

**STANDING COMMITTEE ON LABOUR**

**(2018-19)**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP**

**[Action taken by the Government on the Observations/  
Recommendations of the Committee contained in their Thirty-  
Sixth Report (Sixteenth Lok Sabha) on 'Demands for Grants  
(2018-19)' of the Ministry of Skill Development &  
Entrepreneurship]**

**FIFTIETH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**February, 2019/ Magha, 1940 (Saka)**

# **FIFTIETH REPORT**

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**(2018-19)**

**(SIXTEENTH LOK SABHA)**

### **MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP**

**[Action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-Sixth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2018-19)' of the Ministry of Skill Development & Entrepreneurship]**

***Presented to Lok Sabha on 07.02.2019***

***Laid in Rajya Sabha on 07.02.2019***



***LOK SABHA SECRETARIAT***

***NEW DELHI***

**February, 2019/ Magha, 1940 (Saka)**

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- II. Analysis of the Action Taken by Government on the Observations/Recommendations contained in the Thirty-Sixth Report (Sixteenth Lok Sabha)

**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR**  
**(2018-19)**

**DR. KIRIT SOMAIYA - CHAIRPERSON**

**MEMBERS**

**Lok Sabha**

2. Shri Udayanraje Pratapsingh Bhonsle
3. Shri Rajesh Kumar Diwakar
4. Shri Ashok Kumar Dohrey
5. Shri Satish Chandra Dubey
6. Shri Devajibhai Govindbhai Fatepara
7. Shri Satish Kumar Gautam
8. Dr. Boora Narsaiah Goud
9. Shri Rama Chandra Hansdah
10. Shri C. N. Jayadevan
11. Shri Bahadur Singh Koli
12. Dr. Arun Kumar
13. Shri Kaushalendra Kumar
14. Shri Hari Manjhi
15. Shri R. Parthipan
16. Shri Dayakar Pasunoori
17. Shri Hariom Singh Rathore
18. Shri Naba Kumar Sarania (Hira)
19. Shri Kodikunnil Suresh
20. Shri Mulayam Singh Yadav
21. Vacant

**Rajya Sabha**

22. Shri Ram Narain Dudi
23. Shri N. Gokulkrishnan
24. Shri Nazir Ahmed Laway
25. Shri P.L. Punia
26. Shri Rajaram
27. Shri Amar Shankar Sable
28. Ms. Dola Sen
29. Dr. Banda Prakash
30. Shri Akhilesh Prasad Singh
31. Shri Madanlal Saini

**SECRETARIAT**

- |                         |   |                     |
|-------------------------|---|---------------------|
| 1. Ms. Rimjhim Prasad   | - | Joint Secretary     |
| 2. Shri P.C. Choulda    | - | Director            |
| 3. Shri C. Vanlalruata  | - | Additional Director |
| 4. Shri Kulvinder Singh | - | Under Secretary     |

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Labour (2018-19) having been authorized by the Committee do present on their behalf this Fiftieth Report on 'Action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-Sixth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2018-19)' of the Ministry of Skill Development & Entrepreneurship.

2. The Thirty-Sixth Report was presented to Lok Sabha and laid in Rajya Sabha on 13<sup>th</sup> March, 2018. The Ministry of Skill Development and Entrepreneurship furnished their replies indicating Action Taken on the Observations/ Recommendations contained in the Thirty-Sixth Report on 23<sup>rd</sup> August, 2018. The Committee considered and adopted the Draft Report at their sitting held on 06.01.2019.

3. An analysis of the action taken by the Government on the Observations/ Recommendations contained in the Thirty-Sixth Report of the Standing Committee on Labour (Sixteenth Lok Sabha) is given at Appendix-II.

4. For ease of reference, Observations/ Recommendations of the Committee have been printed in thick type in the body of the Report.

**New Delhi;**  
**6<sup>th</sup> February, 2019**  
***17<sup>th</sup> Magha, 1940 (Saka)***

**DR. KIRIT SOMAIYA**  
**CHAIRPERSON,**  
**STANDING COMMITTEE ON LABOUR**

## CHAPTER-I

### REPORT

This Report deals with action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty - Sixth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2018-19)' of the Ministry of Skill Development & Entrepreneurship.

