

**45TH SESSION OF
THE INDIAN LABOUR CONFERENCE
(NEW DELHI)**

Item No.1: Service conditions, wages and social security for various categories of workers employed in different Central Government and State Government schemes (Anganwadi, Mid-day meal, ASHA, Sarva-Shiksha Abhiyan and other schemes under various Ministries of Central Government

There are a number of schemes that are being administered by the Central Government wherein services are taken from a variety of category of workers. These workers are neither recruited in the manner of a government servant nor are they provided wages and social security as is available to the government servant. In the absence of social security, such workers would be considered as unorganized workers. There could be a number of categories of workers falling in this group but the following ones constitute the largest among them:

- (i) ASHA workers
- (ii) Anganwadi workers; and
- (iii) Those engaged for providing Mid-Day Meal under Sarv Shiksha Abhiyan;

2. The service conditions and wages of these workers are defined by the respective Departments. Necessary details have been collected from these Departments in the context of service conditions, wages and social security of these workers, which are as under:

ASHA Workers

Under the National Rural Health Mission (NRHM), every village in the country has been provided with a trained female community health activist as ASHA or Accredited Social Health Activist, selected from the village itself and accountable to it. The ASHAs have been trained to work as an interface between the community and the public health system. However, in the Ministry of Health & Family Welfare, which is implementing the NRHM, there is no initiative to recognize them as Government employees as they have been envisaged as Voluntary activists under National Rural Health Mission.

Anganwadi Workers (AWW)

Integrated Child Development Services (ICDS) Scheme is a centrally sponsored scheme of the Government of India being implemented through States/UTs. The scheme operates through a network of 7005 operational ICDS projects and 13.18 lakh Anganwadi Centres against 7076 sanctioned ICDS sanctioned ICDS projects and 13.70 Lakh sanctioned AWC/Mini AWCs. At present out of 13.72

lakh sanctioned Anganwadi Workers (AWWs) and 12.54 lakhs Anganwadi Helpers (AWHs), 13.31 Lakh AWWs and 11.59 Lakhs AWHs are in position. These workers being “honorary Workers” are paid a monthly honorarium as decided by the Government from time to time. Government of India has enhanced the honoraria of these Workers w.e.f. 1.4.2011 by Rs. 1500/- above the last honorarium drawn by the AWWs and by Rs. 750/- of the last honorarium drawn by the Helpers of AWCs. In addition to the honoraria paid by the Government of India, many States/UTs are also giving monetary incentives to these workers out of their own resources for additional functions assigned under other schemes. Ministry of Women & Child Development has reported that in view of the very nature of the role of the AWWs and AWHs in the ICDS scheme, it is not feasible to declare them as Government employees or extend them the benefits as admissible to employees of the Government. Moreover, in a ruling of 7.12.2006 in Civil Appeal No. 4953-4957 of 1998 – State of Karnataka & others Vs. Ameerbi & Others, Hon’ble Supreme Court has also held that AWWs do not hold any civil post and Minimum Wages Act is also not applicable to them.

Mid-Day Meal Workers

Under the Mid-day Meal scheme 27.48 lakhs, Cook-Cum-helpers (CCH) have been engaged for preparing and serving of the Mid-day Meal to the elementary class children studying in Government, Government-aided, Local Body Schools, National Child Labour Project Schools, Education Guarantee Scheme/Alternative & Innovative Education (AIE) Centers, Madrasas/Maqtabs recognised under Sarva Shiksha Abhiyan. They work for about 3-4 hours in the schools for preparing and serving the Mid-Day Meal (MDM) etc. Since Cook-cum-Helpers under Mid Days Meal Scheme are engaged for limited hours on part-time basis for preparing and serving the MDM, they are not treated as Government employees. However, they are paid minimum honorarium of Rs.1000/- per month for preparing and serving MDM in the Schools, on sharing basis with States/UTs on existing sharing pattern. Few States viz. Uttarakhand, Kerala, Mizoram, Karnataka, Punjab etc. are paying more than Rs1000/- per month for the honorarium to Cook-cum-Helpers by providing additional funds from the State Share. The noon-meal workers of State Government of Tamil Nadu are regular employee of the State Government.

3. The Central Government has legislated Unorganized Workers Social Security Act 2008 wherein Central Government has been given the responsibility of providing the following social security cover to the unorganized workers:

- a) Life and Disability Insurance
- b) Health and Maternity Benefit
- c) Old Age Pension

4. Pursuant to the mandate, the Central Government has formulated the following social security schemes:

- (a) Aam Aadmi Bima Yojana for providing life and disability cover to certain categories of unorganized workers wherein the premium is paid by the Central and State Governments.

- (b) Rashtriya Swasthya Bima Yojana for providing health insurance cover initially to BPL families and thereafter to domestic workers, street vendors, beedi workers, building and other construction workers and such NREGA workers as have worked for more than 15 days during the previous financial year. The premium is paid by the Central and respective State Governments.
- (c) Swavlamban scheme for all such unorganized workers as contribute between Rs.1,000 and Rs.12,000 per annum under a pension scheme with a contribution of Rs.1,000 by the Central Government.

Except the Swavlamban scheme, the benefits of the other two schemes are not available to Anganwadi workers, ASHA workers, those engaged in Sarva Shiksha Abhiyan and Mid-Day Meal.

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Item No.2: Social Security with special reference to Assured Pension with indexation for all workers including self-employed

Employees' Pension Scheme came into effect from 16-11-1995. It has been designed as a defined benefit Social Security Scheme formulated following the actuarial principle for ensuring long term financial viability of this Scheme. The purpose of EPS, 1995 is to provide:

(a) Superannuation benefit, retirement pension, permanent/total disablement pension; and

(b) Widow or widower pension, children pension or orphan pension.

2. Key object of the existing pension scheme is to provide financial and old age social security to its workforce particularly to those belonging to the lower income group and to provide income security to the family in case of death of a member/ pensioner of EPS, 1995.

3. Contribution of the Government and mandatory contribution of the employer is limited to the wage ceiling of Rs.6500/- per month. EPS, 1995 is funded by diverting 8.33% out of 12% of employer's share of the wages. Central Government contributes @ 1.16% of the wages up to the wage ceiling of Rs.6500/-.

4. Any defined benefit pension scheme would be subject to constant calibration of either benefit structure or the contribution structure or combination of both.

5. It may be mentioned that Employees' Pension Scheme, 1995 is a funded scheme and increase in pensionary benefits can only be determined on the principles of aggregation of resources and risk sharing on actuarial basis. Under Para 32 of Employees' Pension Scheme, 1995, there is a provision of annual valuation of Employees Pension Scheme, 1995 by the Valuer appointed by the Central Government. Consequent upon this annual valuation, Government can change the scale of minimum payable pension or the rate of subscription or the scale of permissible benefits.

