGS to help generate nearly 300 crore person-days to address the need for more work for the returning migrant workers as well as to take care of the monsoon season. A total of 311.92 crore person-days have been generated

and a total of 65.09 lakh individual beneficiary works and 3.28 lakh water conservation related works have been completed in the current financial year as on 21st January 2021. Wages under Mahatma Gandhi NREGA was increased by ₹ 20 from ₹ 182 to ₹ 202 w.e.f. 1<sup>st</sup> April, 2020, which would provide an additional amount of ₹ 2000 annually to a worker. Key elements and remarkable achievements of the scheme are given in the Box 9.

### Box 9: Key elements and remarkable achievements of MGNREGA

- The steps to strengthen the Mahatma Gandhi NREGA 'inter-alia' include electronic Fund Management System (eFMS), use of Aadhaar, Geo tagging of assets and strengthening of Social Audit System, implementation of Software for Estimate Calculation Using Rural rates for Employment (SECURE), Geographical Information System (GIS) based planning, Time and Motion Study (TMS) to increase efficiency of estimation of work, JanMANREGA- a mobile application system, eSaksham- a digital learning platform, Cluster Facilitation Project (CFP) to position thematic experts at all levels in selected blocks with poor implementation capacity and Project Unnati to upgrade the skill base of Mahatma Gandhi NREGA workers.
- 311.92 crore person-days generated in FY 2020-21 (as on 21.01.2021) which is an all-time high. Of the total person-days, person-days for women is 52.69 per cent, SC is 19.9 per cent and ST is 17.8 per cent which are well above the norms.
- Around 61 per cent of total works taken up during FY 2020-21 (as on 21.01.2021) pertain to individual beneficiary schemes and 68.37 per cent of the total expenditure is on agriculture and allied works.
- 4.24 crore Mahatma Gandhi NREGA assets geo-tagged and made available in the public domain.
- 99 per cent of wages paid electronically into the accounts of the Mahatma Gandhi NREGS workers during 2020-21 as against 37.17 per cent during 2013-14.

### Deen Dayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM)

10.45 DAY-NRLM seeks to alleviate rural poverty through building sustainable community institutions of the poor. The mission aims at mobilizing about 9-10 crore households into SHGs and link them to 'sustainable livelihoods opportunities by building their skills and enabling them to access formal sources of finance, entitlements and services from both public and private sectors. Cumulative progress (upto December 2020) shows that about 7.26 crore households have been mobilized into 66.03 lakh SHGs under the mission. In terms of capitalization support, the SHGs have been provided more than ₹ 12,195 crore cumulatively as Revolving Fund and Community Investment Fund from the Mission. As an integral approach to capacity building, the Mission has trained and deployed more than 3 lakh Community Resource Persons, who are providing support to the community institutions. DAY-NRLM has also been instrumental in providing the last mile delivery of financial services in remote rural areas through promotion of digital finance and deployment of SHG Women as Banking Correspondent Sakhi (BC Sakhi), with the support of banks and Common Service Centres.

### Pradhan Mantri Gram Sadak Yojana (PMGSY)

10.46 PMGSY was launched on 25<sup>th</sup> December, 2000 with the objective to provide single all-weather road connectivity to all eligible unconnected habitations of the designated population

size (500+ in plain areas, 250+ in North-Eastern and Himalayan States) in rural areas of country. The PMGSY has completed two phases and third phase has been launched with the target allocation of 1.25 lakh km all-weather road connectivity. More than 6.44 lakh km road length has been constructed so far under the Scheme. The scheme has helped immensely in providing access to basic services and lifting the income of rural masses.