2 The Thirty - Sixth Report was presented to Lok Sabha and also laid in Rajya Sabha on 13<sup>th</sup> March, 2018. It contained 12 Observations/Recommendations. Replies of the Government in respect of all these Recommendations have been received and are categorized as under:-

(i)	Observations/Recommendations which have been accepted by the Government – <b>Rec. Para Nos. 16, 23, 50, 51, 52, 58 and 63</b>	<b>Total:7</b> <b>Percentage:58.33</b>
(ii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply – <b>NIL</b>	<b>Total:00</b> <b>Percentage:00</b>
(iii)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – <b>Rec. Para No. 49 and 54.</b>	<b>Total:02</b> <b>Percentage:16.7</b>
(iv)	Observations/Recommendations in respect of which replies of the Government are interim in nature – <b>Rec. Para No. 15, 53 and 68</b>	<b>Total:03</b> <b>Percentage:25</b>

**3. The Committee desire that Action Taken Notes in respect of Observations/Recommendations contained in Chapter I and final action taken reply in respect of the Recommendation contained in Chapter V of this Report, for which interim reply has been given by the Government, may be furnished to them at the earliest.**

**I. Diminishing Number of Candidates under Pradhan Mantri Kaushal Vikas Yojana – PMKVY**

**(Recommendation Para No. 49)**

4. In their original recommendation, the Committee had observed as under:

"The Committee note that the PMKVY was launched in 2015 and owing to its successful first year of implementation, the Union Cabinet approved the scheme for further four years i.e from 2016 to 2020 to impart skilling to one crore youth of the country with an outlay of ₹12,000 crore. However, the Committee note with concern that under the Centrally sponsored Centrally Managed (CSCM) component of the scheme, the figures furnished for candidates pertaining to target allocated, enrolled, trained, assessed, certified and finally placed show a diminishing pattern, since as on 12.12.2017, target allocated under CSCM component was 25,06,500 against which candidates enrolled were 14,10,753, trained 9,40,983, assessed 8,11,821, certified 6,75,752 and finally placed 2,43,178 only, latest figures of finally placed candidates was 3.49 lakh. In this regard, the Ministry sought to justify by stating that the whole cycle of skill development training (enrollment - training - assessment -certification - placement) completes over a period of time but diminish in its variables naturally at single point of time. In this regard, the Committee would like to draw the attention of the Ministry to their specific recommendation in the 16th Report of Demands for Grants (2016-17) that as far as possible there should be no gap between the number of candidates enrolled and those who actually completed their training. The earlier Committee (2015-16) had also recommended for initiating necessary steps to motivate candidates to complete their training. However, the Committee regret to note that only around 9 lakh candidates were trained against the 25 lakh enrolled candidates which shows that the Ministry could not overcome this shortfall in the PMKVY so far. The Committee therefore desire that concrete steps be taken to arrest the figures of diminishing candidates in each and every step of the PMKVY. They are concerned about finally placed figure of just around 3.49 lakh candidates, which negates the very objective of skill training. The Committee recall the Ministry's submission during last year's Demands for Grants report that once adequate volume of data regarding placements is available with the TPs, they shall be able to take policy decisions for corrective measures. The Committee desire to be apprised of the same at the action taken stage".

5. In their Action Taken Note furnished to the Committee, the Ministry of Skill Development and Entrepreneurship have stated as follows:

"Further, under PMKVY 2016-20, as on 16.04.2018, 30.23 lakh candidates have been enrolled. Out of which 25.10 lakh are trained and 5 lakh are undergoing training. This is also in line with the specific recommendation in the 16th Report of Demands for Grants (2016-17) that as far as possible there

should be no gap between the number of candidates enrolled and those who actually completed their training.

Also, the 25.1 lakh trained candidates include 17.9 lakh under Short Term Training and 7.2 lakh under Recognition of Prior Learning. The placement data is reported within 90 days of certification of trained candidate. As on 16.01.2018, 7.65 lakh candidates were certified under STT, out of which, as on 16.04.2018, 4.78 lakh candidates have been placed under various sectors."

**6. The Committee appreciates the concern and efforts of the Ministry to make Pradhan Mantri Kaushal Vikas Yojana (PMKVY) more effective. The Committee feels that the Ministry may take further concrete steps for training as well as placement to be made. More efforts should be made to bridge the gap between skilled candidates and placement is also recommended.**

## **II. Convergence of PMRPY and PMKVY**

### **(Recommendations Para No. 54)**

7. In their original recommendation, the Committee had observed as under:

The Committee note that the PMKVY is being implemented by the Ministry of Skill Development & Entrepreneurship and a similar Scheme *viz*, Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) is being implemented by the Ministry of Labour & Employment. The Committee feel that both the Schemes could immensely benefit once the concerned Ministries coordinate in the implementation of PMKVY and PMRPY. The Committee therefore desire that efforts should be made for the convergence of the two schemes for optimal utilisation of resources and gain to the beneficiaries.

8. In their Action Taken Note furnished to the Committee, the Ministry of Skill Development & Entrepreneurship have stated as follows:

"PMRPY is meant to incentivise the employment by providing benefit of EPS liability of the employers. The aim is to encourage employers for new recruitment and moving informal workers to formal workers by extending social security benefits and to encourage employment generation. Hence, this scheme may indirectly support PMKVY in terms of increasing the pace of skill development, especially placement."



