Central Sector Scheme for Rehabilitation of Bonded Labour  
(Modified in August 2015)

1. INTRODUCTION

1.1 Bonded Labour System in India is characterized by a long-term relationship between employer and employee, which is usually solidified through a loan or social obligation, and is embedded intricately in India’s socio-economic culture marked by class/caste relations. Bonded labour contracts are not purely economic; in India, they are reinforced by custom or coercion in many sectors. According to a recent study by an Australian NGO namely Walkfree Foundation, “Modern slavery occurs in brick kilns, carpet weaving, embroidery and other textile manufacturing, forced prostitution, agriculture, domestic servitude, mining, and organized begging rings. Bonded labour is particularly prevalent throughout India, with families enslaved for generations.”

1.2 The traditional form of bondage or forced labour are known as Adiyamar, Baramasia, Basahya, Bethu, Bhagela, Cherumar, Garru-Galu, Hali, Hari, Harwai, Holya, Jana, Jeetha, Kamiya, Khundit-Mundit, Kuthia, Lakhari, Munjhii, Mat, Munish system, Nit-Majoor, Paleru, Padiyal, Pannayilal, Sagri, Sanji, Sanjawat, Sewak, Sewakia, Seri, Vetti. However, with the passage of time, new dimensions of bondage have crept in under different names. The system is much more intricate than mere economic or labour relations; it reflects the stratified social structure where one or more social groups work without consideration of minimum wages or other right-based labour standards just for the sake of honouring social custom or for fear of possible reprisal in case of non-conformity, which more often than not are characterised by physical violence, ostracisation, etc.

2. EVOLUTION OF THE SCHEME

2.1 The issue of ‘bonded labour’ came to the list of national priority when it was included in the old 20-Point Programme in 1975. The Bonded Labour System (Abolition) Ordinance was promulgated on 25th October, 1975. This was later on replaced by the Bonded Labour System (Abolition) Act, 1976. This Act provides for the abolition of the system of bonded labour with simultaneous liquidation of their debts. Since the subject is included in the Concurrent List, the Union Government stepped in to assist the State Governments in their task of rehabilitation of released bonded labourers. Accordingly, Ministry of Labour & Employment launched a Centrally Sponsored Scheme for rehabilitation of bonded labourers in May, 1978.

2.2 Originally the Scheme provided for rehabilitation assistance up to a ceiling limit of Rs. 4000/- per bonded labour to be equally shared by Central Government and State Governments on (50:50) basis. This amount was raised to Rs.6250/- w.e.f 1.2.86; and to Rs.10,000/- w.e.f 1.4.95. Out of this, Rs.1000/- was to be given as subsistence allowance to meet travel expenses etc. to the state of origin, in case the released bonded labour was to be repatriated to his or her native place/ State or for their subsistence until they are rehabilitated. With effect from 1.4.1999, only Rehabilitation assistance was enhanced to Rs. 20,000/-. The scheme was last
3. **OVERVIEW OF PERFORMANCE OF THE SCHEME**

3.1 From the year 1978 to 2014-15, the Central Government has released ₹81.826 crores towards its share of rehabilitation assistance in respect of 280213 released bonded labourers in the entire country. The State Governments have contributed equal amount i.e. ₹81.826 crores thus taking the total amount to about ₹164 crores. The annual average expenditure has thus remained at the level of ₹2.21 crore. It has become a regular feature to surrender money under this scheme in the absence of adequate proposals from the States. The scheme has remained restricted to only 18 states.

4. **FLAWS AND SHORTCOMINGS OF THE EXISTING SCHEME**

4.1 Evaluation studies and other field level inputs indicate the following shortcomings in the existing scheme:

(i). Lack of regular or periodic monitoring by the Central Government.

(ii). No mechanism to monitor the cases of bonded labour in the court of law

(iii). The present package of ₹20,000/- for rehabilitation of bonded labour is too meagre and does not appear to be an attractive package for the purpose of rehabilitation.

(iv). The scheme does not address the needs of special category beneficiaries such as young children including orphans, disabled, girl child rescued from beggar rings and brothels and disabled people.

(v). There is no institutionalized mechanism to keep an account of the other major benefits listed in this scheme such as agricultural land, dwelling unit, skill training education etc.

(vi). There appears to be little effect of awareness generation camps. Hence, the pattern of assistance of such camps needs to be revisited.

