

# 9

## Employment and Skill Development

9.1 The Eleventh Five Year Plan viewed the generation of productive and gainful employment with decent working conditions on a sufficient scale to absorb our growing labour force as a critical element in the strategy for achieving inclusive growth. Specifically, the Eleventh Plan (2007–12) aimed at generating 58 million work opportunities against the aggregate employment generation of 47 million work opportunities during the period 1999–2000 to 2004–05. The data on total employment come from the results of the quinquennial surveys conducted by NSSO of which the last survey was for 2004–05. The next is for 2009–10, the results of which will be available only in 2011. It is, therefore, not possible to provide reliable estimates at this stage of the pace of employment creation beyond 2004–05. An assessment of the performance on the employment front in the Mid-Term Assessment, therefore, has to be based on indirect indicators, which have a bearing on employment growth.

### IMPACT OF GLOBAL SLOWDOWN ON EMPLOYMENT

9.2 The global financial crisis, which erupted in 2008 and led to a slowdown in the economy, was bound to have an adverse effect on the employment situation compared with what would have prevailed under normal circumstances. According to the *Economic Survey 2009–10*, employment in the organized sector increased from 264.6 lakh persons in 2004–05 to 272.8 lakh persons in 2006–07 (that is, an increase of only 3.1 per cent). The entire increase emanated

from the organized private sector wherein employment increased from 84.5 lakh persons to 92.7 lakh persons during the same period. Employment in the organized public sector remained stagnant at 180.1 lakh persons.

9.3 The Labour Bureau of the Ministry of Labour and Employment (MoLE) has been conducting quick employment surveys to assess the effect of the economic slowdown on employment and the resulting job losses in India. So far, four quick quarterly employment surveys, which focus especially on sectors where exports are important, have been conducted. The first survey was conducted in January 2009 to assess the impact during the quarter October–December 2008. The second was conducted in April 2009 to assess the impact during January–March, 2009. The third and the fourth surveys were conducted in July 2009 and October 2009 to assess the impact of the economic slowdown on the quarters April–June 2009 and July–September 2009 respectively. The information in the latest survey was collected from 2,873 units covering 21 centres spread across 11 states and union territories (UTs). Eight sectors of textiles, leather, metal, automobiles, gems and jewellery, transport, IT/BPO, and handloom/powerloom were covered in the latest survey. The results of these surveys are summarized in Table 9.1.

9.4 Based on these small sample surveys, it was observed that during the first year since the emergence

of the global economic slowdown, that is, September 2008 to September 2009, consecutive quarters witnessed job losses in the sectors surveyed alternately with gains in subsequent surveys. For the four quarters as a whole, there was a net gain of 1.51 lakh jobs. There were net job losses during the year in mining, leather, metals, automobiles, gems and jewellery, and transport, which in the aggregate, were more than compensated for by net job gains in textiles, IT/BPO, and handloom/powerloom sectors.

**9.5** A major problem in assessing trends in employment in India is the overwhelming presence of the informal sector. At most, the percentage of workers (both regular and others) in the formal sector is about 13.69 per cent of the labour force. With non-regular employment for the rest, variations in the demand for labour are less likely to be reflected in the level of employment than in wage or income earned. Low levels of income force people to remain 'employed' even if wage earnings, or in the case of self-employment, imputed wage earnings fall. In this situation, focusing on the measured rate of employment has little economic significance since many people who are technically employed may be under considerable economic stress.

### EMPLOYMENT GENERATION UNDER VARIOUS SCHEMES

**9.6** While the bulk of the employment generated in the economy comes from the normal growth process,

since the employment strategy included several schemes aimed specifically at promoting employment, it would be useful to review the contribution of specific employment-generation schemes and their impacts.

### MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (MGNREGA)

**9.7** This scheme was launched on 2 February 2006 and was initially limited to 200 of the most backward districts. It was expanded to 330 districts in the second phase during 2007–08. The remaining 266 districts were notified on 28 September 2008, and the scheme has now been extended to all the districts of the country.

**9.8** A detailed assessment of the performance of the programme is given in Chapter 12. The main points relevant for employment generation are: more than 4.51 crore households were provided employment in 2008–09, marking a significant jump over the 3.39 crore households covered under the scheme during 2007–08. Out of the 216.32 crore man-days created under the scheme during this period, 29 and 25 per cent were in favour of the SC and ST population respectively, while 48 per cent of the total person days created went in favour of women. An allocation of Rs 39,100 crore has been made for MGNREGA in the Budget for 2009–10 as against Rs 30,000 crore in 2008–09. Under this scheme 3.98 crore man-days of employment had been provided till November 2009. Moreover, 49 per cent of the employment

**TABLE 9.1**  
Impact of Economic Slowdown on Employment

S. No.	Industry/group	Estimated Job Loss/Gain (in lakh) during				Net Loss/Gain (in lakh) during Sept. 08–Sept. 09 {Col 3 + Col 4 + Col 5 + Col 6}
		Dec. 08 over Sept. 08	Mar. 09 over Dec. 08	June 09 over Mar. 09	Sept. 09 over June 09	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Mining	-0.11	—	—	—	-0.11
2	Textiles	-1.72	2.08	-1.54	3.18	1.99
3	Leather	—	-0.33	0.07	-0.08	-0.34
4	Metals	-1.06	-0.29	-0.01	0.65	-0.71
5	Automobiles	-0.83	0.02	0.23	0.24	-0.34
6	Gems & Jewellery	-0.99	0.33	-0.2	0.58	-0.28
7	Transport	-0.96	-0.04	-0.01	0.00	-1.01
8	IT/BPO	0.76	0.92	-0.34	0.26	1.60
9	Handloom/Powerloom	—	0.07	0.49	0.15	0.71
	<b>Total</b>	<b>-4.91</b>	<b>2.76</b>	<b>-1.31</b>	<b>4.97</b>	<b>1.51</b>

created in 2009–10 (up to November 2009) was in favour of women.

### SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)

9.9 This scheme was launched in April 1999 after restructuring the Integrated Rural Development Programme (IRDP) and allied programmes. It is a self-employment programme for the rural poor. The objective of SGSY is to bring assisted swarozgaris above the poverty line by providing them income-generating assets through bank credit and government subsidy. The allocation of funds under SGSY is on the basis of existing BPL families in the districts. The scheme is being implemented on a cost-sharing basis of 75:25 between the Centre and the states, other than the North-Eastern states where the cost sharing is on a 90:10 basis. Up to December 2009, 36.78 lakh Self-Help Groups (SHGs) had been formed and 132.81 lakh swarozgaris assisted with a total outlay of Rs 30,896 crore.