**9. Noting that the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) being implemented by the Ministry of Skill Development and Entrepreneurship and the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) being implemented by the Ministry of Labour & Employment could be of mutually benefit to Ministry of Skill Development & Entrepreneurship and Ministry of Labour & Employment. The Committee had desired that efforts should be made for the convergence of both schemes. In their action taken reply, while acknowledging that PMRPY may indirectly support PMKVY in terms of increasing the pace of skill development, especially placement, Ministry of Skill Development and Entrepreneurship has not forwarded any details of having taken up the issue of convergence of PMKVY and PMRPY as desired by the Committee. The Committee, therefore reiterate that efforts should be made for convergence of these two schemes for utilisation of resources and gain to the beneficiaries and they be apprised of the progress achieved herein.**

## **CHAPTER-II**

### **OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **(Recommendation Para No. 16)**

An ecosystem for skill development, technology and innovation and R&D is critical for the country today. The Committee note that there is no dedicated allocation of funds for conducting Research & Development (R&D) in the field of Skill Development in the country which could be one of the reasons as to why the country is yet to come in the forefront of skilled manpower development. Though the Ministry has informed that there are no budget heads for R&D in any Schemes under the Ministry, the Committee feel that the knowledge level required for Skill Development in various sector in the country needs R&D and thus recommend that Ministry should take initiative and undertake due exercise to get a budget head created for R&D in their Demands for Grants so that funds for R&D could be availed by them and apprise the Committee accordingly.

#### **Reply of the Government**

All wings of the Ministry has been instructed to formulate scheme to encourage Research and Development in the field of skill development and entrepreneurship. In fact, various Wings of the Ministry are already hiring professional institutes from time to time for undertaking market survey/research to enable the Ministry to formulate various policy initiatives. The ICT wing of the Ministry hired national institutes of Economic Research and Development (NIELRD) an autonomous institute under NITI Aayog to evaluate the effectiveness of various Schemes implemented by the Ministry under the umbrella scheme of Polytechnics. Recently, the entrepreneurship wing of the Ministry has hired NIESBUD to conduct a comprehensive study concerning preparation of policy/scheme for providing supports of formulating the informal sector through entrepreneurship promotional the cost of Rs.1 crore.

(MSDE's OM No. H-11013/5/2018-ICT Dated 30.01.2019)

#### **(Recommendation Para No. 23)**

The Committee have already noted in their previous recommendation that BE for the year 2016-17 was ₹1,804.28 crore which was revised upwards to ₹2,173.00 crore at RE however, the BE for the year 2017-18 was ₹3,016.14 crore but was revised downwards to ₹2,356.22 crore at RE stage. The Ministry

sought to justify the same on the grounds such as that (i) the Ministry of Skill Development & Entrepreneurship is a new Ministry created on 9<sup>th</sup> November, 2014, (ii) release of payment to individuals candidates under the PMKVY after successful completion of Skill Training & Certification, (iii) lack of staff to man essential functions (iv) delay in implementation of various quality parameters under the PMKVY-2 of funds, (v) provision of budget for upgradation of existing Government ITIs into Model ITI schemes, *vide* MH 2230 only (vi) delay in setting up of societies under various schemes (vii) late release of funds during the Fiscal year 2016-17 due to low expenditure upto September, 2017 and large unspent balances with the implementing agencies etc. The Committee, in their previous reports, have been emphasising on improving the Ministry's financial performance through proper action plans. While quarterly expenditure plans are in place, they fail to understand the reasons for low achievement levels. Moreover, it is the responsibility of the Ministry to remove all impediments being faced by them for optimal utilisation of funds. As no information is given about the steps taken/ proposed to be taken for the same, the Committee recommend that the Ministry must initiate concrete steps for optimal utilisation of allocated funds and apprise the Committee at the earliest. The Committee expect that as the necessary setup under various schemes in the States has now been established, the PMKVY-2 would gain momentum and the Ministry would be able to fully utilise the allocated funds in future.

