

**Planning Commission  
(Labour, Employment & Manpower Division)**

**Subject: Minutes of Meeting of Steering Committee for 12<sup>th</sup> Five Year Plan (2012-17) on Labour, Employment and Skill Development held on May 27, 2011 at 2.30 PM in Room No.122, Planning Commission**

List of Participants is at Annex.

The First meeting of the Steering Committee for the 12<sup>th</sup> Five Year Plan (2012-17) on "Labour, Employment and Skill Development" was held on May 27<sup>th</sup>, 2011 under the Chairmanship of **Dr. Narendra Jadhav**, Member, Planning Commission. At the outset, Dr. Ashok Sahu, Pr. Adviser (LEM), Planning Commission welcomed the participants and requested the Chairman to initiate the proceedings. Thereafter, the Chairman explained in detail the process of the formulation of the 12<sup>th</sup> Five Year Plan for Labour, Employment and Skill Development. He indicated that six Working Groups have been formed covering:

1. Employment, Planning & Policy
2. Labour Laws & Other Labour Regulations
3. Skill Development and Training
4. Occupational Health & Safety
5. Social Security
6. Social Inclusion and vulnerable groups in labour force such as Child labour, bonded labour, migrant labour etc.

He sensitized the Members about the time lines for submission of reports of the Working Groups and Steering Committee. He desired that draft reports of the Working Groups be discussed in the second meeting of the Steering Committee and finalise after incorporating suggestions of the Steering Committee, if any. It was indicated that reports of Working Groups is required to be submitted by end-September, 2011 and by Steering Committee to the Planning Commission by November, 2011. He invited Joint Secretary and

Director General, DGE&T to brief the participants about the various issues confronting the major schemes of the Ministry.

Joint Secretary and Director General, DGE&T informed that the Eleventh Five Year Plan (2007-12) looked intensively at four dimensions of the skill training in the country such as (a) Qualitative dimension, (b) Quantitative dimension, (c) Relevance and (d) Systemic reforms. After highlighting the major initiatives and issues relevant for each of these dimensions, he briefed about the status of three key skill training programmes / schemes namely: (i) the Craftsmen Training Scheme (CTS), (ii) Apprenticeship Training Scheme (ATS) and (iii) Modular Employable Skills (MES).

He stressed on the need of bridging the gaps in vocational education and training by enhancing training capacity and making available quality teachers to achieve target of 500 million skilled people by 2022.

He also flagged the key challenges being faced by the vocational education and training system which inter-alia include : (i) outreach to hilly/difficult areas including naxalite affected areas, (ii) shortage of training of trainers, quality and relevance of skill training, (iii) the systemic reforms in labour market information system, employment exchanges etc, National Vocational Qualification Framework (NVQF), (iv) allowing students both vertical and horizontal mobility and (v) revamping NCVT into national accreditation and certification authority.

The Chairman requested each participant to highlight the key issues in the area of labour, employment and skill development in the country which needs to be addressed in the Twelfth Five Year Plan.

- Shri. Manish Sabharwal, Chairman, Teamlease Services Ltd. observed that there is a market failure in the skill training where companies hiring the candidates are not willing to pay for the costs and the candidates are unable to finance themselves. The banks / micro finance institutions are not ready to lend money to candidates. He stressed on the need for innovative solutions to address the problems such as radical reforms in

skill development policies, amendment in labour laws including Apprenticeship Act, 1961, permitting students to have both vertical and horizontal mobility etc. He was of the opinion that in the context of skill development, many interventions can be made which can improve training outcomes without much financial implications.