### SWARNA JAYANTI SHAHARI ROZGAR YOJANA (SJSRY)

9.10 This scheme provides gainful employment to the urban unemployed and underemployed poor by encouraging self-employment ventures undertaken by the urban poor and also by providing wage employment and utilizing their labour for construction of socially and economically useful public assets. The government recently revamped SJSRY with effect from 1 April 2009 and it now has five components: (a) the Urban Self-Employment Programme (USEP), which targets individual urban poor for setting up micro enterprises; (b) the Urban Women Self-Help Programme (UWSP), which targets urban poor women SHGs for setting up group enterprises and providing them assistance through a revolving fund for thrift and credit activities; (c) Skill Training for Employment Promotion amongst Urban Poor (STEP-UP), which targets the urban poor for imparting quality training so as to enhance their employability for self-employment or better salaried employment; (d) the Urban Wage Employment Programme (UWEP), which seeks to assist the urban poor by utilizing their labour for construction of socially and economically useful public assets, in towns with less than 5 lakh population as

per the 1991 Census; and (e) the Urban Community Development Network (UCDN), which seeks to assist the urban poor in organizing themselves into self-managed community structures to gain collective strength to address the issues of poverty facing them and to participate in the effective implementation of urban poverty alleviation programmes.

9.11 The scheme is being implemented on a cost-sharing basis between the Centre and the states in the ratio of 75:25. Budget allocation for the SJSRY scheme for 2009–10 is Rs 515 crore of which Rs 363.12 crore had been utilized till 31 December 2009. In 2008–09, 1.8 lakh urban poor were assisted in setting up individual or group enterprises and 3 lakh urban poor had been imparted skill training. During 2009–10, (up to December 2009) 28,613 urban poor had been assisted in setting up individual enterprises, 13,453 urban poor women had been assisted in setting up group enterprises, 27,463 urban poor women assisted through a revolving fund for thrift and credit activities, and skill training was provided to 85,185 urban poor.

### LABOUR FORCE SKILLS AND TRAINING

9.12 Improved training and skill development has to be a critical part of the employment strategy. Both the Tenth and the Eleventh Plans noted the large gap between the number of new entrants to the labour force and inadequate availability of seats in vocational and professional training institutes. The Eleventh Plan also identified various sectors with prospects for high growth in output, and for generation of new employment opportunities. Accordingly, the Eleventh Plan aimed, inter alia, at launching a National Skill Development Mission which would bring about a paradigm change in handling 'Skill Development' programmes and initiatives. Subsequently, the Union Cabinet approved a Coordinated Action Plan for Skill Development, which envisaged a target of 500 million skilled persons by 2022.

9.13 A three-tier institutional structure consisting of: (i) the Prime Minister's National Council on Skill Development, (ii) the National Skill Development Coordination Board, and (iii) the National Skill Development Corporation, has been set up to take forward the Skill Development Mission.

9.14 We now give an overall view and cover the important factors leading to this paradigm shift as well as the future course of action in the field of skill development. The discussion is structured around: (a) the various activities carried out by the three-tier institutional structure responsible for laying the foundation of a skills eco-system in India; and (b) the gaps in evolving the skills eco-system.

#### PRIME MINISTER'S NATIONAL COUNCIL ON SKILL DEVELOPMENT

9.15 The Prime Minister's National Council on Skill Development was set up as an apex institution for policy advice, direction, and review. The Council is chaired by the Prime Minister with ministers for Human Resource Development, Finance, Heavy Industries, Rural Development, Housing and Urban Poverty Alleviation, and Labour and Employment as members. Deputy Chairman, Planning Commission, Chairperson of the National Manufacturing Competitiveness Council, Chairperson of the National Skill Development Corporation, and six experts in the area of skill development are its other members.

9.16 The Prime Minister's National Council has endorsed a vision of creating 500 million skilled people by 2022 through skill systems, which must have high degree of inclusiveness in terms of gender, rural/urban, organized/unorganized, and traditional/contemporary. The Council will lay down the overall, broad policy objective, financing, and governance models and strategies relating to skill development, review

the progress of the scheme and guide mid-course correction, including addition and closure of parts or whole of any particular programme or scheme, and coordinate public/private sector initiatives in a framework of collaborative action. The strategy to achieve such skill systems will depend upon innovative mechanisms for delivery through the Central Government, states, civil society, community leaders, and Public-Private Partnerships (PPPs). The core principles formulated by the Prime Minister's National Council on Skill Development are given in Box 9.1.

#### NATIONAL SKILL DEVELOPMENT COORDINATION BOARD (NSDCB)

9.17 The NSDCB has been set up under the Chairmanship of Deputy Chairman, Planning Commission, with secretaries of ministries of Human Resource Development, Labour and Employment, Rural Development, Housing and Urban Poverty Alleviation, and Finance as members. Secretaries of four states by rotation, for a period of two years, three distinguished academicians/subject area specialists are the other members. Secretary, Planning Commission is the member secretary of the board.

9.18 The Board is expected to enumerate strategies for implementing the decisions of the Prime Minister's National Council on Skill Development and develop appropriate operational guidelines and instructions for meeting the larger objectives of skill development. A State Skill Development Mission (SSDM) is also

#### Box 9.1

##### Core Principles: Prime Minister's National Council

- Government money must target market failure; there is no need to crowd out or compete with private financing
- Decentralize; encourage and incentivize states to form skill missions
- Do not use money for buildings or hard assets
- Focus on modularity, open architecture, and short-term courses; do not reimburse for courses more than six months
- Separate financing from delivery; make public money available for private and public delivery
- Link financing to outcomes; the overwhelming metric should be jobs
- Use candidates as financing vehicles rather than institutions; create choice and competition
- Create infrastructure for on-the-job-training; encourage apprenticeships
- Create infrastructure for information asymmetry; publicize rating and outcome information for training institutions
- Infrastructure for effective entry/exit gate; effective assessment and credible certification
- Restructure employment exchanges to career centres

expected to be established in each state. The various functions, which are likely to be performed by NSDCB are given in Box 9.2.

**9.19** The NSDCB decided to set up five sub-committees on: (i) reorientation of the curriculum for skill development on a continuous basis, (ii) evolving a vision on the status of vocational education and vocational training, (iii) remodelling of apprenticeship training as another mode for on-the-job training, (iv) improving the accreditation and certification system, and (v) establishing an institutional mechanism for providing access to information on skill inventory and skill maps on a real time basis. All the five sub-committees have submitted their reports.

**9.20** The central ministries have also been urged to have the relative performance of existing schemes evaluated so that the government could rework on withdrawal of resources from non-performing schemes so as to put them in the better performing schemes. It was suggested that such a prioritization exercise for all the schemes should be undertaken so that the skill development system underlining the paradigm shift could be financed. In this regard, the training capacity of key central ministries was reviewed. In addition, the status of the Skill Develop-

ment Missions at the level of the states and UTs was extensively reviewed. The need for complete, accurate, and comprehensive information was emphasized on. It was reiterated that the government is committed to generating more and better quality employment in a market-friendly environment, which puts a premium on skill upgradation. The progress of the state-level Skill Development Missions in terms of assessment of their capacity building needs and identification of best practices is already in progress.

### NATIONAL SKILL DEVELOPMENT CORPORATION (NSDC)

**9.21** The third tier of the coordinated action on skill development is NSDC, which is a non-profit company under the Companies Act with an appropriate governance structure. As mandated by the National Policy on Skill Development, NSDC will make periodic as well as annual reports of its plans and activities and put them in the public domain. The Corporation is expected to meet the expectations of the labour market, including the requirements of the unorganized sector.

