

27

**STANDING COMMITTEE ON LABOUR
(2011-2012)**

FIFTEENTH LOK SABHA

MINISTRY OF LABOUR AND EMPLOYMENT

**[Action taken by the Government on the
Recommendations/Observations contained in the Eighteenth
Report (Fifteenth Lok Sabha) on 'Directorate General of
Employment and Training – A Review']**

TWENTY-SEVENTH REPORT



LOK SABHA SECRETARIAT

March, 2012/Chaitra, 1934 (Saka)

TWENTY-SEVENTH REPORT

STANDING COMMITTEE ON LABOUR

(2011-2012)

(FIFTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

**[Action taken by the Government on the
Recommendations/Observations contained in the
Eighteenth Report (Fifteenth Lok Sabha) on 'Directorate
General of Employment and Training – A Review']**

Presented to Lok Sabha on 23.03.2012

Laid in Rajya Sabha on 23.03.2012



LOK SABHA SECRETARIAT

NEW DELHI***March, 2012/Chaitra, 1934 (Saka)*****CONTENTS**

	PAGE(s)
<i>COMPOSITION OF THE COMMITTEE</i>	<i>(iii)</i>
<i>INTRODUCTION</i>	<i>(iv)</i>
CHAPTER I Report.....	
CHAPTER II Recommendations/Observations which have been accepted by the Government.....	
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply.....	
CHAPTER IV Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.....	
CHAPTER V Recommendations/Observations in respect of which replies of the Government are interim in nature	

APPENDICES

- I. Minutes of the sitting of the Committee.
- II. Analysis of the Action Taken by Government on the Recommendations contained in the Nineteenth Report

(Fifteenth Lok Sabha)

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2011-12)

SHRI HEMANAND BISWAL - CHAIRMAN

2. Shri Raj Babbar
3. Shri Dara Singh Chauhan
4. Dr. Virendra Kumar
- **5. Shri Pakauri Lal
6. Shri Narahari Mahato
7. Shri Hari Manjhi
8. Shri P. Balram Naik
9. Ms. Mausam Noor
10. Shri Jayaram Pangi
11. Shri Sanjay Dina Patil
12. Shri S. Pakkirappa
13. Shri Mahendra Kumar Roy
14. Ms. J. Shantha
15. Shri Bhausahab Rajaram Wakchaure
- *16. Shri Konakalla Narayana Rao
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

RAJYA SABHA

22. Shri D. Bandyopadhyay
23. Shri Mohd. Ali Khan
24. Shri Aayanur Manjunatha
25. Dr. E. M. Sudarsana Natchiappan
26. Shri Rudra Narayan Pany
27. Smt. Renubala Pradhan
28. Shri Ranbir Singh Parjapati
29. Shri Rajaram
30. Shri Praveen Rashtrapal
31. Shri G. N. Ratanpuri

* Nominated *w.e.f* 25th November, 2011.

** Ceased to be Member of the Committee consequent upon his nomination to Standing Committee on Coal & Steel *w.e.f.* 3rd January, 2012.

SECRETARIAT

1. Shri Devender Singh - Joint Secretary
2. Shri Ashok Sajwan - Additional Director
3. Smt. Bharti S. Tuteja - Under Secretary

INTRODUCTION

I, the Chairman of the Standing Committee on Labour having been authorised by the Committee to submit the Report on their behalf, do present this Twenty-Seventh Report on the action taken by the Government on the recommendations contained in the Eighteenth Report of the Standing Committee on Labour (Fifteenth Lok Sabha) on 'Directorate General of Employment and Training -A Review' of the Ministry of Labour and Employment.

2. The Eighteenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 30.08.2011. The Ministry of Textiles furnished their replies indicating action taken on the recommendations contained in that Report on 29th November, 2011. The Report was considered and adopted by the Standing Committee on Labour at their sitting held on 24.2.2012.

3. An analysis of the action taken by Government on the recommendations contained in the Twentieth Report of the Standing Committee on Labour (Fifteenth Lok Sabha) is given in Appendix-II.

4. For the facility of reference and convenience recommendations/observations of the Committee have been printed in thick type in the body of the Report.

**New Delhi;
BISWAL**

HEMANAND

21st March, 2012

CHAIRMAN,

1 Chaitra , 1934 (Saka)

LABOUR.

STANDING COMMITTEE ON

CHAPTER-I

REPORT

This Report of the Committee deals with the action taken by the Government on the recommendations contained in the Eighteenth Report (Fifteenth Lok Sabha) on 'Directorate General of Employment and Training – A Review' of the Ministry of Labour and Employment'.

2. The Eighteenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 30.08.2011. It contained 21 recommendations. Replies of Government in respect of all the recommendations have been received and have been categorized as under:-

- (i) Recommendations/Observations which have been accepted by the Government.

Paragraph Sl. Nos.4.2, 4.4, 4.5, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.18 and 4.19.

**Total-15
Chapter-II**

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply.

	Paragraph Sl. Nos. NIL	Total-NIL Chapter-III
(iii)	Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.	