### **Reply of the Government**

The Scheme of Pradhan Mantri Kaushal Vikas Yojana-II (PMKVY-II) has already taken off in a big way. During the year 2017-18 Rs.1300 crore was earmarked for the scheme in BE 20 17 -18 which was enhanced to Rs.1730 crore in RE 2017 -18 out of which Rs 1723 crore was spent in the year. During the current financial year, As per provisions UCs provided by NSDC an amount of Rs.700 crore has been spent for training under PMKVY-II. The progress of CSCM component of PMKVY 2016-20, implemented by NSDC, is as under (as on 01.06.18)

Component	Sect or	Job Role	Target Allocated	Enrolled	Trained	Assessed	Certified	Placed
Short Term	33*	199	28,12,215	22,38,392	20,42,017	18,31,493	15,47,365	5,80,967
RPL	31*	198*	39,45,017	7,66,377	7,61,379	6,39,329	5,68,829	NA
Special projects	29*	113	3,51,288	58,465	42,013	30,972	21,817	7,884
Total			71,08,520	30,63,234	28,45,409	25,01,794	21,38,011	5,88,851

\*Non-Zero enrolment as per SDMS dated 1st June, 2018

The Ministry is making all efforts to ensure optimum utilization of allocated fund in the current financial year.

**(MSDE's OM No. H-11013/5/2018-ICT Dated 30.01.2019)**

**(Recommendation Para No. 50)**

As regard, the financial allocation for PMKVY (Central Component) the Committee note that BE for the year 2015-16 was ₹1,000 crore which was reduced to ₹900 crore at RE stage and the actual expenditure was ₹900 crore. For the year 2016-17, the corresponding figures are ₹1,100 crore, ₹1100 crore and ₹550 crore. For the year 2017-18 the corresponding figures are ₹960, ₹1,168 and ₹950.83 crore. Later the BE was enhanced to ₹1,300 crore. Regarding under utilisation of funds during the year 2015-16 and 2016-17, the Ministry have informed that the scheme (PMKVY 2016-20) initially took some time due to which actual utilisation in the financial year 2016-17 was less. According to them, the scheme has now picked up the pace and out of allocated BE of ₹1,300 crore for the year 2017-18, an amount of ₹1,246.30 crore has already been utilised. The Committee hope that the allocated amount would be fully utilised, with special focus on priority States like J&K, North Eastern States and LWE affected States.

**Reply of the Government**

The Observations/recommendations of the Committee are noted for compliance.

Further, under PMKVY 2016-20, an amount of Rs. 1300 Cr. has been earmarked under Budget Estimate 2017-18, which was enhanced to Rs. 1723 Cr. in Revised Estimate 2017-18 and same has been fully utilized during FY 2017-18. Under PMKVY 2016-20, as on 16.04.2018, 30 lakh (appx.) candidates have been trained (17.9 lakh STT + 7.2 lakh RPL) including undergoing training (5 lakh appx.) under Short Term Training, Recognition of Prior Learning. Out of total trained, 1,18,292 candidates are from J&K, North Eastern States and LWE affected States.

Additionally, scheme provides special incentives such as Conveyance support, Boarding & Lodging and Post-placement support to Special Areas (including NE states, LWE districts, J&K and others) and Special Group (Women and PWD).

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/5/2018 ICT dated 30.01.2019)

### **(Recommendation Para No. 51)**

The Committee observe that the Skill Development initiative could be made more effective through e-learning and for the same, infrastructure facility like broadband connectivity, free wi-fi facilities particularly in rural areas, are required. However, while the Government has been going ahead to provide broadband connectivity to all Gram Panchayats under the PMKVY scheme the Committee does not find any component of e-learning. They therefore desire that the Ministry should consider implementing the PMKVY through e-learning also.

### **Reply of the Government**

Government of India is providing high speed optical fibre connectivity to Gram Panchayats under Bharat Net project implemented by Department of Telecommunications, Ministry of Communications and IT.

Further, under PMKVY 2016-20, in the domain of training to candidates, a 40 hours top up module is imbibed for training on using digital facilities. Also, to enhance greater accessibility and outreach, the skilling content has been created and available on NSDC website. Also, Android e-book reader, कौशल ई-पुस्तकालय is available for download on Google Play store.

(MSDE's OM No. H-11013/5/2018-ICT Dated 30.01.2019)

### **(Recommendation Para No.52)**

The Committee express concern over reports on fake skill institutes functioning in the country and in one of their earlier reports have examined the matter in detail. However, the Ministry has informed that no such cases have come to their notice. The Committee recall that the Ministry had informed them about two centres being blacklisted under PMKVY last year out of 200 centres inspected. The Committee hence reiterate their earlier recommendation regarding quality assessment of Training centres and emphasise that the Ministry should recheck/ review the issue particularly after SMART IT application has been set up for accreditation and affiliation of centres, and apprise the Committee at the earliest.

### **Reply of the Government**

Under PMKVY 2016-20, focus on quality of training is significantly enhanced. All accreditation is done by an online portal SMART with inspections done by an independent third party assessment agency. Adding to the improved accreditation process MSDE has initiated a process of continuous monitoring through various channels and mandatory re-accreditation every year. The targets are being assigned to the TCs with a provision for periodic

review. The grading is linked to quality of training, infrastructure availability, training capacity, past performance, geographical location and other relevant parameters.