**9.22** The Central Government has created a National Skill Development Fund with an initial corpus of Rs 995.10 crore for supporting the activities of the

#### Box 9.2 NSDCB: Main Functions

- Enumerate strategies to implement the decisions of the Prime Minister's National Council on Skill Development and develop appropriate operational guidelines and instructions for meeting the larger objectives of skill development in the country.
- Make appropriate and practical solutions and strategies to address the various concerns (regional Imbalances, socio-economic, rural-urban, gender divides, dearth of quality teachers, and incentivizing the private sector to develop skills), to be adopted by both the prongs—the Union and state governments as well as the National Skill Development Corporation—and also develop a system of institutionalizing measures to this end.
- Encourage state governments to put their activities in such structures that may be modelled along similar lines or in any other way as deemed suitable by the state governments.
- Assess skill deficits sector-wise and region-wise and plan action to bridge the gaps, and move towards the establishment of a 'National Skill Inventory' and another 'National Database for Skill Deficiency Mapping' on a national web portal.
- Coordinate and facilitate the repositioning of employment exchanges as outreach points for storing and providing information on employment and skill development, and to encourage them to function as career counselling centres.
- Coordinate the establishment of a 'credible accreditation system' and a 'guidance framework' for all accrediting agencies.
- Monitor, evaluate, and analyse the outcomes of the various schemes and programmes and apprise the Prime Minister's National Council on Skill Development of the same.

corporation. The corpus of the fund is expected to go up to about Rs 15,000 crore as it is intended to garner capital from governments, public and private sectors, and bilateral and multilateral sources. NSDC has been mandated to train about 150 million persons by 2022 under the National Skill Development Policy. With a view to achieving this target, a detailed plan of action has been worked out indicating inter alia, the key focus areas, organization structure, and strategic interventions in critical sectors of the economy. Three major proposals, notably of the Gems and Jewellery Export Promotion Council, the Confederation of Indian Industry, and Self-Employed Women's Association (SEWA), which aim at providing skill training to about 23 lakh people by the end of eight years with a total outlay of about Rs 246 crore have been given 'in-principle' approval.

### NATIONAL POLICY ON SKILL DEVELOPMENT

9.23 The formulation of a National Policy on Skill Development, and the launch of the Coordinated Action for Skill Development, and the setting up of the Prime Minister's National Council on Skill Development and NSDCB have been important and mutually supporting initiatives. The Skill Development Policy provides an enabling environment and the Council and the NSDCB provide a mechanism for implementation at the highest level. The National Policy on Skill Development also provides a national policy response to guide the formulation of skill development strategies and coordinated action by all concerned by addressing the various challenges in skill development:

- The enormous size of the task in building a system of adequate capacity
- Ensuring equitable access to all, in particular the youth, disadvantaged groups, minorities, the poor, women, people with disabilities, dropouts, and those working in the unorganized sector
- Reducing mismatch between supply and demand of skills
- Diversifying skill development programmes to meet the changing requirements, particularly of the emerging knowledge economy
- Ensuring quality and relevance of training

- Building true market place competencies rather than mere qualifications
- Creating effective linkages between school education and skill development
- Providing mobility between education and training, different learning pathways to higher levels, and establishing a national qualifications framework
- Providing opportunities for life-long learning for skill development
- Promoting greater and active involvement of social partners and forging a strong, symbiotic, PPP in skill development
- Establishing institutional arrangements for planning, quality assurance, and involvement of stakeholders and coordination of skill development across the country
- Governance of a skill development system that promotes initiative, excellence, innovation, autonomy, and participation, while ensuring that the legitimate interests of all beneficiaries are protected
- Strengthening the physical and intellectual resources available to the skill development system
- Mobilizing adequate investments for financing skill development sustainably

9.24 In order to meet these challenges, the National Policy on Skill Development has given a framework, the main highlights of which are given in Box 9.3.

### STATE SKILL DEVELOPMENT MISSIONS

9.25 In line with the Coordinated Action on Skill Development, the state governments were also requested to set up their own State Skill Development Missions for skill development to address the specific problems of multiple interfaces with the state governments in securing approval for both central and state schemes relating to skill development. Table 9.2 indicates the progress on the setting up of the State Skill Development Missions. Twenty states and five UTs have either set up State Skill Development Missions or are in the process of setting them.

### SETTING UP OF NEW ITIs AND SDCs

9.26 As another step towards the Skill Development Initiative, it is also proposed to set up 1,500 new Industrial Training Institutes (ITIs) and 50,000 Skill

### Box 9.3 National Skill Development System in India

#### Mission

'National Skill Development Initiative will empower all individuals through improved skills, knowledge, nationally and internationally recognized qualifications to gain access to decent employment and ensure India's competitiveness in the global market'.

#### Objectives

- Create opportunities for all to acquire skills throughout life, and especially for youth, women, and disadvantaged groups
- Promote commitment by all stakeholders to own skill development
- Develop a high-quality skilled workforce relevant to current and emerging market needs
- Enable establishment of flexible delivery mechanisms that respond to the characteristics of a wide range of needs of stakeholders
- Enable effective coordination between different ministries, the Centre and states, and public and private providers

#### Coverage

- Institution-based skill development
- Formal/informal apprenticeship and other training by enterprises
- Training for self-employment/entrepreneurial development
- Adult learning, retraining, and life-long learning
- Non-formal training, including training by civil society organizations
- E-learning, web-based learning, and distance learning

Development Centres (SDCs), adding to the institutes that already exist through the PPP mode. These SDCs are to be set up by various ministries and departments. The MoLE has been given a target of setting up 5,000 SDCs in the PPP mode. These SDCs are proposed to be set up in rural and difficult areas, border areas, and hilly areas in a cluster of about ten villages at locations to be decided by the state governments. It is proposed to cover districts unrepresented by ITIs/ITCs and then to cover unrepresented blocks. The proposal is still in an early stage of implementation.

**9.27** The SDCs are proposed to impart training in short-term modular courses in demand driven trades of the unorganized and service sectors, such as banking and financial services, healthcare, consumer and retail sector, creative industry, and logistics. Each SDC will have an average training capacity of about 300 persons per shift per annum. It is proposed to run these SDCs in two shifts. Accordingly, when all the 5,000 SDCs are made operational about 30 lakh persons per annum are likely to benefit.

**9.28** Advanced Training Institutes (ATIs), which are under the administrative control of the Directorate General of Employment and Training, MoLE are expected to train trainers in various trades in order to meet their growing needs in the country. There is also a proposal to set up 11 ATIs in the PPP mode during the Eleventh Plan.