### **Garib Kalyan Rojgar Abhiyan (GKRA)**

10.47 GKRA was launched on 20<sup>th</sup> June, 2020 for a period of 125 days with a focus on 25 works in 6 States. The Abhiyan was a convergent efforts between 12 different Central Ministries/ Departments. The major objectives of the initiative include the provision of livelihood opportunities to returning migrants and similarly affected rural citizens, saturate villages with public infrastructure viz. roads, housing, anganwadis, panchayat bhavans, various livelihood assets and community complexes, among others and a basket of a wide variety of works. The programme was intended to enhance long term livelihood opportunities. To address the hardship of a large number of returnee migrant workers, district with a concentration of 25,000 and more returnee migrant workers were selected. The Abhiyan started with a resource envelope of ₹ 50,000 crore with estimated employment generation of 40.34 crore person-days from 20<sup>th</sup> June, 2020 to 22<sup>nd</sup> October, 2020. The Abhiyan has helped in empowering villagers with livelihood opportunities in the selected 116 Districts of 6 States namely Bihar (32 districts), Jharkhand (3 districts), Madhya Pradesh (24 districts), Odisha (4 districts), Rajasthan (22 districts) and Uttar Pradesh (31 districts). The Abhiyan had achieved an employment generation of 50.78 crore persondays with a total expenditure incurred of ₹ 39,293 crore. In the pursuit of objectives of the Abhiyan, assets created are detailed in Box 10.

#### **Box 10: Public infrastructure and assets created under GKRA**

- 1,59,697 Water conservation structures, 45,071 cattle shed, 4,848 Vermicomposting units, 2,854 Poultry Sheds, 34,005 farm ponds, 16,399 construction of wells
- 23,010 community sanitary complex
- 73,307 Plantation (including through CAMPA fund)
- 4,713 PM- Kisan Urja Suraksha evem Utthan Mahabhiyan works
- A total of 1402 kilometers road had been taken up under PM-Grameen Sadakh Yojana
- 4,81,210 rural houses, 3,607 Anganwadi Centers
- 25,645 works related to solid and liquid waste management
- 17,240 Works under Jal Jeevan Mission
- Works under Finance Commission fund of ₹ 5810.97 crore
- Works under PM Urja Ganga Project of ₹ 327.10 crore
- Construction and maintenance of a total of 7069 kilometers of road had been taken up under National Highway Authority
- 68,136 candidates have been provided skill training through Krishi Vigyan Kendras (KVKs) during the Abhiyan
- Laying of 92,158 kilometers Fiber Optic Cable under Bharat Net
- Works through District Mineral Fund of ₹ 1042.82 crore had been taken up

## CONCLUSION

10.48 Investment in social infrastructure played a crucial role in India's economic growth. The government is committed to invest in social sector *viz* education, healthcare, skill development, providing employment opportunity, housing, sanitation *etc* in order to bring overall improvement in socio-economic indicators and achieving SDGs. In spite of COVID-19 pandemic, public spending on social sector has increased in 2020-21 and efforts continued through Aatma Nirbhar Bharat Rojgar Yojana, higher allocation under MGNREGS, Garib Kalyan Rozgar Abhiyan and path-breaking labour reforms *etc*. India's progress towards vibrant economy is deep-seated in investing in social capital.

### CHAPTER AT A GLANCE

- The combined (Centre and States) social sector expenditure as per cent of GDP has increased in 2020-21 compared to last year. The increase also manifested as a proportion of the budgetary expenditure.
- India's rank in HDI 2019 was recorded 131 compared to 129 in 2018, out of a total 189 countries. By looking at the sub-component wise performance of HDI indicators, India's "GNI per capita (2017 PPP \$)" has increased from US\$ 6,427 in 2018 to US\$ 6,681 in 2019, and "life expectancy at birth" has improved from 69.4 to 69.7 year, respectively, mean and expected years of schooling remained unchanged.
- Online schooling took off in a big way during the COVID-19 pandemic. The access to data network, electronic devices such as computer, laptop, smart phone *etc*. gained in importance due to online learning and remote working. Innovative measures were adopted to bring all strata of the society under the medium of online/digital schooling.
- Formal skill training showed an improvement over the annual cycle of PLFS across all socio-economic classification including rural, urban and gender classification.
- Year 2018-19 was witnessed as a good year for employment generation. About 1.64 crore additional employment created during this period consisting of about 1.22 crore in rural area and 0.42 crore in urban area. Female LFPR increased to 18.6 per cent in 2018-19 from 17.6 per cent in 2017-18.
- The quarterly survey of PLFS for the urban sector saw a major proportion of workforce engaged as regular wage/salaried during the period of January 2019-March 2020.
- Government has given incentive to boost employment under the scheme Atmanirbhar Bharat Rojgar Yojana. Existing Central labour laws have been rationalized and simplified into four Labour Codes *viz*. (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020, (iii) the Occupational Safety, Health and Working Conditions Code, 2020 and (iv) the Code on Social Security, 2020 to bring these laws in tune with the changing labour market trends.