Further, Ministry of Skill Development and Entrepreneurship (MSDE) has approved penalty grid under the scheme and provisions of penalty grid guides the action that needs to be taken against training centers (TCs) found in non-compliance of PMKVY guidelines. National Skill Development Corporation (NSDC), implementing agency of PMKVY under MSDE, has suspended training centers for non-compliance of PMKVY guidelines on multiple parameters and periodically publish the list on PMKVY official website. As on 23.04.2018, no TC has been blacklisted, however, 207 TCs have been suspended for non-compliance of the guidelines of PMKVY 2016-20.

**(MSDE's OM No. H-11013/5/2018-ICT Dated 30.01.2019)**

**(Recommendation Para No. 58)**

The Committee note that the Ministry is setting up Pradhan Mantri Kaushal Kendras (PMKK) in every district of India as Skill Development and model centres through financial assistance from NSDC. The Committee however, are concerned to note that as in the case of PMKVY, the figures show a diminishing pattern with each and every step in the case of PMKKs also. Against the target of establishing 527 PMKKs, only 310 PMKKs could be established. In Andhra Pradesh, Gujarat, Jharkhand, Telangana, Bihar and Kerala, the number of PMKK established are far below the target. As regard the failure to achieve the target, the Ministry has informed that establishment of PMKKs had to be done in a phased manner as many proposals got rejected during the due diligence process. For ensuring high quality of training through these PMKKs, only proposals qualifying the due diligence process have been allocated districts for establishment of PMKKs. The Committee do agree that for ensuring high quality of training through PMKKs, proposals get rejected but establishment of less than sufficient number of PMKKs in developed States like Andhra Pradesh, Gujarat and Kerala needs to be analysed. The Committee therefore desire that the Ministry should strive to take up and pursue the matter with States as insufficient number of PMKKs would hamper the process of skill training in the country.

### **Reply of the Government**

The Observations/recommendations of the Committee are noted for compliance.

Further, as on 24<sup>th</sup> April, 2018, 451 PMKKs have been established across 27 States in the country. In combined 134 districts of Andhra Pradesh, Gujarat, Jharkhand, Telangana, Bihar, and Kerala, 122 PMKKs have been allocated and 93 PMKKs have been already established. Also, for the coverage of remaining districts across the country for setting up of PMKK, NSDC (implementing agency under Ministry) had invited proposals for establishing 185 PMKKs.

**(MSDE's OM No. H-11013/5/2018-ICT Dated 30.01.2019)**

### **(Recommendation Para No. 63)**

The Committee note that National Apprenticeship Promotion Scheme (NAPS) was launched by the Ministry to incentivise employers who wish to engage apprentices to promote apprenticeship training and a user-friendly on-line portal has also been designed to facilitate easy processing of entire apprenticeship cycle. However, the Committee observed that even after the passage of necessary amendment in the Apprentices Act, 1961, the Apprentices and Training scheme showed a dismal performance of 44 percent only. The Ministry have attributed the same to lack of awareness of amendments made in the said Act among employers as well as apprenticeship training seekers and informed that in this regard, they are organizing awareness campaigns to improve the performance of apprenticeship training and all concerned have been requested to participate in them. The Committee note that the amendments in the said Act were not given wide publicity, which resulted in the dismal performance of the Apprenticeship and Training Scheme. The Committee therefore recommend that the Ministry should continue in their concerted efforts to create enhanced awareness about the scheme so that it picks requisite momentum without loss of time.

### **Reply of the Government**

There is 75% enhancement in the performance of apprenticeship training since amendments made in the Apprentices Act, 1961 in December 2014. The reason for dismal performance of apprenticeship training was because of lack of awareness of amendments made in the Apprentices Act, 1961 among employers. Awareness campaigns are being organized to improve the performance of apprenticeship training. All the establishments having training

facilities have been requested to participate in it. A new scheme National Apprenticeship Promotion Scheme (NAPS) has been launched to incentivize the employers who wish to engage apprentice.

Government of India has made following efforts to tap the unused huge potential available in apprenticeship training in the Country:

- ✓ 14 Third Party Agencies (TPAs) have been appointed to catalyze the apprenticeship ecosystem.
- ✓ Advertisement published in leading newspapers about Apprenticeship Training.
- ✓ 61 Brand Ambassadors on Apprenticeship Training” have been appointed.
- ✓ 77 new courses have been designed by employer as per their requirement and approved by Government in the category of “Optional Trades”.
- ✓ 175 workshops on “Apprenticeship Training” have been conducted by Regional Directorates of Apprenticeship Training. Similar workshops are being conducted by respective States Apprenticeship Advisers.

