

**GOVERNMENT OF INDIA
SKILL DEVELOPMENT AND ENTREPRENEURSHIP
LOK SABHA**

UNSTARRED QUESTION NO:2826
ANSWERED ON:10.12.2014
BENEFICIARIES OF SKILL DEVELOPMENT
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Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:

- (a) Whether the Government has evaluated the functioning of existing skill development programmes, especially NSDC and STAR and if so, the findings of the study and the action contemplated by the Government to strengthen the activities of NSDC and STAR;
- (b) Whether the Government proposes to create a National Database related to skill development and establish coordination among different Ministries/ Departments/State Governments/NSDC and private sector for success of plans related to skill development; and
- (c) If so, the details thereof and the details of plans, if any, to link SCs/STs/OBCs/minorities & women to skill development schemes?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP (SHRI RAJIV PRATAP RUDY)

(a) Yes Sir, the Government had through National Skill Development Agency (NSDA), conducted an independent evaluation of the STAR scheme in April and May 2014. The executive summary of the findings of the study are enclosed as Annexure A.

(b) & (c) Yes Madam, the Government proposes to create a National Database related to skill development and establish coordination among different stakeholders. The objective of the database would be to produce Labour Market Information System (LMIS) as per global standards and to create a national level system to assess true vacancies/job opportunities in the industry and a linked National Skills Registry. A National Steering Committee on LMIS has been notified for providing policy directions in the process of development of National LMIS. The module for training providers to register has already become active along with trainee registration forms. Affirmative action to ensure that persons from disadvantaged socio-economic groups benefit from skill development would be one of the mandates of the ministry.

Annexure

Synopsis of Executive Summary Independent Evaluation of STAR by NSDA in Apr/May 2014

Independent Evaluation of the STAR Scheme Done by NSDA in April and May 2014

The evaluation showed that there are major issues with the way the Scheme is being implemented. Furthermore, since the vast majority of the trainees are using the reward money to fund the training costs, the scheme is operating not as a monetary reward scheme for persons who get skilled and certified, but as a scheme to fund training costs. Since many schemes of the Government of India being implemented through the Ministries, already do this, many in a manner that ensures outcomes in terms of employment, the utility of this scheme, with no focus on outcomes beyond certification, has to be reviewed. The study involved

Use of Random Sampling to identify candidates who were surveyed in April/May 2014.

At that time, 6,00,217 candidates had enrolled for the Scheme according to the online monitoring system (Skill Development Management System or SDMS used by NSDC) Widespread dissatisfaction with the SDMS was also reported – as being too slow, and not designed to capture essential socio-economic data regarding the beneficiaries. Security features of the SDMS were also questioned.

Summary of Findings and Conclusions:

Sector-wise: Two sectors, viz., Retail & IT/ITES, account for 69% of total enrolments

Training Provider-wise:

o Only 17 training providers account for 50% of total enrolments. o 60% of the TPs are affiliated to just one SSC - Retail

Job Roles – 54% of candidates are enrolled for only 3 Job Roles -.

Geographical Spread – Benefits of scheme went to more prosperous states

Of candidates who indicated their caste categories, SCs and STs in aggregate account for only 16% of the beneficiaries

Minorities – All minority communities in aggregate account for 12% of the beneficiaries

51.6% of candidate respondents were doing either graduation, were graduates or post graduates (when the scheme was supposed to focus on L1 to L4 – corresponding to Class XII).

Of the 72% of respondent candidates who have appeared for assessment, only 24% of candidates received their result.

Against the Scheme requirement of results being uploaded 2 working days of completion of the assessment, 67% of candidates were waiting for 20 days or more to receive their results.

Some of the responses received from candidates point to anomalies in the Scheme:

o There are persons who are either working or are already undergoing some training of their own accord. Their names are being added as STAR beneficiaries and a small amount paid to them if they pass the tests

o Candidates are being asked to sign debit notes as part of the account opening formalities – and the reward money coming to their accounts is being taken away by the training providers

Of those who got their results, only 24% have received certificates and less than 18% have received monetary reward. This is despite the fact that 80% candidates reported having bank accounts, and 91.3% stated they had Aadhar numbers Synopsis of Executive Summary Independent Evaluation of STAR by NSDA in Apr/May 2014

Even after declaration of results, 75% of successful candidates were waiting for more than 20 days to receive certificate and monetary reward.

NSDC provided a list of 18537 candidates who are supposed to have received the reward money. Sample from this list showed that

o 16% of the candidates have not even received their results.

o Of those who had got their results, only 54% have received certificate and 59.5% have received reward money. But of the actual sample only half of the candidates received reward money.

o Of those who received reward money, 59.1% of the candidates reported receiving amount less than Rs. 5000/- whereas minimum reward is Rs. 7500 as per the Scheme.

On Training Providers (TPs)

66% of the candidates named a training provider which was different from that recorded in the SDMS –

o Large-scale franchising is happening. All training providers denied any subfranchising is taking place, though complaints received suggest otherwise. o Training providers are supposed to be accredited with the SSCs and NSDC after a due process. However, permitting accredited TPs to franchise in this way raises issues about the validity of accreditation.

??Even the Training providers confirmed that almost 70% of training centres are operating under franchised arrangements