6. In the last few years, there has been a constant demand from pensioners for linking their pension with the inflation i.e. declaration of relief from time to time to negate the effect of inflation on pension. However, no such provision exists under the present Scheme for automatic declaration of relief.

7. The scheme does provide for grant of relief to the pensioners by the Central Government taking into account the performance of the Fund. From 1995 to 2000, the Annual Valuation revealed surplus which was used to grant relief to the pensioners. Thus, relief to the pensioners @ 4% w.e.f. 16-11-96, @ 5.5% w.e.f. 1-4-98, @ 4% w.e.f. 1-4-99 and @4% w.e.f. 1-4-2000 was allowed. However, on account of persistent actuarial deficit in the Fund, no relief could be declared by the Central Government after the year 2000.

8. An Expert Committee was constituted by the Government in 2009 to review the EPS, 1995, which *inter-alia* considered the issue of inflation indexation of pension. However, the actuarial cost of providing any such benefit is so huge that no workable solution could be found. This is so because the actuarial cost of providing relief of only 3% per year itself is Rs.98,653 crore. In such a situation, making a provision of inflation indexation for each 1% inflation would indicate an actuarial cost of around Rs.33,000 crore. If the average inflation is say 10%, this will entail an actuarial cost of more than Rs.3,00,000 crore which the Employees' Pension Fund, in its present form, will not be able to sustain.

9. Therefore, index linking of pension i.e. increase in pension by fully neutralizing inflation is not feasible through a funded scheme like EPS, 1995. In EPS, 1995, the contribution of employer and Government is at a fixed rate of 8.33% and 1.16% respectively. Therefore, the value of benefits cannot be left open ended linking pension with inflation.

10. The benefits that can be given under EPS, 1995 are to be governed by the contribution rate and earning on the fund. If benefits are increased without increasing the contribution or without increasing the earning by improving investment returns, the future generation shall be burdened by the deficits. The commensurate increase in benefits is possible only if requisite funding is received from any source.

11. In order to increase earning of the fund, definite steps have been taken by adopting latest pattern of investment approved by Ministry of Finance (2008 of Ministry of Finance) with the caveat that investment in equity will be zero percent. The proposal in this regard has been approved by CBT in its 201st meeting held on 25-02-2013. The notification of the pattern is under consideration in the Ministry of Labour & Employment. Considering the prevailing debt market condition, amendments have also been approved in the guidelines regulating investment. While amending the guidelines and recommending the change in pattern for investment, care has been taken not to put the capital invested on risks. The above changes in investment regulations are likely to yield an estimated incremental earning of 0.5%.

12. A proposal for ensuring a minimum monthly pension of Rs.1000/- per month to all member pensioners under EPS, 1995 is under active consideration of the Government and the Ministry of Labour & Employment has requested the Government to shoulder the burden of the funds required for this purpose since neither the employers nor the employees are willing to share this cost.

13. EPS, 1995 is a mandatory scheme for workers employed through the employer. As regard Social Security for self-employed, New Pension Scheme (NPS) may be an appropriate solution for such people.

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Item No.3: Labour Law for Micro and Small Enterprises

BACKGROUND

1. The Micro, Small and Medium Enterprises (MSME) Sector is an important segment of the economy contributing an estimated 8 to 9 per cent of the GDP and 45% share in manufacturing. This sector provides gainful employment to as much as 26% of total employment in the country. In particular, this sector provides gainful employment to a vast majority of workforce in the unorganized and informal sector. This sector, therefore, is important from the perspective of the implementation of various labour laws. A statistical profile of the MSME sector, as brought out by the 4th All-India Census of MSME conducted during 2006-07 is enclosed (**Annexure-I**).

2. Under the provisions of the Constitution of India, 'Labour' is in the concurrent list implying that both the Centre and the States can legislate in this area. Presently, there are 44 labour laws enacted by the Central Government and dealing with a variety of labour related matters such as wages / social security / labour welfare / occupational safety and health and industrial relations (**Annexure-II**). There are a large number of labour laws under implementation in the States. As per extant procedure, any amendment of the labour laws require consultation with the State Governments and consideration in the appropriate tripartite fora. This could be a time consuming process.

3. It needs to be understood that many of the labour laws have been put in place for specific purposes and to do away with these labour laws would lead to serious consequences for the workers. For example, the Factories Act, inter alia, contains provisions concerning safety and health of the workers. The Minimum Wages Act, 1948 and the Payment of Wages Act, 1936 contain provisions for enforcement of the minimum wages and mandatory timely payment of wages to workers upto a specified limit respectively. These labour laws if abolished would have serious implication on labour. Therefore, what is required is not abolition of these laws per se but simplifying the procedures, rules etc. to make compliance better and easier.

Implementation of Labour Laws in the MSME Sector.

4. Considering the importance of this Sector, Government enacted the Micro, Small and Medium Enterprises Development Act, 2006 which came into effect soon thereafter following the issue of notification by the Central Government. The Act contains a number of provisions concerning different aspects of the Micro, Small and Medium Enterprises. However, there is no specific provision in the Act about the applicability of labour laws in the MSME Sector. Further, since the present agenda pertains to micro and small enterprises, the issues pertaining

to medium enterprises have not been specifically considered. However, the statistics wherever given pertain to the MSME sector including the medium enterprises.

5. From time to time, the MSE sector (which was previously referred to as Small Scale Sector) has been demanding that most of the labour laws in the existing form may not be applied to the MSE Sector. In addition to proposing exemption of the application of some of the labour laws in the MSE Sector, there were demands for providing fiscal concessions to the sector to enhance its competitiveness. Such fiscal concessions were given to the MSE sector from time to time. It is, however, debatable whether such concessions helped improving the competitiveness of this sector.

6. As far as the labour laws are concerned, it may be noted that many of the labour laws do contain provision regulating the threshold for applicability of the Act. For example, the Factories Act, 1948 is applicable to the establishments employing 10 or more workers with power or 20 or more workers without power. Similarly, the Employees' State Insurance Act, 1948 is applicable to establishments employing 100 or more employees for factories using power and establishments employing 20 or more in respect of non power units. Likewise, the employees Provident Fund and Misc. Provision Act, 1952 is applicable to factories and other classes of establishments employing 20 or more persons. As regards the Minimum Wages Act, however, it may be noted that there are no exemptions from its applicability and the provisions of the Act are universally applicable. The Payment of Wages Act, 1936 is applicable to the employees drawing wages upto Rs.16,000/- per month. From the data pertaining to the MSME sector it may be seen that the average employment engaged in the MSME sector is as low as 2.23. An inference, therefore, may be drawn that most of the Micro and Small Enterprises are automatically exempted unless they cross the threshold level and thereby come within the purview of the Act.