	Paragraph Sl. Nos. 4.3,4.20,4.21	Total-3 Chapter-IV
(iv)	Recommendations/Observations in respect of which replies of the Government are interim in nature.	

Paragraph Sl. Nos.4.1, 4.6, and 4.17.

**Total-3
Chapter-V**

3. The Committee desire that action taken notes in respect of recommendations contained in Chapter I and final action taken notes in respect of recommendations contained in Chapter-V for which only interim replies have been given by the Government may be furnished to them at the earliest and in any case not later than 3 months of the presentation of the Report.

4. The Committee will now deal with the action taken replies of the Government which need reiteration or merit comments.

(Recommendation at Para No.4.3)

5. The Committee strongly felt that making registration compulsory will be beneficial for the job seekers as it would enable them to get the alerts about job opportunities once the Exchanges

are computerized, make them eligible for unemployment allowance in the States where it is paid, benefit Employment Exchanges as their data about the unemployment situation in the country would be automatically updated and boost the Government's Employment Market Information (EMI) Programme. The Committee recommended that it should be made mandatory for graduates/degree holders/diploma holders/certificate holders to register themselves with their nearest Employment Exchanges, or alternatively possibility of online registration may be explored wherein the students appearing in their final examination may be given an option by their respective educational institutions to register themselves and the option of opening service branches/centres of the Employment Exchanges in every district post office where the pass-outs can register themselves easily may also be considered.

6. In the action taken reply furnished to the Committee, the Ministry of Labour and Employment stated as follows:

"The Committee recommended that registration should be made mandatory for graduates/degree-holders/diploma-holders/certificate-holders to register themselves with their nearest employment exchanges or alternatively online registration wherein the students appearing in their final examination may be given an option by their respective educational institutions to register themselves. The Government may also consider opening of service branches/centres of employment exchanges in every district Post Office. Career Counsellors may also be made available in the service branches. Rozgar Melas organized by the employment exchanges, Member of Parliament of the region may also be informed about it. In this connection, it is informed that these issues were debated in the 35th meeting of the Working Group on National Employment Service in which representatives from the State Governments including Ministry of Labour & Employment participated and after discussing the various pros and cons, it was

agreed that registration should not be made mandatory. At present, the online registration is being done in some of the States and other States are also computerizing their employment exchanges. As soon as the EEMMP Project is implemented, all the employment exchanges in the country will be connected and all the employment related services will be available on just clicking a button service. All the stakeholders i.e. Government, employers, employees, industry and youth will be benefitted. As far as the registration of job-seekers at the time of appearing in final examination of degree/diploma/certificate is concerned, it is not possible at this stage. However, Government of Karnataka has initiated a new model named as HRD Centres. These HRD Centres aim at reducing the mismatch between demand and supply of skilled manpower and providing job-seeker friendly environment at the employment exchanges. A presentation was made in the 37th meeting of the Working Group on National Employment Service recently held in Lucknow during 23rd – 24th June, 2011. It was advised to emulate this model, if other State can replicate it with due concurrence of their respective Governments. The effort of the Government is to provide efficient online services to all Stakeholders so that they are attracted to the Employment Exchanges. However, making registration mandatory will be impossible to enforce."

7. The Committee would like to know the detailed pros and cons of mandatory registration which were discussed in the 35th meeting of the Working Group on National Employment Service. The Committee would also like to be apprised of the details of the HRD model introduced by the Government of Karnataka. The Committee are still of the considered view that mandatory registration would help in utilizing all the facilities meant for the job seekers, in availing unemployment allowance and free career counseling, in getting realistic figures of the educated unemployed in the country and in boosting Employment Market Information (EMI) Programme. The

Committee reiterate their earlier recommendation that registration with Employment Exchanges may be made mandatory and at least, action may be initiated for mandatory registration in the States where computerization of exchanges have already been completed. After doing so, the Committee may be apprised of the bottlenecks faced by the Government in the process and the steps taken to overcome them.

(Recommendation at Para No.4.8)

8. The Committee while recommending that private placement agencies must be regulated and checked impressed upon the Government to review the regulations/guidelines issued for monitoring the working of the placement agencies by the respective State Governments and also to ensure their proper implementation so that the unwitting unemployed youth are not exploited.

9. In the action taken reply furnished to the Committee, the Ministry of Labour and Employment stated as follows:

This is regarding private placement agencies functioning in various parts of the country. The Committee recommended that these agencies must be regulated and checked so that unsuspecting unemployed youth are not fleeced. The Committee also recommended review of regulations/guidelines issued by the Government of India. In this respect, it is informed that such issues are being debated at various levels with much severity. Taking note of deliberations, a Tripartite Committee has been proposed which will re-examine the whole issue relating to private placement agencies and how to regulate/control their illegitimate activities.

10. **The Committee note that that the issue of regulation of private placement agencies is being debated at various levels and a Tripartite Committee has been proposed to examine the whole array of issues relating to private placement agencies and ways to regulate/control their illegitimate activities. The Committee desire that the Tripartite Committee should be constituted without further delay. The Committee may also be apprised of the composition, issues referred and the recommendations made by the Tripartite Committee.**

(Recommendation at Para No.4.9)

11. The Committee were of the view that there was an urgent need for Central Enforcement Machinery and also for formulation of a comprehensive law for regulation of private placement agencies. The Committee also felt that publishers and broadcasters of spurious advertisements dressed up as job opportunities may also be made accountable in case such advertisements are published/broadcasted by them.