- Time Use Survey, 2019 showed females spending disproportionately large time on unpaid domestic and caregiving services to household members compared to their male counterparts. This explains the reason for the relatively low level of female LFPR in India. There is a need to promote non-discriminatory practices at the workplace like pay and career progression, improve work incentives, including other medical and social security benefits for female workers.
  - In the fight against COVID-19, the initial measures of lockdown, social distancing, travel advisories, practicing hand wash, wearing masks reduced the spread of the disease. The country also acquired self-reliance in essential medicines, hand sanitizers, protective equipment including masks, PPE Kits, ventilators, COVID-19 testing and treatment facilities. The world's largest COVID-19 immunization program commenced on 16<sup>th</sup> January, 2021 through two indigenously manufactured vaccines.
  - NFHS-5 (Phase-I), results show improvement in immunization coverage for children, institutional birth, infant mortality rate and under-five mortality rate in most of the selected States.
  - Under PMGKP announced in March, 2020 cash transfers of upto ₹ 1000 in two installments of ₹ 500 each were paid to existing old aged, widowed and disabled beneficiaries under the National Social Assistance Programme (NSAP). An amount of ₹ 2814.50 crore was released to 2.82 crore NSAP beneficiaries. An amount of ₹ 500 each was transferred for three months digitally into bank accounts of the women beneficiaries in PM Jan Dhan Yojana, totaling about 20.64 crores. Free distribution of gas cylinders to about 8 crore families for three months was also undertaken. Limit of collateral free lending for 63 lakh women SHGs increased from ₹ 10 lakhs to ₹ 20 lakhs which would support 6.85 crore households.
  - A total of 311.92 crore person-days was generated and a total of 65.09 lakh individual beneficiary works and 3.28 lakh water conversation related works was completed as on 21<sup>st</sup> January 2021 during 2020-21. Wages under Mahatma Gandhi NREGA was increased by ₹ 20 from ₹ 182 to ₹ 202 w.e.f. 1<sup>st</sup> April, 2020, which would provide an additional amount of ₹ 2000 annually to a worker
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## ANNEXURE I

Table Number of Workers (PS+SS), all ages) by Industry, Gender and Sector

(in crore)

Sectors	Rural			Urban			Rural + urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
<b>PLFS 2017-18</b>									
Agriculture	12.72	5.47	18.27	0.61	0.25	0.85	13.9	6	20.03
Mining & Quarrying	0.1	0.02	0.13	0.07	0.01	0.08	0.18	0.02	0.19
Manufacturing	1.75	0.69	2.47	2.71	0.77	3.48	4.28	1.39	5.7
Electricity, Water, etc	0.1	0.02	0.09	0.15	0.02	0.17	0.25	0.02	0.28
Construction	3.68	0.46	4.11	1.44	0.13	1.55	5.15	0.6	5.7
Trade, Hotel & Restaurant	2.34	0.33	2.66	3.12	0.43	3.54	5.26	0.73	5.94
Transport Storage & Communication	1.29	0.02	1.3	1.51	0.11	1.63	2.72	0.11	2.78
Other Service	1.91	0.7	2.62	2.76	1.44	4.21	4.5	1.97	6.51
All	23.91	7.7	31.61	12.39	3.15	15.53	36.29	10.85	47.14
<b>PLFS -2018-19</b>									
Agriculture	13.4	6.19	19.5	0.68	0.3	0.97	14.88	6.71	21.51
Mining & Quarrying	0.12	0.02	0.13	0.08	0.01	0.08	0.19	0.02	0.2
Manufacturing	1.88	0.69	2.56	2.83	0.83	3.67	4.44	1.47	5.9
Electricity, Water, etc	0.12	0	0.13	0.01	0.02	0.19	0.26	0.02	0.29
Construction	3.53	0.45	4.04	1.48	0.14	1.63	5.07	0.59	5.71
Trade, Hotel & Restaurant	2.24	0.34	2.59	3.1	0.43	3.53	5.07	0.74	5.85
Transport Storage & Communication	1.27	0.03	1.31	1.61	0.11	1.72	2.74	0.13	2.88
Other Service	1.85	0.75	2.59	2.72	1.47	4.18	4.33	2.1	6.44
All	24.37	8.46	32.83	12.64	3.31	15.96	37.01	11.77	48.78