7. As the statistical profile of the MSE enterprises indicate, there are as many as 361.76 lakh working enterprises in the country out of which only 15.64 units are from the registered sector (4.2%). Therefore, a vast majority of the MSE units are from the unregistered sector and do not come within the purview of most of the labour laws. Further, the organized sector accounts for less than 5% of the total number of working enterprises and therefore, a vast majority of the enterprises are exempted from the labour laws.

8. It may also be noted that under MSME Act, 2006, micro and small enterprises are defined in terms of investments made. To illustrate, the enterprises with an investment in plant and machinery upto Rs.25 lakh come within the definition of Micro Enterprises while investment in plant and machinery between Rs.25 lakh to Rs.5 crore come within the definition of Small Sector. Since the classification is not in terms of manpower engaged, it is difficult to correlate the definition of Micro and Small Enterprises under the MSME Act, 1956 with the threshold level under different labour laws.

9. From time to time, MSE Associations have been demanding adoption of the definition of Micro and Small enterprises for the applicability of labour laws.

However, this is not feasible unless the definition of Micro and Small Units under the MSMED Act is revised in terms of the manpower engaged as against the present norm of investments made which is not an objective criteria to decide threshold level.

10. It may also be mentioned here that the 2nd National Commission of Labour in its recommendations, suggested enactment of the small enterprises (Employment Relations Act) for establishments with less than 19 workers. However, such an enactment was not found feasible since it contradicts the provision of some of the Central Acts like the Industrial Disputes Act, 1947 etc. Similarly, it is not possible to amend the Minimum Wages Act which is primarily intended to benefit the workers in the unorganized sector and the need to apply the Act universally.

Broad views of the Ministry of MSME on labour laws

11. The Ministry of Micro, Small and Medium Enterprises (MSME) has been emphasizing the need for a relook at the existing labour laws while framing and amending Labour laws to bring them in line with the requirements of a rapidly growing economy, globalization and also the need to provide flexibility in employment and movement of labour.

12. The Ministry also suggests that enterprises under unorganised sector and MSEs having 20/50 employees with power/ without power should be kept outside the preview of labour laws. Only the following labour laws should be applicable to MSMEs:

- (a) Minimum Wage Act, 1948
- (b) The Payment of Wages Act, 1936
- (c) The Employees State Insurance Act, 1948
- (d) The Employees Provident and Miscellaneous Provisions Act, 1952.

13. The argument behind retention of the above 4 labour laws in the MSME Sector is not clear. In any case, the Indian Labour Laws do provide for almost comparable threshold limits for applicability of the Act.

Amendment to the Contract Labour Act, 1970:

14. Most of the Micro and Small Enterprises (MSEs) are single owner enterprises and have limitations w.r.t time and resources to devote on compliance of complex labour laws. Contracting/outsourcing of jobs by industry is increasing, which is an inevitable outcome of industrialization. The Ministry of MSME further holds the view that the provisions of our Labour regulations and inspection mechanism are encouraging this trend and may be difficult to implement the provisions of Contract Labour Act, 1970 and its proposed amendment which will lead to further discretionary powers with the inspecting authorities.

15. The Ministry further holds the view that labour laws should align with the needs of the economy, the vision of skill development outlined by the

Government and should encourage a progressive employment generation policy. Further, the Ministry feels that the enforcing of labour laws should be carried out with reduced penal provisions without undesirable discretionary powers in the hands of the inspectors and with better modalities for self-compliance.

16. In order to encourage self-compliance the regulating system of enforcing labour laws should make way to an incentive based system. In this effort the Ministry of MSME can extend its support and may consider linking of compliance of labour laws by MSMEs with the incentives which may be provided to MSMEs under various schemes of the Ministry.

Initiatives taken by the MOLE for simplification of Labour laws for better compliance

17. From time to time, the MSE segment has been demanding for exempting the application of most of the labour laws to these units or at best to simplify the labour laws for easier compliance. In this context, it may be stated that in recent years a number of amendments have been carried out in the labour laws in the Central sphere simplifying filing of returns and making compliance easier which primarily benefit the MSE sector. These initiatives are briefly outlined below:

- The wage ceiling for coverage of employees under the Employees Provident Fund Organisation (EPFO) has been enhanced from Rs.10, 000 to Rs.15,000 w.e.f. 01.05.2010. All the offices of EPFO have been computerized. This is expected to achieve efficiency and improve service deliveries for all offices of EPFO.
- Under the revised policy, Inspections are to be carried out only in cases of defaulters and wherever the compliance is irregular. The regular annual inspection has been retained only in cases of major employers employing more than 250 workers.
- The territorial jurisdiction of the inspectors which was identified as an area liable to be has since been abolished and the inspections are now carried out only for specifically assigned cases as decided by the Assessing Circle Officer with whom the inspectors are pooled.
- For the Un-organized sector Social Security Act has been enacted in 2008 and within short period the Rashtriya Swasthya Bima Yojana (RSBY) has emerged as a flagship programme of the Government. Under RSBY, more than 3.44 crore families have been issued Smart Card in 28 States / UTs and about 51.68 lakh persons availed hospitalization benefit as on 31.03.2013.
- A number of procedural simplifications in various labour laws have been carried out in the central sphere to make enforcement easier and transparent.
- With a view to reduce compliance burden under some of the labour laws, the Government enacted the Labour Laws (Exemption from Furnishing

Returns and Maintaining Registers by Certain Establishment) Act, 1988. The Act presently provides for exemption by way of allowing 'very small' establishments (employing upto 9 workers) to maintain only one register and submit one return and 'small establishments' (employing 10 to 19 workers) to maintain three registers and submit one return.

- There had been persistent demands to make amendments to the Act to enable a larger number of establishments to take advantages of the Act as the requirement of maintaining separate registers and submitting separate return under different Acts imposes a heavy compliance burden on the establishments.
- In the context of the above, an Amendment Bill was introduced in the Parliament in 2005. Following fresh consultation with various interest groups, a revised Bill was prepared which was introduced in Rajya Sabha in March, 2011. Some of the important provisions contained in the Bill are as follows: -
 - (i) Extending the coverage of the Principal Act from 9 Scheduled Acts to 16 Scheduled Acts (**Annexure-III**)
 - (ii) The applicability of the Act is proposed to be enhanced from establishments employing upto 19 workers to 40 workers;
 - (iii) The small establishments will be required to maintain two registers only as against the existing provision of maintaining three registers;
 - (iv) The employer is to be given the option to maintain the register either under the Act of 1988 or under the 16 Scheduled Acts separately. It is expected that this provision will lead to substantial relief the small establishments;
 - (v) Maintaining of registers and submission of returns may also be made through electronic mode such as computer, floppy, diskette, e-mail etc. which would be labour saving and make compliance easier and better.