- Dr. T.S. Papola, Professor, Institute for Studies in Industrial Development flagged the need for assessment of employment created in the economy given that there are lot of working poor and pool of unemployed persons. He opined that the assessment would help in addressing the quality issues particularly those related to productivity of labour. He said that social security coverage offered for unorganized sector workers is a key enabler.
- The representative of Confederation of Indian Industry (CII) informed that both quantitative and qualitative aspect of skill training is a major concern for industry. There is a need to address the outreach issues. Industry can play a critical role in skilling as it has innovative model like the digital model especially focusing in the unorganized sector where large labour force is employed with limited or no requisite marketable skills.
- The representative, FICCI informed that at present the intake in vocational education at school level is inadequate. It is necessary to involve private sector in the area. He was of the opinion that Government should provide incentives to private sector for skill training activities both fiscal and non-fiscal. The key issues that require to be addressed in the area of skill development include strengthening of delivery mechanism, streamlining of certification system, development of occupational standards and comprehensive curriculum framework.

Chairman requested FICCI representative to submit a brief note on requirement of fiscal incentives for bringing more private sector investment in skill development in the country.

- Director, Economic & Political Weekly Foundation, pointed out that the economic growth is picking up quite fast but the employment creation is

not commensurate with the pace of economic growth. The MSME sector, particularly the manufacturing sector is also unable to create more employment opportunities. Policies in MSME, banking and agriculture sector need to focus on creation of employment.

- The representative, Global Talent Track Ltd, Pune suggested curriculum revision in synergy with market demands, innovative ways for improving training delivery through the use of digital media and internet.
- The representative from the IMI emphasized on the need of skill training delivery through ICT and usage of mobile internet services to look at best practices in skill development.
- Representative of Ministry of Textiles informed that the Ministry has launched 'Integrated Skill Development Scheme' (ISD) to address the increasing skill gaps in the textiles sector. Substantial hike in the outlay of the scheme is needed for the massive up scaling needed keeping in view the targets given to Textiles sector in the National Policy on Skill Development. It was also pointed out that there is a need for major change in the country's labour laws, complaint centre for tracking child labour etc. The data on child labour would help in mainstreaming the child labour and bonded labour.
- Representative of the Ministry of Urban Development indicated that there is no skill development scheme in the Ministry and suggested inclusion of Housing and Urban Poverty Alleviation instead.
- Representative of the Ministry of Food Processing informed that the Ministry provides grants in aid to NGOs/institutions for undertaking the skill training through the Entrepreneurship Development Programmes for local youth. In addition, the companies undertake short term training courses. There is an urgent need to study the vocational education system in Germany where the vocational education is provided to 7<sup>th</sup> class pass outs.

- The officials from NSSO observed that the 66<sup>th</sup> Round Survey's first part data is being prepared and one key observation being made in the survey as compared to the 61<sup>st</sup> Round Survey is that female workforce participation has declined in the period 2004-05 to 2009-10.
- The representative from the Register General of India, GoI informed that since the Census 2011 data are under preparation there is not much to share at this point of time.
- The DG, IAMR highlighted the need for identifying high employment potential in the non-farm sectors. He opined that, the Centre and States should come together to promote employment generation through cluster development in the manufacturing industries both in the organised and unorganized sectors in semi-urban and other areas. He also emphasized on the role of industry in skill development. He further informed that the IAMR has done an evaluation study on ITIs/ITCs and the report would be provided to various agencies including the Planning Commission. The vocational education in schools should be introduced in class 9-10 instead of class 11 and 12.
- The representative of Ministry of Human Resource Development informed that the Ministry is in the process to revamp the vocational education in schools through the National Vocational Educational Qualification Framework (NVEQF) in consultation with industry.
- The representative, Ministry of Rural Development observed that the outreach is still a major issue in the skill training activities of the Ministry particularly in the area of rural and remote areas and Left Wing Extremism affected areas. He suggested that there is a need for Common Civil Centers to overcome certain problems in the urban and semi urban areas.
- Advisor (Industry), Planning Commission informed that the output from the country's manufacturing is projected to increase to 25% of GDP from the present level of 15% GDP. Therefore, the skilled manpower

requirement may increase many fold. Chairman requested Adviser (Industry) to circulate a brief note on employment generation in MSME and manufacturing sector in India. He also desired that Adviser (Industry) may be included in the Working Group on Skill Development and Training.