#### VOCATIONAL TRAINING PROGRAMMES

**9.29** Since vocational training is a subject on the concurrent list, the Central and state governments share responsibilities. The Director General of Employment and Training (DGE&T) under MoLE is the nodal department for formulating policies, laying down standards, curriculum development, trade testing, and certification. At the state-level, the state government departments are responsible for vocational training programmes. The National Council for Vocational Training (NCVT) and the Central Apprenticeship Council (CAC) advise the government on the formulation of policies and procedures, laying down training standards, and trade testing

**TABLE 9.2**  
**Status Report on Setting up of State Skill Development Missions**

S. No.	Name of the State	Mission	Headed By
1	Andhra Pradesh	SSDM set up	Chief Minister
2	Arunachal Pradesh	SSDM set up	Chief Minister
3	Assam	SSDM set up	Chief Minister
4	Bihar	SSDM set up	Chief Minister
5	Chhattisgarh	SSDM set up	Chief Minister
6	Goa	SSDM set up	Chief Minister
7	Gujarat	SSDM set up	Principal Secretary, Education
8	Haryana	SSDM set up	Chief Secretary
9	Himachal Pradesh	SSDM set up	Chief Secretary
10	J&K	SSDM set up	Chief Minister
11	Jharkhand	SSDM set up	Chief Minister
12	Karnataka	SSDM set up	Chief Minister
13	Kerala	State Council for Skill Development	Chief Minister
14	Madhya Pradesh	Council for Vocational Education & Training	Chief Minister
15	Maharashtra	SSDM set up	Chief Minister
16	Manipur	SSDM set up	Chief Minister
17	Meghalaya	SSDM not set up	—
18	Mizoram	SSDM not set up	—
19	Nagaland	SSDM set up	Chief Minister
20	Orissa	High Powered Employment Mission	Chief Secretary
21	Punjab	SSDM set up	Chief Minister
22	Rajasthan	Rajasthan Mission on Livelihoods	Chief Minister
23	Sikkim	Directorate of Capacity Building set up #	Chief Minister
24	Tamil Nadu	SSDM set up	Deputy Chief Minister
25	Tripura	SSDM set up	Chief Secretary
26	Uttar Pradesh	SSDM set up	Chief Secretary
27	Uttarakhand	SDM set up	—
28	West Bengal	SSDM set up	Chief Minister
<b>Union Territories</b>			
1	Chandigarh	UT Level SDM not set up	—
2	Lakshadweep	UT Level SDM set up	Administrator, Lakshadweep
3	Puducherry	UT Level SDM set up	Chief Minister
4	A&N Islands	UT Level SDM set up	Secretary (Labour)
5	D&N Haveli	UT Level SDM not set up	—
6	Daman & Diu	UT Level SDM set up	Administrator, Daman & Diu as Chairman
7	Delhi	UT Level SDM set up	General Council headed by Chief Minister/ Executive Council headed by Chief Secretary

*Note:* # The state has State Institute of Capacity Building (SICB), set up in 2009. As per their communication (April 2010) SICB is in line with SSDM.

and certification at the national level. Corresponding state councils advise their governments on policy and procedures.

**9.30** There are 8,039 ITIs and ITCs imparting training in 114 engineering and non-engineering trades. Of these, 2,133 are state government run ITIs while 5,906

are private ITCs. The total seating capacity in these ITIs is 11.15 lakh. The courses conducted by these institutes are open to those who have passed either Class VIII or X depending on the trade; the courses are of six months, one or two years duration, which varies from course to course. In addition to ITIs, there are six ATIs run by the Central Government, which provide

**Box 9.4**  
**ITIs/ITCs in the Country**

There were 5,114 ITIs/ITCs (1,896 ITIs and 3,218 ITCs) in the country with a seating capacity of 7.42 lakh (4 lakh in ITIs and 3.42 lakh in ITCs) as on 1 January 2007. Since then there has been an impressive increase in the number of such institutions in the country. As on 1 April 2010 there were 8,039 ITIs/ITCs (2,133 ITIs and 5,906 ITCs) with a seating capacity of 11.15 lakh (4.32 lakh in ITIs and 6.83 lakh in ITCs). The last three years have seen an increase of 2,925 ITIs/ITCs, which is 57 per cent of the number of institutions set up in the first 60 years of Independence.

training for instructors and two Advanced Training Institutes for Electronics and Process Instrumentation, offering long- and short-term courses for training skilled personnel at the technician level in the fields of industrial, medical, and consumer electronics and process instrumentation.

**9.31** In light of the mandate given to NCVT through Cabinet approval of the National Policy on Skill Development, NCVT has quickened the pace of review of the training courses so that they are in sync with changing industry requirements and are demand driven. Table 9.3 gives details about the deletion of various courses and introduction of new courses in line with changing market conditions. This process of updating/deletion of courses is a

continuous process and is based on inputs from the industry.

**UPGRADATION OF ITIs**

**9.32** A scheme for upgradation of 500 ITIs into Centres of Excellence (CoEs) in the country was announced in 2006–07. Subsequently, upgradation of 100 ITIs was taken up from domestic resources and 400 ITIs through World Bank assistance under the Vocational Training Improvement Project (VTIP) from 33 states and UTs. The 100 ITIs to be funded from domestic resources have been distributed in 22 states and UTs (other than Jammu and Kashmir, Sikkim, and the North-Eastern states). During financial year 2006–07, 100 ITIs were taken up under retroactive financing. Out of the remaining 300 ITIs, 150 were selected during 2007–08 and balance 150 ITIs were identified in 2008–09. The closing date for World Bank project is December 2012.

**9.33** In addition to upgradation of 400 ITIs the project envisages upgradation of 14 DGET institutes through World Bank assistance under VTIP. The pattern of funding involves cost sharing between the Central and state governments in the ratio of 75:25. In case of the North-Eastern states the ratio is 90:10. The Central Government share of funding is through International Development Association (IDA) credit from the World Bank. The project has three components: (i) improving the quality of vocational training, (ii) promoting systemic reforms and

**TABLE 9.3**  
**Status of Updation of NCVT Courses**

S. No.	Name of Scheme	No. of Courses Covered in 2003	No. of Courses Covered in 2009	New Courses Introduced between 2003 to 2009	Curricula Revised during 2002 to 2009	Courses Deleted during 2003 to 2009
1	Craftsmen Training Scheme (Conventional)	66 trades	114 trades	54 trades	36 trades	7
2	Craftsmen Training Scheme (Multi-skill)	0	226 modules in 21 sectors (126 BBBT & 100 advanced)	226 modules	—	—
3	App. Training Scheme	153	188	35	32	
4	Crafts Instructor Training Scheme	30	30	67 modules	30	
5	Modular Employable Skill	0	1,108	1,108	All new courses	—
	<b>Total</b>	<b>249</b>	<b>1,666</b>	<b>1,490</b>	<b>98</b>	<b>7</b>

innovation, and (iii) project management, and monitoring and evaluation. State-level project implementation units manage the implementation of the scheme. The project envisages upgradation of ITIs into CoEs by providing infrastructural facilities and introduction of multi-skill courses to produce a multi-skilled workforce of international standards. The highlights of the multi-skill courses are: (i) introduction of broad-based basic training for one year followed by six months of advanced modular training, (ii) specialized modules mainly in industry (shop-floor training), (iii) multi-entry and exit provisions and an industry-wise cluster approach, and (iv) PPP in the form of Institute Management Committees (IMCs) to ensure greater and active industry participation.