18. The 2011 Bill was referred to the Parliamentary Standing Committee on Labour for examination and report. The Committee has since submitted its report. The report was further examined in the Ministry of Labour & Employment and the Bill with official amendments is proposed to be introduced early for consideration in the Parliament after obtaining approval of the Cabinet. The Bill when comes into force, is expected to provide substantial relief in compliance of labour laws to a large number of establishments particularly micro and small establishments.

Labour Laws in the context of National Manufacturing Policy

19. In the context of implementation of the National Manufacturing Policy, which has come into force recently, discussions were held between the Ministry of Labour & Employment and the Department of Industrial Policy & Promotion on

issues relating to simplification of forms and registers under the Labour Laws. For this, a small sub-committee was set up with representatives from both the Ministries. The Sub-committee was informed that a Bill amending the Exemption from Furnishing Returns and Maintaining Registers by Certain Establishment Act, 1988 has been introduced in the Parliament which after enactment would extend benefit of simplified returns and registers to establishments employing upto 40 persons (as against upto 19 persons at present). Recognizing that the requirement of maintaining multiple registers and furnishing multiple returns under different laws is a cumbersome process, it was agreed that multiple registers and multiple returns may be substituted by simplified registers and return wherever feasible.

20. Since the issues involved in regard to filing of returns and maintenance of registers are technical in nature, the Sub-committee constituted a Technical Sub-Group comprising representative of DIPP and the Ministry of Labour & Employment with the following mandate:

- a) Labour laws will be segregated on the basis of the applicability in the Central sphere and the State sphere,
- b) The provisions in the Acts under which the returns and registers are maintained will be examined,
- c) The provisions in the Acts enabling maintaining of registers / returns in alternate formats will be identified,
- d) Common format for forms / maintaining registers / returns will be developed wherever feasible.

21. The Technical Sub-Group examined the labour laws as per the above mandate and submitted its report to the Sub-Committee. The main findings/ recommendations of the Technical Sub-Group are as follows:-

- (a) The Technical Sub-Group noted that out of the 13 Labour Acts enforced by the office of CLC(C), 'enabling' provision for alternate forms for submission of return/maintaining of registers exist in respect of the following five Labour Acts:-
 - (i) Payment of Wages Act, 1936,
 - (ii) The Minimum Wages Act, 1948,
 - (iii) The Contract Labour (Regulation & Abolition) Act, 1970,
 - (iv) The Inter-State Migrant Workmen (Regulation of Employment Conditions of Service) Act, 1979,
 - (v) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
- (b) The Sub-Group felt that revised/consolidated format for submission of returns and maintaining of registers can be formulated in respect of these Acts. Accordingly, the Sub-Group formulated the revised/consolidated format and submitted the same to the Sub-Committee.

22. The Sub-Committee endorsed the report of the Technical Sub-Group and proposed that further necessary action may be taken for implementing the recommendation of the Technical Sub-Group to enable submission of returns/maintaining of registers in the revised/consolidated format under the above referred 5 Labour Acts. Accordingly, the Ministry of Labour issued directions to the office of CLC(C) to accept maintaining of registers and submission of return as per the recommendations of the Sub-Committee in respect of the above 5 labour Acts.

23. Further, DIPP has been requested to issue an advisory to all States/UTs to carry out the above recommendations in the state sphere. On implementation of these recommendations, the compliance in respect of the identified labour laws is expected to be easier and better.

CONCLUSION

24. It would be seen that in recent years Ministry of Labour & Employment has undertaken a series of measures aimed at simplification of the labour laws and making compliance easier. These measures have been both in the form of amendment of the relevant labour laws as well as simplification in the forms/registers etc. for easier compliance. The steps are expected to benefit the micro and small enterprises. In view of these, Ministry of Labour & Employment is of the considered view that there is no need for a separate labour law for the MSME sector at this stage and that their requirements can be adequately addressed to by the existing labour laws and procedures with suitable modification wherever required for facilitating better implementation.

Annexure-I

Summary Results of Fourth All India Census of MSME:2006-07				
Sl. No.	Characteristics	(Number in lakh)		
		Registered Sector	Unregistered* Sector	Total
1	Total number of working enterprises	15.64	346.12	361.76
	Manufacturing	10.5	104.51	115.01
	Services	5.14	241.61	246.75
2	Number of rural enterprises	7.07	193.12	200.19
3	Number of urban enterprises	8.57	153	161.57
4	Number of woman enterprises	2.15	24.46	26.6
5	Number of enterprises running perennially	15.14	189.13	204.27
6	Employment	93.09	712.14	805.24
	Manufacturing	80.84	239.23	320.07
	Services	12.26	472.91	485.17
7	Employment by male and female	93.09	712.14	805.24
	Male	74.05	610.62	684.68
	Female	19.04	101.52	120.56
8	Enterprises by type of social category	15.64	346.12	361.76
	SC	1.19	27.15	28.34
	ST	0.45	20.4	20.84
	OBC	5.99	145.74	151.73
	Others	8.01	149.55	157.57
	Not Responded	0	3.27	3.27
9	Enterprises by type of organization	15.64	346.12	361.76
	Proprietary	14.09	327.45	341.54
	Partnership	0.63	3.65	4.28
	Private Company	0.43	0.06	0.49
	Co-operatives	0.05	1.16	1.21
	Others	0.44	7.65	8.09
	Not Recorded	0	6.15	6.15
10	Enterprises by main Source of power	15.64	346.12	361.76
	No Power needed	3.79	194.39	198.18
	Coal	0.25	6.23	6.48
	Oil	0.53	13.86	14.39
	LPG/CNG	0.07	3.97	4.04
	Electricity	10.49	106.52	117.01
	Non-Conventional Energy	0.03	0.85	0.88
	Traditional Energy/Firewood	0.23	7.15	7.39
	Others	0.25	10.19	10.44
	Not Recorded	0	2.95	2.95
*For activities excluded in Sample Survey (Retail / Wholesale Trade Establishment, General Merchandize Stores, Sale Outlets for industrial components, Legal Services, Educational Services, Social Services, Hotels & Restaurants ,Transport , Storage & Warehousing (except Cold Storage)) data was taken from Economic Census-2005 CSO, Ministry of Statistics and Programme Implementation				

List of Central Acts

Sl. No.	Name of the Act
1	The Employees' State Insurance Act, 1948
2	The Employees' Provident Fund and Miscellaneous Provisions Act 1952
3	The Dock Workers (Safety, Health and Welfare) Act, 1986
4	The Mines Act, 1952
5	The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare (Cess) Act, 1976
6	The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labor Welfare Fund Act, 1976
7	The Mica Mines Labour Welfare Fund Act, 1946
8	The Beedi Workers Welfare Cess Act, 1976
9	The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972
10	The Cine Workers Welfare (Cess) Act, 1981
11	The Beedi Workers Welfare Fund Act, 1976
12	The Cine Workers Welfare Fund Act, 1981
13	The Child Labour (Prohibition and Regulation) Act, 1986.
14	The Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996
15	The Contract Labour (Regulation and Abolition) Act, 1970.
16	The Equal Remuneration Act, 1976
17	The Industrial Disputes Act, 1947.
18	The Industrial Employment (Standing Orders) Act, 1946.
19	The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
20	The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988
21	The Maternity Benefit Act, 1961