Source: Estimated from PLFS annual reports

## ANNEXURE II

## HIGHLIGHTS OF THE FOUR LABOUR CODES

The Government has simplified, rationalized and amalgamated 29 Central Labour Laws/Acts into four Codes, viz; (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020 (iii) The Occupational Safety, Health and Working Conditions (OSH) Code, 2020, and (iv) the Code on Social Security, 2020. The three Codes dealing with occupational safety, health and working condition, industrial relations and social security were notified on 29.09.2020, while the Code on Wages was notified on 08.08.2019. Through these labour codes the much needed labour welfare reforms have been introduced after years of holding many multi-stakeholders consultations with Trade Unions, Employers, Central Ministries/State Governments and experts of labour sector. Draft rules have been published in Gazette of India for inviting comments from public and stakeholders. The salient features of the Codes are as under:

**The Code on Wages, 2019:** It amalgamates 4 wages and payment related labour laws viz; the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The salient features of the Code on Wages include:

- i. A statutory right has been created for minimum wages and timely payment of wages to all workers whether in organized or unorganized sector. It extends entitlement of minimum wages to all the workers in the country as against 30 per cent of the workforce, at present. At present, minimum wages are fixed for employment covering mainly mines sector, plantation, dock workers, building and construction workers, watch and ward, sweeping and cleaning and manufacturing sector etc. Extension will take place to entire service sector (IT, hospitality, transportation etc.), domestic workers, unorganized workers, teachers etc.
- ii. Method of fixation of minimum wage rates simplified. Factors to be taken into account are types of skills and geographical location as against the present system of wage being fixed employment-wise.
- iii. Number of minimum wage rate would be around 200 in the entire country as against 10000, at present.
- iv. In central sphere, there would be only 12 minimum wage rates as against 542.
- v. Revision of minimum wages in every 5 years.
- vi. A statutory concept of 'Floor Wage' introduced.

**The Industrial Relations Code, 2020:** The Industrial Relations Code (IR Code) has been prepared after amalgamating, simplifying and rationalizing the relevant provisions of (i) the Trade Unions Act, 1926; (ii) the Industrial Employment (Standing Orders) Act, 1946 and (iii) the Industrial Disputes Act, 1947. The salient features of the Code include:

- i. The wage ceiling for the purposes of coverage of 'supervisor' as workers for grievance redressal has been increased to ₹ 18000/- per month from existing ₹ 10000/- per month under the Industrial Disputes Act.
- ii. The concept of fixed term employment (FTE) introduced which is a win-win situation where an employee gets all the benefits of a permanent employee and the employer can engage a worker without intervention of a contractor. A FTE worker will be entitled to all

benefits like a permanent worker. Further, a FTE worker has also been allowed benefit of proportionate gratuity even if the contract is for a period of one year.

- iii. A “Re-skilling Fund” for training of retrenched employees has been setup from the contribution to be made by an industrial establishment for an amount equal to 15 days’ wages for every worker retrenched. This is in addition to retrenchment compensation. The amount will be credited to the workers account within 45 days.
- iv. The Central and State Governments have been given flexibility to modify the retrenchment compensation which is at present 15 days per completed year of service to any number of days.
- v. A long pending demand of the trade unions to provide them statutory recognition has been considered by including a concept of ‘Negotiating Union’. It will facilitate negotiation between employer and employees. If a trade union enjoys membership of more than 51 per cent of workers on muster roll, then it shall be recognized as negotiating union for negotiation with employer. If no single Trade Union has support of more than 51 per cent of workers, then a Negotiating Council will be constituted in an establishment for negotiation. Every trade union having 20 per cent or more membership will be eligible for a seat in the ‘Negotiating Council’.
- vi. Similarly, a provision has been made to recognize trade unions, federation of trade union at Central and State level.
- vii. To facilitate ease of doing business, the Code removes requirement of prior permission of appropriate Government for seeking permission for lay-off, retrenchment and closure of a factory, mine and plantation having less than 300 workers. The benefits of notice period, retrenchment compensation, and pay in lieu of notice period have been retained.
- viii. Compounding of offences has been introduced. However, the benefit of compounding will be available only once in three years for an offence. The amount collected from compounding shall be used for welfare of workers in unorganized sector.
- ix. Two- Member Industrial Tribunal will help in speedy disposal of labour disputes.
- x. To facilitate crystalizing the rights of workers and also to promote ease of doing business, responsibility has been cast upon the Central Government to prepare model standing orders which will have standardized provisions relating to working hours, shifts, holidays, disciplinary proceeding and other service conditions.
- xi. Care has been taken that the rights of the workers are not compromised and to provide for easy, transparent and accountable compliance. The reduction and rationalization of definitions will reduce litigation, promote transparency and accountability.