**9.34** Under the project the state governments are required to enter into a Memorandum of Understanding (MoU) to empower the IMC and enhance the powers and commitments of the principals of the ITIs for efficient project implementation. The estimated project cost is Rs 1,581 crore, out of which Rs 1,231 crore is the Central share and Rs 350 crore is the states share. All 400 ITIs had been selected covering 33 states and UTs till November 2009 and a total of Rs 665.98 crore had been released. Under the project, curricula of more than 226 modules covering 21 industrial sectors have been developed and implemented. The progress of the scheme is monitored through Joint Review and Learning Missions (JRLMs) consisting of the representatives of the World Bank, DGE&T, the Ministry of Finance (MoF), and other stakeholders, including the Planning Commission.

**9.35** A scheme for upgradation of 1,396 government ITIs into CoEs through the PPP mode was announced in 2007–08. The scheme envisages that an industry partner will be associated with each government ITI to lead the process of upgradation. Under the scheme, an IMC will be constituted with an industry partner or its representative as its chairperson and will be registered as a society for upgrading the training infrastructure of 300 ITIs up to 31 March 2010 on receipt of proposals from states and UTs. Financial and academic autonomy has been granted to the IMCs to manage the affairs of the ITIs. State governments will retain the ownership of the ITIs and will continue to

regulate admissions and fees except that 20 per cent of the admissions will be determined by the IMC. A memorandum of agreement has been signed with all stakeholders.

**9.36** The total revised outlay of the scheme is Rs 3,550 crore for the Eleventh Plan. So far, Rs 282.5 crore as interest free loan has been released to 113 ITIs and Rs 467.5 crore is expected to be released to the remaining 187 ITIs by 31 March 2010.

### SKILL DEVELOPMENT INITIATIVE SCHEME (SDIS)

**9.37** The Skill Development Initiative Scheme (2007) aims at providing vocational training to school leavers, existing workers, and ITI graduates, etc. to improve their employability by optimally using the existing infrastructure available in government, private institutions, or Industry. Existing skills can be tested and certified under this scheme which primarily aims at developing competency standards, course curricula, learning material, and assessment standards in the country.

**9.38** Since its inception, 5,203 government/private/other Vocational Training Providers (VTPs) have been registered and 4,67,277 persons have been trained, tested, and certified along with the development of 1,108 course modules for employable skills covering 48 sectors. More than 2.42 lakh persons found employment in financial year 2009–10 (according to the data available till 12 December 2009) against the target of skilling 1.20 lakh persons.

**9.39** DGET needs to examine the possibility of integrating occupational safety and health learning objectives into the learning objectives of various Modular Employable Skills (MES).

### MODERNIZATION OF EMPLOYMENT EXCHANGES

**9.40** A Mission Mode Project (MMP) for the upgradation and modernization of the employment exchanges was started in 2008. The project will cover all the states and UTs in one go and will encompass all employment exchanges functioning across them. The MMP aims to progressively support all the employment exchanges in the country under the administrative control of respective state governments and administrations in

### Box 9.5 Skill Development Initiative Scheme (SDIS)

The SDIS was launched by the Ministry of Labour and Employment in 2007–08 with the objective of meeting the growing requirement of skilled manpower in the industry through short-term courses. In less than three years, 1,108 Modular Employable Skills (MES) course modules have been developed covering 48 sectors of the economy. The duration of these courses ranges from 60 hours to 960 hours and they are modular in nature so that a person can acquire skills, get employed, come back to the institute, and acquire another skill according to his or her liking and the market requirement. The scheme has been very well received by the industry and youth.

5,203 (2,574 government, 1,241 ITCs, and 1,396 others) Vocational Training Providers (VTPs) have been empanelled from the private and public sectors and 22 independent assessing bodies have been appointed to assess the competencies of the trainees trained by VTPs. So far 4,67,277 persons have been trained, tested, and certified, out of which 2,42,191 have already found employment.

UTs to make effective use of information technology (IT) in various activities of the National Employment Service operation. The project, when fully implemented, is expected to help provide speedy and easy access to employment services to job seekers and employers.

#### SKILL DEVELOPMENT FOR THE UNORGANIZED SECTOR

**9.41** The unorganized sector consisting of own-account workers, workers, and apprentices in micro enterprises, unpaid family workers, casual labour, home-based workers, and migrant labour, out-of-school youth and adults in need of skills, and farmers and artisans in rural areas, among many others, is characterized largely by low skills, low productivity, and poor incomes. As illustrated in the National Policy, skill development for the unorganized sector has great potential for ensuring that the growth process is highly inclusive. However, the implementation of the policy for this sector remains a formidable challenge. As per the National Commission for Enterprises in the Unorganised Sector (based on data from the NSSO 55th Round survey), the estimated total employment in the country during 1999–2000 was 396.8 million, and among them the estimated informal sector workers were 342.6 million. The estimates of total employment and employment of informal sector worker as per 61st Round survey during 2004–05 were 457.5 million and 394.9 million respectively (Table 9.4).

**9.42** It is time that the potential role of civil society groups and NGOs in supplementing the efforts of the

**TABLE 9.4**  
Formal versus Informal Sector Employment

NSS Round/Year	Total Employment	(million)	
		Informal Sector Workers	Formal Sector Workers
55th Round (1999–2000)	396.8	342.6	54.2
61 Round (2004–05)	457.5	394.9	62.6

*Source:* National Commission for Enterprises in Unorganised Sector (NCEUS).

public sector is given due recognition. In addition, serious thought needs to be given to: (a) recognizing and formalizing the informal apprenticeship arrangements in the unorganized sector, which have been an important source of skill development; (b) improving and strengthening informal apprenticeship enabling their transition into modern skill areas, if required; and (c) evolving and funding proactive partnerships between the government, the private sector, and NGOs through NSDC.

#### GAPS IN THE EVOLVING SKILLS ECO-SYSTEM

**9.43** Gaps in the evolving skill eco-system, which are required to be bridged towards achieving the goal set out by the Prime Minister's Council include: (i) absence of comprehensive and accurate data on the number of individuals trained through the various skill development programmes; (ii) absence of skills infrastructure required to impart skills helping the youth to acquire employment in emerging sectors, such as IT, biotechnology, nano-technology, pharmaceuticals, alternative energy,

and high-end construction and engineering, where opportunities are abundant and the wages are attractive; (iii) absence of continued involvement of the industry in key actions of ITIs, such as revising ITI-syllabi and up-keep of infrastructure (for example, machinery being utilized to teach students) in some states; (iv) absence of an inclusive approach to have a concerted strategy for imparting skills to large sections of the population employed in the unorganized sector; and (v) absence of adequate resources and resource focus.

**9.44** Given these gaps in the evolving skills ecosystem, several issues merit attention for sharpening the implementation of various skill development programmes:

- For ensuring effective implementation of existing programmes, an implementation strategy and detailed implementation plan with achievement targets and time-lines would need to be put in place, in consultation with relevant ministries, state governments, and private sector groups. A clear indication of a responsible agency or ministry responsible for implementing the policy would be important.
- It is important that the skill training that is provided is of quality. In this respect, it is important to create a labour market information management system, which can be accessed by the industry as well as by other training centres to track information on skills availability and gaps across training centres in India.