22	The Minimum Wages Act, 1948
23	The Payment of Bonus Act, 1965
24	The Payment of Gratuity Act, 1972
25	The Payment of Wages Act, 1936
26	The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981
27	The Building and Other Construction Workers Cess Act, 1996
28	The Apprentices Act, 1961
29	The Factories Act, 1948
30	The Motor Transport Act, 1961
31	The Personal injuries (Compensation Insurance) Act; 1963
32	The Personal Injuries (Emergency Provisions) Act, 1962
33	The Plantation Labour Act, 1951
34	The sales promotion Employees(Conditions of Service) Act; 1976
35	The Trade Unions Act, 1926
36	The Weekly Holidays Act, 1942
37	The Working Journalists and Other Newspapers Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955
38	The Children's (Pledging of Labour) Act, 1938
39	The Workmen's Compensation Act,1923
40	The Employment Exchange (Compulsory Notification Of Vacancies] Act, 1959
41	The Bonded Labour System (Abolition) Act, 1976
42	The Beedi and Cigar Workers (Conditions of Employment) Act, 1966
43	The Employees' Liability Act: 1938
44	The Unorganized Workers' Social Security Act, 2008

Proposal Coverage of Central Labour Laws under the “Labour Laws (Exemption from Furnishing Returns and maintaining Registers by Certain Establishments) Act, 1988

* The Scheduled Acts are		** The additional Scheduled Acts are	
Sl.No.	Name of the Act	Sl.No	Name of the Act
01.	The Payment of Wages Act, 1936	01.	The Motor Transport Workers Act, 1961
02.	The Weekly Holidays Act 1942	02.	The Payment of Bonus Act, 1965
03.	The Minimum Wages Act, 1948	03.	The Beedi & Cigar Workers (Condition of service), Act, 1979
04.	The Factories Act, 1948	04.	The interstate Migrant workmen (Regulation of Employment and conditions of Service) Act, 1979
05.	The Plantations Labour Act, 1951	05.	The Child Labour (Prohibition & Regulation) Act, 1976
06.	The working Journalists and other newspaper employees (Condition of service) and Miscellaneous provisions Act, 1955	06.	The Dock workers(Safety, Health and welfare) Act, 1986
07.	The Contract labour (Regulation and Abolition) Act, 1970	07.	The Building and other Construction workers (Regulation of Employment and Conditions of Service) Act, 1996
08.	The sales promotion Employees (Conditions of Service		
09.	The Equal remuneration Act, 1976		

45TH SESSION OF THE INDIAN LABOUR CONFERENCE

Item No.4: Measures to improve Employment and Employability

Government of India has assessed and initiated measures to improve employment and employability. Employment in India is growing steadily with the growth of the Indian economy. Unemployment rate has come down. The main aim is accelerating the rate of employment growth, on the one hand, and raising productivity and income levels on the other. Government is also actively pushing for safe, healthy and dignified conditions of work.

2. The prospects of continuation of a high economic growth are high. And yet, the challenge of employment, especially quality and remunerative employment, remains. Over half the workforce continues to depend on agriculture even though it accounts for less than a fifth of the total GDP. This is mainly due to the inadequate growth of productive employment opportunities outside agriculture.

3. The organized sector that offers work that would be considered decent employs around 6 per cent of the workforce and, in recent years, has been characterized by a low and declining employment intensity of output growth. In the organized sector during the last one and a half decade, there has been deterioration in conditions of work as a result of informal contractorisation and casualisation of part of the workforce leading to creation of a vast unorganized segment within the organised sector itself.

4. An overwhelming majority of workers are currently employed in the unorganized sector where most of the new jobs are also created. These jobs are mostly characterized by low earnings, poor conditions of work and lack of social protection and organisation. A significant number of workers whether wage-employed or self- employed earns below poverty line incomes and are 'working poor'.

5. Emphasis of the Government is on inclusive development and reforms in the unorganized sector. Casualisation and Contractualisation are two major trends in the job market. The effort of the Government is to provide same wages, service conditions and social protection to a casual worker doing similar kind of work as the regular worker.

6. As part of the strategy to achieve inclusive development, the Government is committed towards the economic and social empowerment and educational upliftment of socially disadvantaged groups and marginalized sections of society. Accordingly, a number of schemes and programmes are implemented by the Central Government through State Governments/UT Administrations and NGOs. The PPP approach is also being explored for effective delivery of services with more accountability and transparency.

7. The 12th Plan highlights the “demographic dividend” which India currently enjoys. However, based on the latest available NSSO data, the document also mentions that unemployment is higher among the youth and the educated who are looking for better quality jobs. The dearth of vocational and technical education leading to skill mismatch in the job market is the major reason for unemployment among the educated and youth. Hence, bridging the skill gap has been identified as the major challenge for employment policy during the 12th Plan and beyond.

The broad strategy for employment generation during 12th plan includes:-

8. Thrust on the manufacturing sector, making it a genuine engine of growth, so as to increase the rate of job creation in manufacturing to create 100 million additional jobs by 2025. Accordingly, certain labour intensive sectors have been identified for creation of jobs-textile & garments, food processing, leather & footwear, gems and Jewellery, handloom and handicrafts etc.

9. The growth of the MSME sector as a central focus of India’s manufacturing strategy. This sector is the foundation for a strong manufacturing sector providing more employment with less capital. Promoting the MSME sector by providing access to risk capital, technology, etc. and encouraging the cluster approach by creating National Investment and Manufacturing Zones (NIMZs) have been highlighted in the plan document.

10. Focus needs to be given on services like information technology, finance and banking, tourism, trade & transport as these are likely to be major generators of employment in the 12th Plan period.

- Simplifying the regulatory framework and ensuring labour market flexibility without compromising fairness to labour. This includes (i) simplification and rationalization of labour laws both at the Centre and at the State level; (ii) extending social security measures to the unorganized sector workers; etc.
- Focus on demand aligned skill development so as to address the mismatch between demand and supply of skilled labour. Addressing the issues of (i) quality and relevance of training; (ii) expanding the outreach and ensuring equity; (iii) expanding the limited training infrastructure and shortage of quality trainers; and (iv) initiating systemic reforms including development of a real time labour market information system (LMIS) and development of national skills qualification framework (NSQF) are some of the major challenges which needs to be met during the 12th Plan. Emphasis should also be given to creation of appropriate skill sets among the rural migrant and urban poor to make growth inclusive.