**The Occupational Safety, Health and Working Conditions Code, 2020:** The Code has been drafted after amalgamation, simplification and rationalization of the relevant provisions of the 13 Central Labour Acts viz; the Factories Act, 1948, the Mines Act, 1952, the Plantation Labour Act, 1951, the Dock Workers (Safety, Health and Welfare) Act, 1986, the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act,

1955 the Motor Transport Workers Act, 1961, the Sales Promotion Employees (Conditions of Service) Act, 1976, the Beedi & Cigar Workers (Conditions of Employment) Act, 1966 and the Cine-workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981. The salient features of the Code include:

- i. For electronic registration of establishments, uniform threshold of 10 employees has been fixed. One registration for an establishment has been envisaged in place of 6 registrations in the Acts. This will create a centralized database and promote ease of doing business.
- ii. An enabling provision has been made that the Central Government can extend applicability of this Code to any establishment, even if it has less than 10 employees, carrying out hazardous or life threatening occupations.
- iii. The Code rationalizes the compliance mechanism with one license, one registration and one return for the establishments.
- iv. The OSH Code expands the earlier definition of migrant worker given in the Inter-state Migrant Worker Act, 1979. The present OSH Code includes those workers who would be directly employed by the employer, besides by the contractor. Further, it has also been made possible that a migrant, who comes on his own, in the destination state, can declare himself a migrant worker by registering on an electronic portal on the basis of self-declaration seeded with Aadhaar. The registration on portal has been made simple and there is no requirement of any other document except Aadhaar.
- v. One of the primary reasons for non-availability of data for migrant worker was that the definition of inter-state migrant worker was restrictive. The Ministry of Labour & Employment in this regard has also taken steps to develop a national database to enroll unorganized workers including migrants, which will inter-alia help migrant workers get jobs, map their skills and provide other social security benefits. It will also help in better policy formulation for unorganized sector workers, in general.
- vi. The migrant workers will also be able to enjoy the benefits of portability in respect of ration and avail benefits from building & other construction cess fund.
- vii. Employer to provide free of cost annual health check-up for employees above the specified age working in certain type of establishments.
- viii. Issue of appointment letter has been made mandatory for all employees, covered under the Code which will promote formalization of employment.
- ix. The Code envisages employment of women in all establishments covering all types of works. Women are now entitled to work in the night, subject to their consent, with provisions of safety, holidays, working hours or any other condition as prescribed by appropriate Government. It promotes gender equality in a big way.
- x. The ambit of definition of 'working journalists' and 'cine worker' have been modified to include workers employed in electronic media and all forms of audio- visual production.
- xi. The courts have been enjoined upon that a part of the penalty amount for contravention of provisions relating to duties of employer leading to death or serious bodily injury to any person may be given to the victim or the legal heirs of the victim.

- xii. An all India license to contractor for five years has been provided in the Code as against work order based licensing at present.
- xiii. Enabling provision for constituting a bi-partite Safety Committee in any class of establishment by appropriate Government to promote safe and healthy working conditions in an establishment. Earlier, it was limited to establishments engaged in hazardous occupations.
- xiv. The multiple committees under five labour Acts have been substituted by one National Occupational Safety and Health Advisory Board which is of tripartite nature and has representation from trade unions, employer associations, and State governments.