**(MSDE’s OM No. H-11013/5/2018-ICT Dated 30.01.2019)**



### **CHAPTER-III**

#### **OBSERVATIONS/ RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY**

**NIL**

## **CHAPTER-IV**

### **OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION**

#### **(Recommendation Para No.49)**

The Committee note that the PMKVY was launched in 2015 and owing to its successful first year of implementation, the Union Cabinet approved the scheme for further four years i.e from 2016 to 2020 to impart skilling to one crore youth of the country with an outlay of ₹12,000 crore. However, the Committee note with concern that under the Centrally sponsored Centrally Managed (CSCM) component of the scheme, the figures furnished for candidates pertaining to target allocated, enrolled, trained, assessed, certified and finally placed show a diminishing pattern, since as on 12.12.2017, target allocated under CSCM component was 25,06,500 against which candidates enrolled were 14,10,753, trained 9,40,983, assessed 8,11,821, certified 6,75,752 and finally placed 2,43,178 only, latest figures of finally placed candidates was 3.49 lakh. In this regard, the Ministry sought to justify by stating that the whole cycle of skill development training (enrollment - training - assessment -certification - placement) completes over a period of time but diminish in its variables naturally at single point of time. In this regard, the Committee would like to draw the attention of the Ministry to their specific recommendation in the 16th Report of Demands for Grants (2016-17) that as far as possible there should be no gap between the number of candidates enrolled and those who actually completed their training. The earlier Committee (2015-16) had also recommended for initiating necessary steps to motivate candidates to complete their training. However, the Committee regret to note that only around 9 lakh candidates were trained against the 25 lakh enrolled candidates which shows that the Ministry could not overcome this shortfall in the PMKVY so far. The Committee therefore desire that concrete steps be taken to arrest the figures of diminishing candidates in each and every step of the PMKVY. They are concerned about finally placed figure of just around 3.49 lakh candidates, which negates the very objective of skill training. The Committee recall the Ministry's submission during last year's Demands for Grants report that once adequate volume of data regarding placements is available with the TPs, they shall be able to take policy decisions for corrective measures. The Committee desire to be apprised of the same at the action taken stage.

### **Reply of the Government**

The Observations/recommendations of the Committee are noted for compliance.

Further, under PMKVY 2016-20, as on 16.04.2018, 30.23 lakh candidates have been enrolled. Out of which, 25.10 lakh are trained and 5 lakh are undergoing training. This is also in line with the specific recommendation in the 16th Report of Demands for Grants (2016-17) that as far as possible there should be no gap between the number of candidates enrolled and those who actually completed their training. Also, the 25.1 lakh trained candidates include 17.9 lakh under Short Term Training and 7.2 lakh under Recognition of Prior Learning. The placement data is reported within 90 days of certification of trained candidate. As on 16.01.2018, 7.65 lakh candidates were certified under STT, out of which, as on 16.04.2018, 4.78 lakh candidates have been placed under various sectors.

**(MSDE's OM No. H-11013/5/2018-ICT Dated 30.01.2019)**

### **Comments of the Committee**

For comments of the Committee please refer to Para No.6 of Chapter I of this Report.

### **(Recommendation Para No.54)**

The Committee note that the PMKVY is being implemented by the Ministry of Skill Development & Entrepreneurship and a similar Scheme *viz*, Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) is being implemented by the Ministry of Labour & Employment. The Committee feel that both the Schemes could immensely benefit once the concerned Ministries coordinate in the implementation of PMKVY and PMRPY. The Committee therefore desire that efforts should be made for the convergence of the two schemes for optimal utilisation of resources and gain to the beneficiaries.

### **Reply of the Government**

PMRPY is meant to incentivise the employment by providing benefit of EPS liability of the employers. The aim is to encourage employers for new recruitment and moving informal workers to formal workers by extending social security benefits and to encourage employment generation. Hence, this scheme may indirectly support PMKVY in terms of increasing the pace of skill development, especially placement.

**(MSDE's OM No. H-11013/5/2018-ICT Dated 30.01.2019)**

### **Comments of the Committee**

For comments of the Committee please refer to Para No.9 of Chapter I of this Report.