**9.45** Issues in the realm of PPP, ITIs, and other institutional formats:

- Capacity building of public officials is required for skills training in 'new economy' sectors, such as biotechnology, nano-technology, construction industry, and the oil and gas industry to nurture successful PPPs.
- The extent of functional autonomy to institutes, such as ITIs needs to be enhanced to improve the effectiveness of IMCs further.
- In the context of ITIs one finds that the Public Works Departments (PWDs) in various states are

the only agencies in charge of creating the necessary infrastructure. The possibility of strengthening IMCs so that they create necessary infrastructure on their own in a timely manner could be explored.

**9.46** Financial support to skilling programmes: A detailed exercise needs to be conducted to compare India's per capita spending on a range of training options with other emerging economies in Asia and then to specifically focus on those sectors for skilling for which funds from the private sector are not readily forthcoming.

## SOCIAL SECURITY

**9.47** An effective social security system is an important part of inclusiveness. With a growing economy and active labour market policies, it is an instrument for sustainable social and economic development. It facilitates structural and technological changes, which require an adaptable and mobile labour force. With globalization and structural adjustment policies, social security assumes a renewed urgency.

**9.48** The government enacted the Unorganized Workers' Social Security Act, 2008 and implemented various social security schemes. The government has also constituted a National Social Security Board headed by the Union Minister of Labour and Employment under the Unorganized Sector Workers' Social Security Act, 2008, (Box. 9.6).

**9.49** The following initiatives are being taken by the MoLE in the matter of social security:

- Improving the delivery mechanism in the Employees' Provident Fund (EPF) Organization as well as the Employees' State Insurance Corporation.
- Reducing the threshold limits for coverage of the EPF Organization and the Employees' State Insurance Corporation (ESIC) schemes to extend the application of the schemes to establishments employing ten persons or more.
- Improving the returns on investment of the balances in the Provident Fund.
- Reform of the Maternity Benefit Act.
- Implementation of the Unorganized Workers Social Security Act, 2008.

### Box 9.6 The Unorganized Workers' Social Security Act, 2008

The salient features of the Act are as follows:

Section (2) provides for the definitions, including those relating to unorganized worker, self-employed, and wage worker.

Section 3(1) provides for formulation of schemes by the Central Government for different sections of unorganized workers on matters relating to: (a) life and disability cover; (b) health and maternity benefits; (c) old age protection; and (d) any other benefit as may be determined by the Central Government.

Section 3(4) provides formulation of schemes relating to provident fund, employment injury benefits, housing, educational schemes for children, skill upgradation, funeral assistance, and old-age homes by state governments.

Section 4 relates to funding of the schemes formulated by the Central Government.

Section 5 envisages constitution of the National Social Security Board under the chairmanship of the Union Minister for Labour and Employment with member secretary and 34 nominated members representing Members of Parliament, unorganized workers, employers of unorganized workers, civil society, central ministries, and the state governments with provision for adequate representation to persons belonging to the SCs, STs, the minorities, and women. The functions of the national board, inter alia, include recommending to the Central Government suitable schemes for different sections of unorganized workers and monitoring the implementation of schemes and advising the Central Government on matters arising out of the administration of the act.

Section 6 has provisions for constitution of similar boards at the state level.

Section 7 relates to the funding pattern of the schemes formulated by state governments.

Section 8 prescribes record keeping functions by the district administration. For this purpose, the state government may direct: (a) the district Panchayats in rural areas and (b) the Urban Local Bodies in urban areas to perform such functions.

Section 9 provides for setting up of constitution of Workers' Facilitation Centre to: (i) disseminate information on social security schemes available to them and (ii) facilitate the workers to obtain registration from district administration and enrolment of unorganized workers.

**9.50** In this regard, the following issues may need attention:

- There is a need for forming a policy for social security with a focus on clearly defined objectives, techniques to be adopted for providing social security to the different target groups, and financing and administrative arrangements.
- Wider coverage of beneficiaries under the EPF and ESI Acts.
- Further extension of the social security net to the unorganized sector.
- Efficacious implementation of the provisions of the Construction Workers Act.

#### OTHER SOCIAL SECURITY SCHEMES

**9.51 Rashtriya Swasthya Bima Yojana (RSBY):** The Rashtriya Swasthya Bima Yojana was launched on 1 October 2007, providing for a smart card-based health insurance cover of Rs 30,000 per annum per family on a family floater basis to BPL families (a unit of five) in the unorganized sector. Till

26 February 2010, 27 states and UTs had initiated the process to implement the scheme. Of these, 23 states and UTs have started issuing smart cards and more than 1.27 crore cards have been issued. Nagaland was the first state in the North-Eastern region to issue smart cards. The remaining states, except Andhra Pradesh, are also in the process of implementing the scheme. From 2010–11, the government has extended the benefits of RSBY to all such MGNREGA beneficiaries who have worked for more than 15 days during the preceding financial year and to all licensed porters, vendors, and hawkers, who are from the unorganized sector and are socially challenged.

**9.52 Aam Admi Bima Yojana (AABY):** Under AABY, a scheme launched on 2 October 2007, insurance to the head of the family of rural landless households in the country will be provided against natural as well as accidental death and in the case of partial or permanent disability. Up to 2009, the scheme had covered 81.99 lakh lives.

**OCCUPATION SAFETY AND HEALTH OF WORKERS**

**9.53** Occupational safety and health aspects have assumed an even greater importance in the liberalized economic framework. Due to proliferation and increase in the severity of hazardous economic activities, the government's objective is to keep pace with international standards (Box 9.7) on occupation safety and health.

**9.54** MoLE, which is solely responsible for safety, health, and welfare measures concerning dock, mines, and oil fields receives technical assistance from, and discharges its responsibility through, the Directorate General of Mines Safety (DGMS) and the Directorate General of Factory Advice Service and Labour Institutes (DGFASLI). The DGMS enforces the safety and health provisions for workers in the mining industry through its inspectors appointed under the Mines Act, 1952. The DGFASLI, through its Inspectorate of Dock Safety, enforces safety provisions in the docks and acts as the coordinating agency at the national level for the Inspectorate of Factories functioning under different state governments.

**9.55** The government prepared a Comprehensive National Policy on Safety, Health, and Environment at the Workplace in February 2009 after intensive

and wide consultations and deliberations with all the stakeholders. The Policy provides broad guidelines and the required direction to the government, employees, and employer organizations, including non-governmental agencies for promotion of Occupational Safety and Health (OSH). The policy is comprehensive in nature and consists of a preamble, goals, objectives, and action programme. Some of the salient features of the policy include developing appropriate standards and codes of practices on OSH, cooperation of social partners to meet the challenges ahead, developing sector-specific programmes, creation of nationwide awareness, arranging for the mobilization of available resources and expertise, and financial and non-financial incentives to the employers and employees for the promotion of the commitment.