**The Code on Social Security, 2020:** The Code on Social Security subsumes existing nine Social Security Acts viz; the Employees' Provident Fund & Miscellaneous Provisions Act, the Employees' State Insurance Act, the Employees' Compensation Act, the Employment Exchanges (Compulsory Notification of Vacancies) Act, the Maternity Benefit Act, the Payment of Gratuity Act, the Cine Workers Welfare Fund Act, the Building and Other Construction Workers Welfare Cess Act, and the Unorganized Workers' Social Security Act. The salient features of the code include:

- i. The coverage of Employees State Insurance Corporation (ESIC) has been extended pan-India to all establishments employing 10 or more employees as against notified districts/ areas. However, contribution from employers and employees will be collected from the notified date when the facilities are made available on the ground by ESIC. The benefits available under ESIC include medical, sickness, maternity, pension for dependents' and for disablement, etc.
- ii. The Code envisages extension of benefits to the employees working in establishments with less than 10 employees on voluntary basis and on mandatory basis through notification by the Central Government for employees working in hazardous industries. Further, ESIC coverage can also be extended to plantations on option exercised by the employer.
- iii. An enabling provision has been made to include self-employed and any other class of persons into the fold of social security coverage under EPFO and ESIC through formulation of schemes.
- iv. Under the EPF&MP Act, at present, no limitation period exists in commencing inquiry to assess the cases of non-payment of provident fund dues. A limitation period of 5 years for initiating of any proceeding has been introduced. Further, a transparent and predictable system of assessment of cases by EPFO officers has been introduced.
- v. A time limit of 2 years has been prescribed for completion of an inquiry by ESIC and EPFO, which may be extended for a further period of one year only. It will increase compliance and bring discipline in disposal of cases.
- vi. Self-certification/assessment by the employer has been introduced for assessment of cess payable in respect of Building and Other Construction Work.
- vii. An enabling provision has been made to notify differential rates of employees' contribution under EPF for class of employees, for a certain period to increase higher take home salary. However, the employers' contribution will remain unchanged.

- viii. To cater to emerging new forms of employment, new definitions like of aggregator, gig worker, platform worker have been introduced. A small contribution from aggregator between one to two per cent of turnover subject to limit of five per cent payable to gig and platform workers has been introduced.
- ix. A Social Security Fund is proposed to be established to formulate schemes for social security to the workers of unorganised sector. The amount of the compounding of fines shall also become part of the Social Security Fund. Through this dedicated account of the Social Security Fund, the schemes would be formulated by the Central Government from time to time for benefit of these workers concerning their welfare on life & disability cover, health and old age benefits, etc.
- x. For the persons engaged in FTE, the proportionate benefit of service has been extended without requirement of minimum service of 5 years for gratuity. A person having a contract for one year under FTE will also be eligible for 15 days wages' as gratuity.
- xi. The definition of wages has been revised to bring clarity as to what constitute "wages" for the purpose of calculation of contribution for EPF and ESIC.
- xii. Keeping in view the increased life expectancy, definition of "dependent" has been extended to include maternal grandparents also.
- xiii. Flexibility has been provided to the employers for procuring Compulsory Insurance for the Corpus/Fund for gratuity from any IRDA regulated Insurance Company, as against from LIC only, today.
- xiv. The benefit of Employees Compensation Act will now be available to also those employees who meet with accidents while travelling between residence and place of work.
- xv. The Inspector-cum-Facilitator has been introduced in the Code in place of Enforcement Officer, Inspector, Social Security Officer, etc. The responsibilities, inter-alia, would include imparting of advice to employers and workers for effective compliance of the provisions of Social Security Code.
- xvi. A web-based inspection scheme to allocate random inspections by centralized computer system has been introduced. The inspection scheme envisages assigning of unique number to inspector cum facilitator, to each establishment including each inspection to bring accountability and transparency.
- xvii. The Code envisages filing of a single return and single registration by the employer which may be electronically or otherwise.
- xviii. At present, the rate of interest chargeable on delayed payment is 12 per cent. Keeping in view of the changing rate of interest in the economy, the Code envisages notification of rate of interest from time to time by the Central Government.
- xix. Monetary fines have been rationalized. A provision for compounding of offences has been introduced by rationalizing the monetary fines. Now employer will be given a prior opportunity for complying with the provision of this Code, before the process of prosecution begins.