11. Government is serious in creating training infrastructure and providing quality employment to youth. Management and Labour Skills are important factors of economic development and employment generation. Entrepreneurial capacity in the private sector is matched by an impressive pool of managerial talent and an increasingly skilled workforce. However, experience has shown that rapid growth in the recent past has been accompanied by shortages of specific

skills and increasing rates of employee turnover. Therefore, much more needs to be done in the area of skill development to adequately complement the potential expansion in the level of economic activity.

12. Sincere efforts are being made for skill development of a large number of people under various skill development programmes. Hon'ble Prime Minister has set a target of skilling 500 million persons by 2022 and the Ministry of Labour & Employment is required to train 100 million. Government is systematically working to achieve the target and the training capacity has been increased from 9 lakh in 2006-07 to 26 lakh in 2011-12. All the Government ITIs are being modernized. New courses have been introduced and most of the ITIs are running in two to three shifts. During last five years, the number of Govt. and private ITIs has increased from 5114 in 2006-07 to 10,344 which are more than double. Government has also planned to set up 1500 more ITIs in PPP and 5000 Skill Development Centres in PPP to enhance the capacity further. 27 Advanced Training Institutes are also planned in PPP to produce adequate number of trainers in the country.

13. In India, Employment Exchanges have all India reach which provide assistance to jobseekers by helping them find suitable employment, provide vocational guidance to shape their careers and collect Labour Market Information for policy planning and research purposes. The Employment Exchanges can play a vital role by providing on line service, information to job seekers in various fields, such as on-line registration, on-line notification, transparent submission, vocational guidance and emerging and decaying occupations, status of job seekers on the Live-Register and opportunities on self-employment. National - e - Governance plan (Ne-GP) has identified Employment Exchanges as one of the Mission Mode Projects (MMP). A national web portal will be developed to make all employment related services available on a single window. This will help Employment Exchanges to provide efficient and quality services to citizens of the country.

Measures to improve Employability”

14. **Preamble:** Improved training and skill development is critical for providing decent employment opportunities to the growing youth population and necessary to sustain high growth momentum. Training and Skill development also contribute to employability and sustainable development of enterprises. Skill development is a key in stimulating development process of country and can make a contribution to facilitate the transition from the informal to the formal economy. Skills development is also essential to address the opportunities and challenges to meet new demands of changing economies and new technologies in the context of globalization. Therefore, Governments and social partners need to work in the framework of social dialogue for shaping, strengthening and improving national, regional and international skills development programmes that can promote the integration of the economic, social and environmental dimensions of sustainable development of Nation.

15. To cope with ever increasing demand for improving “National Vocational Training and Skill Development System”, the Government has given a very high

priority for improving prevailing skill development. Major initiatives taken at National level are as under:

Initiatives taken at National level during XI Plan Period:

16. The Eleventh Five Year Plan while focusing on deployment of the human resources for economic growth, acknowledged that skill building is not a static process and that individual's skills needs to be upgraded continuously for workforce to remain relevant and employable. To realize this, Coordinated Action on Skill Development was initiated in 2008 which provides for a three tier governance structure, namely Prime Minister's Council on Skill Development as apex body for policy direction to be supported by National Skill Development Coordination Board (NSDCB) in Planning Commission for coordinating and synergizing the efforts of the various central ministries that are involved in the skill development and National Skill Development Corporation for catalyzing private sector efforts in the skill development. During the Eleventh Plan most of the states have set up state skill development missions for focused and synergized approach for scaling up of skill efforts in respective states. A National Policy on Skill Development was also formulated in 2009 which focuses on policy coherence, inclusivity, improving the quality with emphasis on employment outcomes. The government has, therefore, put in place a governance structure for implementation of skill initiatives at highest level and the policy for providing an enabling environment and framework to address the challenges of skill development.

Major Skill Development Schemes of DGE&T and achievement made during XI Plan Period:

Craftsmen Training Scheme

17. Training courses under Craftsmen Training Scheme is being offered through a network of 10,344 Government and Private Industrial Training Institutes (Govt. and Pvt. ITIs) located all over the country with total seating capacity of 14.68 Lakh with a objective to provide skilled work force to the industry in 132 trades. There is no upper age limit for candidates taking admission in these.

18. The training infrastructure in terms of Government Industrial Training institutes as well as Industrial Training Centers run by private sector saw a significant increase to reach a level of 10,344 in the Eleventh Plan from about 5,114 in the beginning of the Plan. The seating capacity also increased to 14.68 lakhs from 7.42 lakhs in 2007. However, the geo-graphic distribution of ITIs remained skewed with South and West Zones accounting for 67 per cent of private and government ITIs catering to 51 per cent of the population with 60 per cent of seating capacity and North and East Zones accounted for 33 per cent of ITIs catering to 49 per cent of population with 40 per cent of seating capacity. Even within each zone, there are significant state-wise variations.

Initiatives taken for Upgradation of ITIs during XI Plan

19. In addition, the quality of training at ITIs has been improved by up gradation

of ITIs through following schemes and creation of Centers of Excellence by introducing multi-skilling courses:

- Government has embarked on the strategic objective of modernizing and improving the quality of training in Government run ITIs, with involvement of stakeholders. Action has been taken for upgradation of 100 ITIs from domestic resources to create “Centers of Excellence” for producing multi-skilled workforce of world standards.
- Vocational Training Improvement Project (VTIP) was taken up with the assistance of World Bank with a total cost of Rs.1581 crore, which inter alia, envisages up-gradation of 400 ITIs. For this project, Central Government shares 75% of the expenditure and states put in the remaining 25%. However for North Eastern States, Central Government provides 90% and NE State put in only 10% from their side. An amount of Rs 1314 crore has been released till March 2013 (including equivalent State share)
- DGE&T also implemented a scheme to upgrade the remaining 1396 ITIs under public-private partnership. This scheme was launched during 2007-08 for the XI Plan period with an outlay of Rs. 3550 crore. The release of fund under the scheme had come to an end on 31st March, 2012. To manage the functioning of the ITI, an Institute Management Committee (IMC) headed by an industry partner is constituted with five members from the industry, five members from the Government and Principal as Member Secretary. The Institute Management Committee is registered as a society and academic and financial powers are delegated to the IMC societies for day to day functioning of the ITI. IMC functions as an autonomous management. It prepares an institute development plan (IDP) which lays down the road map for the modernization of the Institute. An amount of upto Rs. 2.5 crore is released to IMC of each ITI as interest free loan repayable in 20 equal annual installments in 30 years after a moratorium of 10 years. Apart from the financial and academic autonomy, the IMCs are also allowed to determine 20% admissions in the ITI as management quota seats. An interest free loan of Rs. 3067.50 Crore has been released for up gradation of 1227 ITIs during the XI Five year Plan.