**9.56** In order to improve the occupational safety and health regime several issues merit attention:

- India does not have an overarching law on occupational safety and health covering all sectors of the economy that would make it obligatory for all employers to observe occupational safety standards. In this regard, the need for an umbrella legislation covering different statutes of OSH in the context

**Box 9.7****ILO Conventions and Recommendations on Safety and Health Standard**

- One of the key functions of the International Labour Organization (ILO) from its inception has been establishing international standards on labour and social matters. These international labour standards take the form of Conventions and Recommendations. About 70 of them deal with occupational safety and health matters.
- In addition to the ILO Conventions and Recommendations dealing with occupational safety and health matters, further guidance is provided in Codes of Practice and Manuals, which are used as reference material by those in charge of formulating detailed regulations or responsible for occupational safety and health.
- In some cases other instruments like resolutions have been introduced to address a certain problem.
- Occupational safety and health standards broadly fall into four categories:

**Guiding policies for action**

Protection in given branches of economic activity, for example, the construction industry, commerce and offices, and dock work.

Protection against specific risks, for example, ionizing radiation, benzene, asbestos, and guarding of machinery.

Measures of protection, for example, medical examinations of young workers, maximum weight of load to be transported by a single worker, prevention of occupational accidents on board ships, prevention of occupational cancer, and prevention of air pollution, noise and vibration in the working environment.

of the new National Policy on Safety, Health, and Environment, may have to be explored. The proposal could be revived in the context of the National Policy on Safety, Health, and Environment.

- Several new chemicals have come into production process whose hazardous effects are not known as yet. There is an urgent need to circulate information relating to the health hazards of these chemicals so that proper preventive steps can be taken. It is also necessary that periodical surveys are carried out with respect to all the occupational diseases (as required in the relevant ILO conventions) and appropriate action is taken for their prevention, treatment, and compensation.
- A comprehensive review of a reporting system of all accidents and collection of data relating to occupational injuries and diseases in all sectors of the economy is called for.

## WOMEN LABOUR

9.57 The participation of women in the labour market in India has been growing steadily in recent years. In fact, their increasing participation is seen as a key factor in development policies, plans, and programmes aimed at women's advancement in different spheres. Many women work as home-based workers in beedi, garments, zari, agarbatti making, kite making, food processing, and leaf plate making. In most of these cases, the employer-employee relationship is masked, which in some cases tends to dilute women's access to protection in terms of wages or working conditions. The Unorganized Workers' Social Security Act makes some existing welfare schemes applicable to unorganized workers with schemes, such as the Janani Suraksha Yojana specifically covering women. But most of these schemes are only limited to the BPL category, thus excluding a vast majority of the unorganized workers, including working women. The possibility of removing the BPL criterion to ensure wider coverage of unorganized sector workers needs to be explored.

## CHILD LABOUR

9.58 In spite of several legislations and policies, the problem of child labour has persisted as one of the greatest challenges facing the country. As per the Child Labour (Prohibition and Regulation) Act, 1986, 'child'

means a person who has not completed his 14th year of age and is employed in hazardous occupations (16) and processes (65) listed under the Act.

- Number of working children as per 1981 Census: 1.36 crore
- Number of working children as per 1991 census: 1.13 crore
- Number of working children as per 2001 Census: 1.26 crore

9.59 Out of the 1.26 crore working children, approximately 12 lakh children are working in hazardous occupations or processes. (However, since the number of processes and occupations in the list has expanded over time, the actual number is likely to be more.)

9.60 In consonance with the National Policy on Child Labour, MoLE had formulated a project based Action Plan, the National Child Labour Project (NCLP), to eliminate child labour from hazardous occupations and processes in a sequential manner. The NCLP scheme dates back to 1988 and aims to withdraw children engaged in hazardous occupations and processes by rehabilitating them in special schools in order to enable them to be finally mainstreamed into the formal schooling system.

9.61 While 250 districts in 21 states were covered earlier under the NCLP programme, with the amalgamation of schools under the INDUS Project (a joint project of Government of India and the US Department of Labour) in 2009, 271 districts in 21 states are now covered under the NCLP programme. Till date, 6.07 lakh children from NCLP schools have been mainstreamed into the formal education system.

9.62 The problem, however, has persisted since educational rehabilitation of these children needs to be supplemented with the economic rehabilitation of their families so that these families are not compelled by their economic circumstances to send these children to work. It also has to be recognized that even if schools exist, most child labour cannot avail of the benefits as they cannot go into a class that is age appropriate. Therefore, proactive measures are needed towards convergence between the schemes

of various ministries, like the Ministry of Women and Child Development (MoWCD), the Ministry of Human Resource Development (MHRD), the Ministry of Rural Development (MoRD), Panchayati Raj and Social Justice and Empowerment so that the prevailing isolated approach is supplemented with benefits under the various schemes of these ministries for the families of child labour. As a first step towards convergence, with initiative from the Planning Commission, mid-day meals are now made available to children enrolled in the NCLP schools as is provided to children under the Sarva Shiksha Abhiyan (SSA).

**9.63** A Core Group under the Chairmanship of the Union Labour Secretary has been formed for convergence on a sustained national basis. In particular, an institutional convergence mechanism at the national as well as the state level, specifically dovetailing SSA and Integrated Child Development Scheme (ICDS) needs to be developed. It is important to put in place institutional structures to ensure appropriate implementation of protocols developed by MoLE. The weakest link appears to be the institutional structure in state governments for rehabilitation of migrated child labour rescued from urban megapolises and/or industrial belts. There is, therefore, a need to take NCLP forward after convergence, and such a programme could then be taken up under a mission mode, especially for female child labour.

**9.64** In addition to convergence, other recommendations for mid-course corrections include the following:

- Setting up area-specific residential schools for child labour
- Formulating key standard curriculum and learning materials in vernacular for the NCLP schools to make learning a joyful and enriching experience for these children
- Training and monitoring of child labour and ensuring validation of these data by Panchayati Raj Institutions (PRIs)
- Continued emphasis on large-scale public awareness on a sustained basis
- Setting up of specific guidelines for utilization of the Child Labour Rehabilitation-cum-Welfare Fund

collected through contributions of Rs 20,000 each paid by offending employers in consonance with the Supreme Court order in Writ Petition (Civil) No. 465/1986. Amounts collected so far have remained unutilized since no clear guidelines from MoLE have been issued.

- Protocols developed by the Ministry of Labour need to be revised, so that state labour departments can independently conduct raids to rescue child labour and for their rehabilitation. This is because the police department often treats child labour as a low priority.

### PLAN OUTLAY AND ITS UTILIZATION

**9.65** During the Eleventh Plan, an allocation of Rs 2,210.02 crore (at 2006–07 prices) was made for the Plan schemes of MoLE. Against this, during the first year of the Eleventh Plan (2007–08), the Ministry was allocated Rs 325.48 crore (excluding CW of Rs 19.52 crore which was transferred to the Ministry of Urban Development). This was later increased to Rs 1,250 crore at the RE stage. The actual expenditure, however, was Rs 1,280.22 crore, which was met through supplementary provisions. Similarly, an allocation of Rs 771.50 crore (excluding CW of Rs 28.50 crore which was transferred to the Ministry of Urban Development), was made during the second year of the Eleventh Plan (2008–09). This was enhanced to Rs 1,426.00 crore at the RE stage. Against this, the expenditure was Rs 1,388 crore, which was again met through supplementary provisions. The detailed outlays are given in Annexure 9.1.