## **CHAPTER-V**

### **OBSERVATION/RECOMMENDATION IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE**

#### **(Recommendation Para No.15)**

The Committee note that the MSDE has been allocated an amount of ₹3,400 crore only against their proposed amount of ₹7,696.54 crore, for the year 2018-19, which is a drastic cut. The Ministry of Finance has reportedly allocated an amount of ₹3,400 crore considering expenditure trend, unspent balances available with the implementing agencies and availability of fund, implying thereby that owing to lack of requisite efficiency of the MSDE, in the previous years, the Ministry of Finance has made drastic reduction in the BE for the year 2018-19. The Committee recall that in the year 2016-17, the BE was ₹1,804.28 crore which was increased to ₹2,173.00 crore at RE stage but the Ministry could utilise only ₹1,533.09 crore. Similarly for the year 2017-18, the BE of ₹3,016.14 crore was reduced to ₹2,356.22 crore at RE stage and again the expenditure was ₹1,505.65 crore only. The Committee, therefore opine that the Ministry must make concerted efforts for full utilisation of allocated funds in implementing their schemes at all costs, to reverse the trend of under utilisation of funds and get allocation commensurate with what they propose in the next financial year. Further, though the current allocation is 33% more than previous year's RE, the reduction in the BE during the current financial year is going to adversely affect various schemes being implemented by the Ministry. The Ministry have committed before this Committee to closely monitor the expenditure trend, unspent balances with the implementing agencies at the year end and the increase in expenditure in early months of FY 2018-19 so that in case additional demand crops up, more funds could be sought at RE (2018-19) stage. However, the Committee feel that mere close monitoring of the expenditure trend and unspent balances would not serve the purpose and the Ministry will have to come out with a fool proof action plan to avoid any pit falls and a strong monitoring mechanism for optimal utilisation of allocated funds.

#### **Reply of the Government**

All Wings of the Ministry has been instructed to formulate scheme to encourage Research and Development in the field of skill development and entrepreneurship. In fact, various Wings of the Ministry are already hiring professional institutes from time to time for undertaking market

survey/research to enable the Ministry to formulate various policy initiatives. The ICT wing of the Ministry hired national institutes of Economic Research and Development (NILARD), an autonomous institute under NITI Aayog to evaluate the effectiveness of various Schemes implemented by the Ministry under the umbrella scheme of Polytechnics. Recently, the entrepreneurship wing of the Ministry has hired NIESBUD to conduct a comprehensive study concerning preparation of policy/scheme for providing supports of formulizing the informal sector through entrepreneurship promotional the cost of Rs 1 crore

**(MSDE's OM No. H-11013/5/2018-ICT Dated 30.01.2019)**

### **(Recommendation Para No.53)**

The Ministry have informed that as per the guidelines of PMKVY, State-wise allocation of targets have been allocated to the States. However, the Committee note that the achievement differs from State to State. While Maharashtra, West Bengal, Gujarat and Karnataka are showing good progress, J&K, Himachal Pradesh, North East States and all UTs are lagging far behind. They therefore desire that States/ UTs lagging behind may require hand holding to ensure that they achieve the allocated target.

### **Reply of the Government**

The Observations/recommendations of the Committee are noted for compliance.

Further, in this regard it is stated that there are multiple factors associated with different performance achievement of states vis-à-vis implementation of the PMKVY – Centrally Sponsored State Managed (CSSM) component. The progress of the skill development programs in the J&K, North East States and other hilly regions, and some UTs may be not comparable to other States/UTs because their progress is dependent upon the following reasons namely; Robustness of the state level skills ecosystem, Cost dynamics, Accessibility to Training Service Providers, Employer base, Geographical Challenges, Thin Scheme Penetration, Population Density and Seasonal Inaccessibility. Accordingly, for actualising the objective of implementation of PMKVY through States/UTs, MSDE is constantly working on improving various facets of implementation of the scheme with the introduction of various technological support and quality measures. MSDE through NSDC is providing the requisite support to ensure smooth implementation of the scheme. Following efforts have

been made by MSDE with NSDC to provide States/UTs necessary training and handholding:

- To enable and monitor the training lifecycle, NSDC has provided IT enabled platforms to the state skill development missions. States/UTs without a robust SDMS have been given access to NSDC's SDMS. For states that are using their own MIS platform, the excel upload option has been provided, i.e. the states which already have a functional MIS platform ensures desired data-points are shared with NSDC through excel that ensures de-duplication of candidates with the NSDC database and facilitates assessment and certification of trained candidates through SSCs.
- 18 workshops conducted for 27 states/UTs for handholding them and providing them necessary training for SMART and SDMS.
- MSDE through NSDC has ensured availability of qualification packs (QPs) under category 4 and category 1.
- MSDE has simplified the process for Govt. institutions applying on the SMART platform with fees waive off and no 3rd party centre inspection if the online accreditation and affiliation form is submitted by a Gazetted Officer.
- Boarding and Lodging payout to be given for a maximum of 50 percent of the candidates enrolled during the period of 15th June 2017 to 31st March 2018 for North East States, only if the candidate is being trained outside its domicile district.