Apprenticeship Training

20. Under the provisions of the Apprentices Act, 1961, the Apprenticeship Training is provided on the job in industry to school leavers and ITI pass outs with an objective to provide skilled workers for the industry in 252 designated trades. There are four categories of apprentices namely; trade apprentice, graduate, technician and technician (vocational) apprentices. Qualifications of trade apprentices vary from class VIII pass to XII class (10+2) system. Period of training varies from 6 months to 4 years. Central Apprenticeship Council is an apex statutory tripartite body which advises the Government on laying down of policies and prescribing norms & standards in respect of Apprenticeship Training.

21. DGE&T is responsible for monitoring of the implementation of the Act in respect of Trade Apprentices in the Central Government Departments &

Undertakings. The monitoring is done through six Regional Directorates of Apprenticeship Training located at Kolkata, Mumbai, Chennai, Hyderabad, Kanpur & Faridabad. State Apprenticeship Advisers are responsible for monitoring of implementation of the Act in respect of Trade Apprentices in State Government Undertakings/Departments and Private Establishments. Department of Higher Education, Ministry of HRD is responsible for implementation of the Act in respect of Graduate, Technician & Technician (Vocational) Apprentices. This is done through four Boards of Apprenticeship Training located at Kanpur, Kolkata, Mumbai & Chennai.

22. It is obligatory on the part of employers both in Public and Private Sector establishments having requisites training infrastructure as laid down in the Act, to engage apprentices. At present 254 groups of industries and 27,000 establishments are covered under the Act. A total of 2,23,137 training seats for the trade apprentices have been utilized against 3,37,111 seats identified under the Act. Provision of stipend has also been made for trainees, under the Act.

Major Activities Undertaken During XI Plan

(i) As recommended by the Task Force constituted by the Planning Commission on Re-modeling India's Apprenticeship Regime and to widen the scope of the Scheme, following amendments were proposed and action was initiated on these recommendations:

- Implementation of apprenticeship training scheme in those organizations which are operating business/trade in more than four States, will rest with Central Government.
- Penal provisions, especially those relating to imprisonment have been reviewed appropriately. Employers who are 'proven' willful defaulters of serious violations be subject to imprisonment. Penalty has been made in case of minor violations.
- Change in the definition of "Worker" under the Act.
- Preference would be given to the apprentice in the employment who has completed the period of his apprenticeship training in his establishment or industry when job opportunities open up in that particular industry or firm.

(ii) Meeting with O/o the Adviser to Prime Minister's National Council on Skill Development on framing a new law on Apprenticeship Training held under the chairmanship of Secretary (Labour & Employment) on 10th December 2012, New Delhi

(iii) The rates of stipend payable to trade apprentices are being enhanced.

Skill Development Initiative

23. With the objective of expanding the out-reach of the training facilities to school dropouts/ and recognizing need for prior learning of workers in the

unorganized sector, 'Modular Employable Skills (MES)' programme has been initiated by Ministry of Labour and Employment wherein short duration courses are provided to prospective trainees using both government and private infrastructure. 1,422 modules covering 73 sectors have been developed, 46 Assessing Bodies empanelled for conducting assessment, 3331 Vocational Training Providers (VTPs) registered on web portal and 7125 total VTP registered so far. 4.81 lakh persons have been trained/tested up to 31.3.2013.

24. A special scheme to train youth of J&K under SDI scheme was launched in 2010-11, to improve the employability of local youth so that they can get relevant skills and access opportunities of decent livelihood. Training cost is fully borne by the Central Govt. Trainees are provided boarding, lodging & travel expenses, if they are required to stay away from their homes. So far 9500 youth of J&K have been trained 5,500 out of J&K State and 4000 within the J&K and a total of Rs. 12.64 crore have been utilized for training them.

Craft Instructor Training Programme

25. Craft Instructor Training Programmes are offered through one Central Training Institute and 6 Advanced Training Institutes (ATIs), at Ludhiana, Kanpur, Chennai, Howrah, Mumbai and Hyderabad with a view to provide comprehensive training both in skill development/up-gradation and training methodology. To make training programme more flexible, modular pattern of Craft Instructor Training in place of conventional one year training has been introduced in CTI and ATIs with effect from session starting from Aug 2009. ATI (EPI), Hyderabad and Dehradun have also started Craft Instructor Training from session starting from August, 2010. The total seating capacity of these institutes is 1600 trainees per year.

26. The shortage of quality trainers remains a cause of concern which needs to be addressed urgently by capacity enhancement for Training of Trainers under Directorate General of Employment and Training.

Women Training

27. DGE&T paid special attention for overall development of women. Skill Development Courses exclusively for women are being offered under CTS through 1409 Government & Private ITIs with intake capacity of 74,124. However Basic, Advanced, Instructors skill training and Short-term courses are offered at 1 NVTI and 10 RVTIs exclusively for Women with about 3764 training seats. Training courses are offered in the diversified skill areas. To further increase the opportunities/facilities available to women, four new trades viz. Interior Design & Decoration, Catering & Hospitality, Tourism & Travel Management and Computer-aided Embroidery & Needle work were introduced in these institutes during the year 2009-10. Trainers Training Programme has been introduced under modular pattern in place of long-term advanced and post-advanced programmes.

Challenges ahead suggested measures for improving employability of youth

28. The above developments during the XI Plan coupled with increasing dynamism in the global & domestic economy has significantly changed the scenario for the XII plan period ahead. The workforce not only needs to be trained to meet the requirement of all sectors and all kinds of jobs but also linking them to job opportunities and market realities. This would facilitate transformation of young population into a productive workforce engaged in economic activities and not unproductive activity. Some of the areas that merit attention are:

29. While planning to deal with the changed scenario, various issues and challenges have been identified which are required to be addressed for realization of the targets and objectives. The challenges are broadly classified under the following heads:-

- (I) Expansion of Outreach & Equity
- (II) Quality and Relevance
- (III) Institutional Mechanisms
- (IV) Systemic Reforms

(I) Quantitative expansion of outreach and equity access:

- During the Twelfth Five Year Plan (2012–17), 50 million non-farm employment opportunities are proposed to be created and at least equivalent number of people would be provided skill certification. The existing annual training capacity in the country is 4.5 million. It needs to be more than doubled to achieve the target.
- Providing opportunities of Skill Development to all sections of society including women and disadvantaged sections such as SCs, STs, OBCs, minorities and economically challenged and disabled persons of society is necessary to achieve faster and inclusive growth. Also providing skill development opportunities in rural areas, hilly areas, border and difficult areas, naxal affected and remote areas of the country by enhancing their access to training; improving employability and increasing employment opportunities for them is essential for development of a just and equitable society.

