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A new lease of life after voluntary retirement

Employees Assistance Centre equips many workers with vocational skills

Pankaj Jaiswal

Kanpur

LIFE OF Devicharan, 48, a 'victim' of the Voluntary Retirement Scheme (VRS), seemed to be a sad story two years back, when he opted for voluntary retirement from Elgin Mill no-1 where he was a weaver. He was rendered jobless and had a family to support. A sum of Rs 1 lakh that he received on his retirement, appeared to be too less to hold any promise. But now, two years later, Devicharan is more than a small-time entrepreneur.

Devicharan is working hard to meet the deadline for manufacturing 100 FRP (Fibre Reinforced

Plastic) dessert coolers for a Kanpur-based firm. Each cooler fetches him Rs 3,200.

This was after he attended a training programme organised by the Employees Assistance Centre (EAC), Kanpur, designed to equip the VRS worker with marketable vocational skills as also the expertise required to operate his own unit following the completion of his training.

The EAC, set up at Kanpur under the aegis of National Renewal Fund (NRF), was established in October 1993 and is managed by the ASSOCHAM (Associate Chambers of Commerce and Industries of India) in close cooperation with the Upper India Chamber of Commerce which

has its office at Kanpur. ASSOCHAM has been designated by the Ministry of Industries, as an operating agency for the EAC, Kanpur.

The NRF was set up by a government resolution of February 3, 1992. The objective of the NRF was to cover the cost of re-training and re-deployment of employees resulting from modernisation, technology upgradation, and industrial restructuring, to provide funds for compensation for those affected by re-structuring or closure of industries both in public and private sector, and to provide funds for employment generation schemes to build a safety network of workers.

The NRF has three components: National Renewal Grant Fund, Employment Generation Fund, and EAC.

EAC has been developed for two components of activities, viz., Employment Guidance Bureau for wage employment assistance, and the Business Development Cell for self-employment assistance.

The workers retraining and redeployment centres are working in five different places in the country under different non-governmental organisations (NGOs) and governmental organisations.

They are: Gandhi Labour Institute, Ahmedabad, Confederation of Indian Industry (CII), Bombay,

National Small Industries Corporation (NSIC), Calcutta, Small Industries Service Institute, Indore, Associate Chambers of Commerce, Kanpur.

In Kanpur, the VRS was offered by TAFCO, NTC (Muir mill, Atherton mill, New Victoria mill, Laxmi Ratan cotton mill, Swadeshi mill), BIC (Elgin No.1, Elgin No.2, Cawnpore Textile, Lal Imli) Hindustan Vegetable Oils Ltd., Modern Bakery and Hindustan Brushware Ltd.

The government gave substantial funds to revive these units. But due to lack of financial resources, the complete modernisation and upgradation could not take place. There were also problems of labour management,

productivity and new technological inputs which ultimately led to a situation that most of these units became sick and non-viable and their production was continuously decreasing.

The sickness of the units created a major problem for the labour work force in and around Kanpur. To protect the interest of the workers, VRS was first introduced in 1986 and given a boost more than three years ago with the setting up of the NRF.

Since July 1991, more than 9,638 workers have opted for the VRS from 13 public sector units, out of which 9 are textile units, the rest are: TAFCO, Brushware India Ltd, Hindustan Vegetable

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Oils. At the TAFCO, the VRS was introduced in 1992 and only 342 employees chose to leave. The scheme has since been withdrawn.

There are various reasons which tempted the workers to opt for VRS. By opting for it, he could build his house, give his daughter a grand wedding, and settle debts.

Sandeep Singh, a junior executive with ASSOCHAM, is a nodal person managing the affairs of EAC. To operationalise NRF at Kanpur five member steering committee was formed under the chairmanship of Dr GN Mathur, director, Defence Material & Stores Research & Development Establishment (DMSRDE) - Kanpur.

Sandeep Singh, while talking to *The Pioneer* said, "the attitude of these workers in the beginning was not at all co-operative as they were very much demotivated and demoralised. They feared that we will cheat them of their money. Many of the workers in the first batch of training programme joined us only for the Rs 15 conveyance allowance per day that we were paying them. Since then, five training programmes have successfully been completed and 120 workers have been trained. Many of these have been reaping rich benefits out of it."

About the training programme, he said that the Kanpur region is an important centre for teaching, research, development and training activities. It is well organised in terms of professional training programmes.

Centres were identified for providing training to workers for upgrading or modifying their skills for wage and self-employment. These centres are: Advance Training Institute, Udyog Nagar,

Government Cotton Textile Institute, Science and Technology Entrepreneurs Park-HBTI, Uttar Pradesh Industrial Consultants and few others. There are approximately 40 trades in which training can be provided to the workers. Each training programme is of six-week duration. Each batch has 17 to 22 workers.

Although, there is emphasis on re-employment under NRF scheme, the EAC at Kanpur has concentrated on self-employment part. As hardly any new industry has come up in and around Kanpur in recent years where these workers can be re-employed.

Training was provided only in those trades which has a good marketing potential in and around Kanpur, for which raw materials are easily available, requirements of electricity, machinery and space are minimal, profit margin is high, expert training facility is available and a trained worker can set up his own micro enterprise with minimum investment. Till now, training has been provided for making FRP products, canvas and rexine bags, jute and rexine bags, plastic products, leather accessories. Another training programme called Multi Purpose Mechanic is in pipeline in which one person will be trained in four different areas, viz., carpentry, masonry, electricity and plumbing.

Till now over 200 workers, out of 750 counselled, have set up their own venture. But neither have they been financed by banks or financial institutions because of high risk factor, nor could they be covered by any of the other government schemes because of the age factor of the workers. Their financial and marketing tie-ups has been arranged by Sandeep.

Representatives from World Bank, KFW (German Development Bank) and from New Zea-

land have visited the Kanpur center besides this a large number of representatives from Government of India, industry, research organisations keep visiting the centre.

Till now training in making of FRP products has proved to be most lucrative for the workers, as in case of Devicharan. While Kanhiyalal, 60, who opted for VRS from Elgin Mill No 2 in 1993 is all set for expansion of his FRP products business and plans to apply to the NSIC for the loan of Rs. 50,000. The speciality of this training was that manufacturing of FRP products neither requires machines nor electricity. Another worker, Baburam, 50, who went for VRS in 1992 from Victoria mills and now manufactures plastic products, while talking to this reporter said, "*phale main ek naukhar tha, ab main malik hoon*" (earlier I was a mere employee, but now I am self-employed and have my own business). His business has grown to such a proportion that he now employs seven persons.

While the EAC is churning out success stories, the Central government's scheme to re-train the VRS workers is reportedly to be an utter failure as no one has yet responded to it.

Expressing his reaction to this Dr GN Mathur while talking to *The Pioneer* said, "how can one expect to attract these illiterate workers through advertisements in newspapers."

"Government's re-training scheme is a strait-jacket programme and is inflexible. While EAC runs a needs-based programme and is flexible," adds Mr Mathur.

On asking about the EAC's future plans, Sandeep Singh says, "the target set for the next year is to train 1,500 to 1,800 workers." He also plans to hold exhibitions.