- The representative of Government of Uttar Pradesh observed that there is an urgent need for strengthening of skill assessment and certification system. Construction sector is an important sector which generates heavy demand for low end and semi skilled workers without corresponding supply. The issue of bonded labour needs to be flagged in the next Plan. Sufficient attention needs to be given to the social security needs of the workers.
- The representative of Government of Bihar observed that the problem of child labour in the State is much more serious than what is revealed in the Government Reports. The issues need to be tackled upfront in the next plan.
- The representative of Government of Tamil Nadu informed that the State government has set up the Skill Development Mission in the mission mode project. The State Government has also setup sectoral councils for 15 high priority sectors. The District Employment Exchanges have been upgraded with computerization for linking with the labour market information system to integrate job seekers with employers. The State government official suggested that the vocational education should be given as option in class 8 or 9 for students to choose instead of class 11-12.
- Adviser (LEM), Planning Commission informed that there are more than 20 schemes providing social security to vulnerable sections of the society. Some of the schemes overlap each other and thin spread of the sources is not resulting in desired outcomes. Therefore, effort needs to be put in to converge the schemes to reduce the overlap and improve the coverage under social security net.

The Chairman concluding the discussions summarized the issues and challenges faced during the 12<sup>th</sup> Five Year Plan as – (i) creation of decent employment to absorb new additions to the work force and those who are under employed or unemployed; (ii) skill development through adequate provision of finances, involvement of private sector, teachers' training, synergy with industry, gender sensitivity; (iii) adequate amendments in labour laws; (iv) provision of occupational health and safety; (v) broadening social security net through convergence of schemes; and (vi) inclusion of vulnerable groups in labour force in the growth process.

The meeting ended with thanks to Chair.

**No.M-13015/3/2010/LEM/LP  
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**Planning Commission**

1. Dr. Narendra Jadhav, Member (LEM), Chairman
2. Dr. Ashok Sahu, Pr. Adviser (LEM)
3. Smt. Sunita Sanghi, Adviser (LEM)
4. Dr. Renu Parmar, Adviser (Industry)
5. Shri. Munish Kumar Director (LEM)
6. Shri. K.N. Pathak, Joint Adviser (LEM)
7. Shri. B. Chandrasekaran, Young Professional (LEM)
8. Dr. Sandeep Mishra, Young Professional (LEM)

**Central Ministries**

1. Shri Sharda Prasad, DGE&T / Joint Secretary, Ministry of Labour and Employment
2. Shri Banga, Director, Ministry of Rural Development
3. Shri. A Singh, Joint Director, Register General of India,
4. Shri. J. Dash, DG & CEO, NSSO
5. Shri. U. Venkateswarlu, Joint Secretary, Ministry of Food Processing
6. Smt. Aditi S. Ray, Economic Adviser, Ministry of Urban Development
7. Shri. V. Srinivas, Joint Secretary, Ministry of Textiles,
8. Shri R.L. Singh, Director, DGE&T

**State Governments**

1. Shri M.D. Ekhlaque Ahmad, Joint Commissioner (Labour), Government of Bihar
2. Shri R. Mishra, Pr. Secretary, Department of Labour and Employment, Government of Tamil Nadu
3. Shri Sitaram Meena, Labour Commissioner, Government of Uttar Pradesh

**Institute for Studies in Industrial Development**

1. Dr. T.S. Papola, Professor

**University of Delhi**

1. Prof. N.N. Aknour, Professor, School of Social Work,

**Institute of Applied Manpower Research (IAMR)**

1. Dr. Santosh Mehrotra, Director General

## **Industry Experts**

1. Shri. Manish Sabharwal, Chairman, Teamlease Services Pvt. Ltd, Bangalore
2. Dr. Uma Ganesh, Global Talent Track Ltd, Pune
3. Shri. K. Kanagasababathy, Director, Economic & Political Weekly, Email: kanabam@gmail.com
4. Smt. Namrata Bali, Director, SEWA, Ahmedabad
5. Shri. Rajan Kohli, Adviser, FICCI
6. Smt. Inderani Kar, Deputy Director General, CII
7. Smt. Neeta Pradhan Das, DD, CII