5. **REVISED SCHEME AND GUIDELINES**

5.1 The revised scheme aims to address all these anomalies in a holistic manner. Accordingly, Ministry of Labour & Employment has approved the following principles:

(i) The revised Scheme shall be a Central Sector Scheme;

(ii) The Rehabilitation package shall be ₹1,00,000/- per adult male beneficiary;

(iii) For special category beneficiaries such as young children including orphans, girl child rescued from beggar rings and forced prostitution, the amount of rehabilitation assistance shall be ₹2 lakhs out of which ₹1,25,000/- shall be
deposited in an annuity scheme and the balance amount shall be transferred to the beneficiary account through ECS.

(iv) In case of disabled people, the rehabilitation assistance shall be ₹3 lakhs, out of which ₹2 lakhs shall be deposited in an annuity scheme and ₹1 lakh shall be transferred to the beneficiary account through ECS.

(v) The amount of assistance for survey of bonded labourers shall be ₹4.50 lakh per sensitive district. This amount could be utilised to finance the NGO efforts for identification of bonded labour as per State Government norms. Central Government will reimburse this amount upon satisfactory performance in each identification project. The component of assistance shall be as per the following table:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Cost involved in survey</th>
<th>Funds Permissible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cost of printing of questionnaire (average 2000 questionnaires @ ₹5 each)</td>
<td>₹10,000</td>
</tr>
<tr>
<td>2.</td>
<td>Costing of imparting training to investigators/field staff for collecting information (payment to 10 investigator/field staff @ ₹500/- per day to each for 5 days (₹5000 x 5))</td>
<td>₹25,000</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of collecting primary data from field (payment to 10 investigators/field staff @ ₹500/- per day to each for 2 months (₹5000 x 60 days)</td>
<td>₹3,00,000</td>
</tr>
<tr>
<td>4.</td>
<td>Cost of editing, tabulation and analysis of primary data (payment to 2 Research Assistant @ ₹20000/- per month to each for 2 months (₹40000 x 2 months)</td>
<td>₹80,000</td>
</tr>
<tr>
<td>5.</td>
<td>Cost of computerisation of data/information</td>
<td>₹35,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>₹4,50,000</td>
</tr>
</tbody>
</table>

(vi) The expenditure on awareness generation shall be reimbursed on case by case basis subject to maximum limit of ₹10 lakh per State per annum, as per the following components:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Cost components</th>
<th>Funds Permissible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cost of campaigning and telecast of various audio visual inputs through AIR, Doordarshan, Song and Drama Division, etc.</td>
<td>₹7 lakh</td>
</tr>
<tr>
<td>2.</td>
<td>Campaigns through local newspapers</td>
<td>₹1 lakh</td>
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<tr>
<td>3.</td>
<td>Cost of performance by folk cultural troupes including cost of travelling</td>
<td>₹2 lakh</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>₹10 lakh</td>
</tr>
</tbody>
</table>
(vii) The State Governments shall not be required to pay any matching contribution for the purpose of rehabilitation assistance. However, they shall be required to concentrate their efforts on the following activities:

(a) The District Administration in a convergence approach shall undertake measures for providing safe and secure environment for the capacity building of child bonded labourers. Accordingly, facilities for ensuring their proper education, short stay home till education upto class 12th, skill development shall be an integral component of the rehabilitation package.

(b) For addressing the needs of female freed bonded labourers, State Government should also provide assistance for marriage, apart from other capacity building measures mentioned at sub para (a).

(c) For addressing the needs of the disabled persons special care should be made available by the State as per national policy for disabled people apart from other capacity building measures mentioned at sub para (a) and (b).

(d) For adult bonded labour who do not come under any of the above categories, employable skill development training will be a compulsory element of rehabilitation.

(e) A Bonded Labour Rehabilitation Fund shall be created at the District level by each state having the practice of bonded labour, with a permanent corpus of at least Rs.5 lakhs at the disposal of the District Magistrate which should be renewable. This fund will be utilised for extending immediate help to the released bonded labourers.

(f) The entire penalties recovered from the perpetrators of the bonded labour upon conviction may be deposited in this special fund.

(g) The above benefits would be additionality to other land and housing elements, etc. of the original scheme as mentioned below:

(1) Allotment of house-site and agricultural land;
(2) Land development;
(3) Provision of low cost dwelling units;
(4) Animal husbandry, dairy, poultry, piggery etc.;
(5) Wage employment, enforcement of minimum wages etc.;
(6) Collection and processing of minor forest products;
(7) Supply of essential commodities under targeted public distribution system;
(8) Education for children; and
(9) Protection of civil rights.
5.2 Submission Of Proposal To Central Government

5.2.1 The State Government shall submit claims to the Central Government in the prescribed proforma along with documents as specified in the check list. Each such proposal has to invariably have (i) details of rehabilitation facilities provided by the State Government and (ii) the quantum of penalty awarded to the perpetuator in respect of each beneficiary. **No proposal without these two essential components shall ever be entertained by the Ministry.**