(II) Quality and relevance: Issues in Quality and relevance are as under:-

- **Quality and relevance** of skill development are key to India's global competitiveness as well as improving an individual's access to decent employment. For enterprises to compete in the global economy, the quality of training must reach internationally comparable standards and be relevant to the needs of national and international markets. To increase the relevance with future employment market including promotion of self-employment, soft skills and entrepreneurship skills need to be made integral part of skill development which will also help in improving the employability of individual.
- **Demand & Supply:** Another important issue in skill development is mismatch between the demand and supply of skills. Presently, the labour

market is facing a strange situation, where on the one hand, an employer does not get manpower with requisite skills and on the other millions of job seekers do not get employment. Mismatch between the supply and demand of skills is costly both for the economy and for the individual.

- **Low industry participation:** Sector Skills Council are being set up to make the skill development system relevant and driven by labour market signals. It is necessary to increase participation of Trade Unions and industries through Sector Skill Councils. Functions of SSCs include identification of skill gaps, preparation of Skill Development plans and establishment of well-structured sector specific Labour Market Information System to assist planning and delivery of training resulting in enhanced employability as well as employment.
- **Shortage of Trainers:** There is an urgent need for improving the quality and size of trainer resource. The success and sustainability of any training scheme depends, along with others, upon availability of qualified instructors, Skill up-gradation of trainers, their quality assurance, and improvement of their status in society, which will further improve the quality of training.

(III & IV) Institutional Mechanism and Systemic Reforms:

- **Establishment of Labour Market Information System:** There is no arrangement in country for getting requirement of labour market on real time basis, causing mismatch in demand and supply.
- Establishment of National Vocational Qualifications Framework which will, inter-alia include opportunities for horizontal and vertical mobility between school and technical education, recognition and certification of competencies irrespective of mode of learning.
- Establishment of Quality Assurance Frame work.
- Re-engineering of National Council for Vocational Training having broader mandate and representation
- Setting up of National Board for Testing and Certification.

New Schemes of DGE&T during XII plan period to address the challenges

30. The XII Five Year Plan focuses on faster, sustainable and more inclusive growth which is contingent on availability of skilled human resource for meeting the needs of rapidly growing economy.

Skill Development in 34 Districts Affected by Left Wing Extremism:-

31. The scheme aims to create skill development infrastructure in these districts closer to the people by establishing one ITI and two Skill Development Centers (SDCs) in each district and to run demand driven vocational training courses both long term and short term. This scheme covers states of Andhra Pradesh,

Chhattisgarh, Bihar, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Uttar Pradesh and West Bengal.

32. Until these institutions are set up, DGE&T is supporting skill development of unemployed youth in long term and short term courses in existing ITIs. DGE&T is bearing total cost of training.

Enhancing Skill Development Infrastructure in NE States and Sikkim'

33. The scheme is for the up gradation of 20 existing ITIs in NE States and Sikkim, supplementing infrastructure deficiencies in 28 existing ITIs in NE States and Sikkim. The scheme is 100 percent centrally funded. The scope of the scheme is proposed to be expanded to set up new additional ITIs in NE states.

Kaushal Vikas Yojana

34. To facilitate an accelerated and sustainable transformation and for expansion of outreach of the vocational training **DGE&T is in processes of formulating a scheme “Kaushal Vikas Yojana” to set up 3000 ITIs & 5000 SDCs in PPP mode with consultation of Planning Commission.** These facilities will be created preferably in un-serviced /disadvantaged blocks including hilly, difficult & backward areas so that large unskilled workforce of these areas could acquire skills and are able to mainstream with the workforce in developed regions. Each ITI would train 500 selected trainees in long term courses and each SDC would train 600 persons in short term courses. The above said scheme would be implemented in association with the State Government and necessary steps are being taken to approve the scheme.

Setting Up of 27 ATIs in PPP

35. Country is facing huge shortage of Trainers. Considering an average trainee-instructor ratio of 20:1, Government and Private ITIs require about 60,000 qualified instructors. Currently DGE&T operates 6 ATIs in addition to the 11 NVTI/RVTIs with total capacity of about 1600 trainers per annum. To meet the demand – supply gap for qualified instructors, Govt. of India has decided to set up 27 ATIs at a total cost of Rs. 608.8 crore. Planning Commission has given “In - Principle approval “to implement the Scheme during 12th Five Year Plan.

36. The feasibility report prepared by the Transaction Adviser has been sent to the Planning Commission and meetings have been held with the Planning Commission to finalize the PPP architecture.

Re-Engineering of NCVT and Development of National Vocational Qualification Framework”

37. National Policy for Skill Development envisaged to strengthen NCVT and re-engineered with a broader mandate and representation. The broader mandate will include whole vocational training and skill development programme, wherever it may lie, and provide policy advice and coordinate with the whole national skills development system, cutting across jurisdictional boundaries of

different ministries and Central and State governments. NCVT has also been mandated by the National Skill Development Policy “to design, develop, and maintain” NVQF. An NVQF is essentially framework which classifies and registers qualifications, according to a set of nationally agreed standards/criteria for levels of learning/skills obtained

38. Working Group on Skill Development & Training for the XII Plan recommended inclusion of above scheme during XII plan. Accordingly, a Scheme titled “Re-Engineering of NCVT and Development of National Vocational Qualification Framework” is being formulated for implementation during XII plan period.

39. **International Cooperation:** The objective of the scheme is to bring international best/alternative practices of Skill Development to strengthen Vocational Training & Skill Development of the country qualitatively, thereby creating a work force/pool of skilled persons with high competency & productivity thus ensuring decent employability, international comparability and competitiveness.

40. **E-learning and Distance Learning:** The objective of the scheme is expansion of outreach and capacity of Skill Development through e-learning and distance learning facilities.

41. **Issues for deliberation:**

- (i) Implementation of National Policy on Skill Development by all Stake holders for expansion of outreach, equity and access, promoting participation of women, SC/ST, OBC and minority in skill training.
- (ii) Regional Imbalances in skill development infrastructure.
- (iii) Strategy to address the socio-economic (SC/ST/OBC, Minorities and BPL etc.); rural-urban, gender divides.
- (iv) Financial support to Private ITIs for Infrastructure Upgradation and Quality improvement
- (v) National Skill Qualifications Framework which will inter alia include opportunities for horizontal and vertical mobility between school and technical education, Recognition of prior learning and certification of competencies irrespective of mode of learning. Participation, roles and responsibilities of Industries and TUs are very important.
- (vi) Establishment of a well-structured sector specific Labour Market Information System (LMIS) to assist planning and delivery of training.
- (vii) Strengthening research and development in the field of Skill Development in line with system followed in developed countries.

- (viii) Strengthening international cooperation in field of Skill Development to bring global standards in Skill Development.
- (ix) Strategize the action to address the chronic shortage of quality trainers, to ensure that investment in terms of money and infrastructure is fully utilized.
- (x) Apprentice training/on-the-job training as a route to skill development and as reliable source of skilled personnel for addressing both un-employability and unemployment problems. Greater participation of stake holders/private industries in Apprenticeship Training.