### WAY FORWARD

**9.66** Though India has demonstrated remarkable resilience during the unprecedented global financial crisis and slowdown, its labour and employment sector faces several challenges, which need short-term as well as medium-term policy interventions at the level of the states as well as the Centre.

**9.67** Labour market policies are based on a large number of statutes enacted by the Central Government dealing with wages, social security, labour welfare, occupational safety, and health besides industrial relations. There is a felt need for reforms in several of these labour laws with a view to imparting the

much-needed labour market flexibility consistent with the transformation of the Indian economy since these laws were enacted. Reforms in labour laws would involve enabling provisions to increase production, productivity, and expanding employment opportunities while protecting the overall interests of labour.

**9.68** As pointed out in the National Policy on Skill Development, skill development for the unorganized sector has great potential for ensuring that the growth process becomes inclusive. In the specific context of skill requirements of this sector, the ministries concerned need to give serious thought to: (i) recognizing and formalizing the informal apprenticeship arrangements; (ii) improving and strengthening informal apprenticeship enabling their transition into modern skill areas, if required; (iii) evolving and funding proactive partnerships between the government, the private sector, and NGOs through NSDC.

**9.69** The three-tier institutional structure on skill development firmly put in place during the Eleventh Plan needs to bridge the various gaps in the evolving skill eco-system, which involves interventions on various fronts such as:

- i. Building comprehensive and accurate data on the number of individuals trained as a result of various skill development programmes.
- ii. Focusing on skills infrastructure required to impart skills to help the youth acquire employment in emerging sectors, such as IT, biotechnology, nanotechnology, pharmaceuticals, alternative energy, and high-end construction and engineering, where opportunities are abundant and the wages attractive.
- iii. Institutionalizing more proactive industry involvement in key actions of training institutes such as ITIs.
- iv. Ensuring an inclusive approach to have a concerted strategy for imparting skills to large sections of the population employed in the unorganized sector.
- v. Providing adequate resource focus: The central ministries should have relative performance of the

existing schemes evaluated so that the government can think of withdrawing resources from non-performing or relatively poor performing schemes and allocate them to the better performing ones. Such a prioritization exercise for all the schemes (Central as well as the states) should be undertaken to augment the flow of funds to the Coordinated Action on Skill Development.

- vi. Ministries (like MHRD, MoF, and MoLE, etc.) responsible for overseeing various segments of the Skill Development Mission need to work under a converged mandate, the policy framework for such convergence is being forged by the Planning Commission.

**9.70** The National Council for Vocational Education and Training should accelerate the pace of review of training courses so that they remain demand-driven and hence in sync with the changing industry and market requirements. They should also examine the possibility of integrating occupational safety and health learning objectives into the learning objectives of various MES.

**9.71** With technological progress and changing production techniques, several new chemicals have come in to the production process whose hazardous effects are not yet known. There is an urgent need to compile and circulate information relating to the health hazards of these chemicals so that proper preventive steps can be taken. It is also necessary that periodical surveys are carried out with respect to all the occupational diseases with the aim of sensitizing various stakeholders about the need to minimize the harmful effects on human flora and fauna. A comprehensive review of the reporting system of all accidents and collation of data relating to occupational injuries and diseases in all sectors of the economy would go a long way in focusing on occupational health and safety issues.

**9.72** The coverage of various social security schemes in the labour and employment sector needs to be enlarged for ensuring higher degree of inclusivity. The possibility of improvements in the coverage through revisiting the eligibility criteria, such as removing the BPL criterion, needs to be examined. Moreover,

creation of awareness about various programmes through appropriate communication strategies needs to be accorded higher priority.

**9.73** Child labour has been a persistent problem in the Indian context and has existed despite the formulation of numerous legislations and policies. A comprehensive third party evaluation of NCLP in various states needs

to be carried out to configure and remove the weak links present in the implementation of the National Child Labour Programme. Convergence of schemes in a proactive and sustained manner for families of child labour and ultimately bringing this convergence into a mission mode can go a long way in effectively addressing the problem of child labour.

**ANNEXURE 9.1**  
**Plan Provision and Expenditure**

(Rs crore)

S. No.	Name of the Scheme	11th Plan Outlay (2007-12)	Annual Plan 2007-08		Annual Plan 2008-09		Annual Plan 2009-10		Annual Plan 2010-11
			RE	Exp.	RE	Exp.	BE*	Exp.	BE
1	DGE&T	828.17	1,031.17	1,086.32	941.32	1,083.83	1,134.17	1,118.96	409.11#
2	Occupational Health & Safety (DGMS & DGFASLI)	56.45	6.62	5.93	16.47	12.47	15.09	13.68	22.36
3	Industrial Relations	41.38	5.81	5.40	8.43	7.14	6.50	7.47	11.91
4	Child Labour	579.16	152.55	155.91	146.63	157.81	100.00	95.28	135.00
5	Women Labour (merged with scheme No. 11 from 2008-09)	2.40	0.51	0.38	0.00	0.00	0.00	0.00	0.00
6	Labour Statistics	38.02	5.59	8.41	8.32	8.00	9.00	9.22	20.28
7	National Labour Institute (NLI)	22.10	4.50	5.00	4.50	5.00	5.00	3.92	4.50
8	Grants-in-aid Scheme for Research Studies	1.33	0.15	0.15	0.75	0.29	0.50	0.33	0.75
9	Workers' Education	44.21	7.90	9.30	8.00	9.50	9.00	9.00	9.50
10	Rehabilitation of Bonded Labour	13.26	1.50	1.09	1.00	1.20	1.00	0.88	1.00
11	Information Technology	8.84	1.50	1.57	1.50	1.50	0.50	0.50	0.75
12	Social Security for Unorganized Sector Workers and Health Insurance for Unorganized Sector Workers	574.70	1.25	0.76	203.98	101.65	350.00	264.51	350.00
13	Lump sum provision for NE		26.50		85.10		(90.00)@	NA	100.00@
	<b>Total</b>	<b>2,210.02</b>	<b>1,250.00</b>	<b>1,280.22</b>	<b>1,426.00</b>	<b>1,388.39</b>	<b>1,630.76**</b>	<b>1,523.75</b>	<b>965.16</b>
							(+CW15.95)	(+CW19.25)	

**Note:** CW refers to the civil works component, which is transferred to Ministry of Urban Development.

\*\*This also includes the following:

(i) Rs 100 crore provided to RSBY, and

(ii) Rs 750.01 crore provided for 1,396 government ITIs through PPP on Vote of Account during 2009-10.

\* This does not include the following civil components:

(i) DGE&T—14.25 crore, (ii) Industrial Relations—1.50 crore, (iii) Labour Bureau—1 crore, and (iv) DGMS& DGFASLI—2.50 crore.

\$ This does not include the following civil components:

(i) DGE&T—15.75 crore, (ii) DGMS & DGFASLI—16 crore, (iii) Industrial Relations—2.09 crore, and (iv) Labour Bureau—1 crore

# This does not include Rs 750 crore provided by the Ministry of Finance for upgradation of 1,396 government ITIs and civil work components of Rs 15.75 crore.

@This amount has been included in different schemes.