**(Recommendation Para No.68)**

The Committee note that the Jan Shikshan Sansthan, a ₹500 crore scheme, has been transferred to the Ministry of Skill Development and Entrepreneurship from Ministry of Human Resource Development without any infrastructure, budget and staff and the Ministry has also accepted the transfer of the scheme as the spirit of the scheme is vocational education. In these circumstance the Committee feel that appropriate budget and personnel should have been made available to the Ministry of Skill Development & Entrepreneurship at the time of transfer of the Scheme. They hope that the process has been since initiated. At the same time, the Committee would like to advise that Ministry must pursue the matter at appropriate level for getting the desired funds and infrastructure for running the scheme. The Committee would like to be apprised of the steps taken in this regard by the Ministry.

### **Reply of the Government**

The Observations/recommendations of the Committee are noted for compliance.

Further, for smooth implementation of the scheme, Ministry of Skill Development and Entrepreneurship has requested Ministry of Human Resource Development for transfer of requisite staff and infrastructure. The same has been apprised to the Cabinet Secretariat in reply to Cabinet's communication seeking comments of MSDE on transfer of the JSS scheme.

**(MSDE's OM No. H-11013/5/2018-ICT Dated 30.01.2019)**

**New Delhi;  
6<sup>th</sup> February, 2019  
17<sup>th</sup> Magha, 1940 (Saka)**

**DR. KIRIT SOMAIYA  
CHAIRPERSON,  
STANDING COMMITTEE ON LABOUR**



**STANDING COMMITTEE ON LABOUR**

**(2018-19)**

**Minutes of the Twelfth Sitting of the Committee**

The Committee sat on Wednesday, the 6<sup>th</sup> February, 2019 from 1030 hrs. to 1100 hrs. in Room No. 95-A, Chairperson's Chamber, Parliament House, New Delhi.

**PRESENT**

**Dr. Kirit Somaiya – CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Ashok Kumar Dohrey, MP
3. Shri Satish Chandra Dubey, MP
4. Shri Rama Chandra Hansdah, MP
5. Shri C. N. Jayadevan, MP
6. Shri Kaushalendra Kumar, MP
7. Shri R. Parthipan, MP
8. Shri Hariom Singh Rathore, MP

**RAJYA SABHA**

9. Shri Ram Narain Dudi, MP
10. Shri P.L. Punia, MP
11. Shri Amar Shankar Sable, MP
12. Shri N. Gokulakrishnan, MP
13. Shri Madanlal Saini, MP

**SECRETARIAT**

- |    |                      |   |                     |
|----|----------------------|---|---------------------|
| 1. | Ms. Rimjhim Prasad   | - | Joint Secretary     |
| 2. | Shri P.C. Choulda    | - | Director            |
| 3. | Shri C. Vanlalruata  | - | Additional Director |
| 4. | Shri Kulvinder Singh | - | Under Secretary     |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of the following draft Reports:

- |       |   |    |    |    |
|-------|---|----|----|----|
| (i)   | XX  | XX | XX | XX |
| (ii)  | XX  | XX | XX | XX |
| (iii) | XX  | XX | XX | XX |
| (iv)  | XX  | XX | XX | XX |
| (v)   | Action Taken by the Government on the Observations/<br>Recommendations of the Committee contained in their 36 <sup>th</sup> Report<br>on Demands for Grants (2018-19) of the Ministry of Skill<br>Development & Entrepreneurship; |    |    |    |
| (vi)  | XX  | XX | XX | XX |
| (vii) | XX  | XX | XX | XX |

3. The Committee took up the Draft Reports one by one for consideration/ adoption and adopted the same without any addition/ modification.

4. The Committee then authorized the Chairperson to finalise the Report and present the same to both the Houses.

**The Committee then adjourned.**

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XX Does not pertain to this Report.

(Vide Para No. 3 of the Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THEIR THIRTY SIXTH REPORT OF THE STANDING COMMITTEE ON LABOUR (SIXTEENTH LOK SABHA)**

		<b>Total</b>	<b>Percentage</b>
<b>I.</b>	Total number of Recommendations	<b>12</b>	
<b>II.</b>	Recommendations/Observations which have been accepted by Government <b>(Rec. Sl. Nos. 16,23,50,51,52,58 and 63)</b>	<b>07</b>	<b>58.33</b>
<b>III.</b>	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies- <b>NIL</b>	<b>00</b>	<b>00</b>
<b>IV</b>	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration – <b>(Rec. Sl. No. 49 and 54)</b>	<b>02</b>	<b>16.07</b>
<b>V</b>	Recommendations/Observations in respect of which final replies of Government are of interim in nature -  <b>(Rec. Para No. 15, 53 and 68)</b>	<b>03</b>	<b>25</b>
			<b>100%</b>