12. In the action taken reply furnished to the Committee, the Ministry of Labour and Employment stated as follows:

This is regarding private placement agencies functioning in various parts of the country. The Committee recommended that these agencies must be regulated and checked so that unsuspecting unemployed youth are not fleeced. The Committee also recommended review of regulations/guidelines issued by the Government of India. In this respect, it is informed that such issues are being debated at various levels with much severity. Taking note of deliberations, a Tripartite Committee has been proposed which will re-examine the whole issue relating to private placement agencies and how to regulate/control their illegitimate activities.

13. **Taking note that a Tripartite Committee has been proposed by the Government to re-examine the whole issue relating to private placement agencies and the ways to regulate/control their illegitimate activities, the Committee hope that the said Committee will also consider the issue of publication/ broadcast of fraudulent advertisements and recommend action on such publishers and broadcasters also. The Committee also desire that matters regarding a Central Enforcement Machinery and a comprehensive law for regulating these agencies should also be considered by the Tripartite Committee.**

(Recommendation at Para No.4.11)

14. The Committee while observing that on the one hand, there is higher unemployment amongst the educated and on the other, employers are complaining of lack of skilled manpower. The Committee were of the view that most of the employment opportunities will occur in the unorganized sector and a strategy for training the unorganized sector would need to be worked out. The Committee felt that an extensive survey on the employment opportunities, the skills required, present status, training needs, etc. of the unorganized sector be made and on the basis of the findings, courses and training centres be opened otherwise merely providing training under the MES programme, which is meant for skill upgradation of workers, will not serve the purpose of catering the training needs of the ever-growing informal sector.

15. In the action taken reply furnished to the Committee, the Ministry of Labour and Employment stated as follows:

A. "Steps taken for improvement

The Apex Committee decided to relax the criteria of registration of VTP for Company/Organisation/firms/ in respect of number of

employees and having trained the specified number of persons. Revised eligibility guidelines for selection of VTP are as under:-

1. Vocational Training Providers (VTPs) should be registered based on infrastructure available. Size of the training batches will also be decided on the availability of training infrastructure. The committee also decided that the pre-inspection must take place quickly to avoid delays on account of delays in inspection.
2. In respect to addition of new sectors/modules by VTPs, the Committee decided that, VTP Evaluation Committee (VEC) recommendation is mandatory for inclusion of new sector.
3. Accreditation by Quality Council of India (QCI) within 6 months and get ISO 17024 certification within a year is made mandatory for Assessing Bodies.
4. The batch size for training and assessment has been restricted to 20 for manufacturing sector and 30 for agriculture, allied and service sectors was agreed. But, if some VTPs want to have larger batches they may apply to competent authority with full justification. The request to be decided after inspection to ensure availability of necessary training infrastructure.
5. No assessing body should be permitted to do assessment in a State/UT, if does not have its office/infrastructure available within the State/UT.
6. The Committee decided that all Testing Centres (TCs) declared by ABs prior to assessment should be inspected by a committee comprising of representative of RDAT, State Director and Industry expert. It is also decided to involve the industry associations and trade unions to help in inspection and providing feedback.
7. The Committee decided that training should be conducted only after skill gap assessment is carried out by State/UT

Directorates to ensure placement. The State Govt. should prepare annual training programme for the next financial year and submit to DGET by 31st January based on which resources will be released to State/UT Government.

8. The Committee decided that franchises of the VTPs, ABs, or testing centres should not be permitted at all.

Apart from improving SDI, a decision has also been taken to set up 1500 new ITIs in PPP in unserved blocks of the country and 5000 Skill Development Centers in order to cover youth from rural areas to get skills and meet the requirement of unorganised sector. Subsequently, the number of SDCs will be increased to 50,000 to cover the whole country.

B. Monitoring and Evaluation

- Apex Committee at national level and State Committees at State level advise and guide the project implementation. The Apex Committee is chaired by the Secretary(Labour & Employment), Govt. of India and State Committees will be chaired by concerned Secretary/Principal Secretary to the State Government. These Committees have representatives of major stakeholders.
- Each State Government/UT administration has set up SDI Cell. States/UTs have declared one Govt. ITI as nodal ITI in each district, which coordinates with VTPs and provide support to the assessing bodies in its region.
- VTP would assist trainees in getting employment and track the trainees till they get gainfully employed.
- Post-training evaluation of 1% trainees certified would be done every year.
- In respect of mid-term evaluation, Expression of Interest from Consultancy agencies has been obtained and after making official selection of agency the same will be carried out.

- Web based software would be used for implementation and monitoring of the scheme. It will also act as on-line employment exchange providing job opportunity to the candidates."

16. The Committee note that steps are being taken for the improvement, monitoring and evaluation of VTPs and revised guidelines have been issued for selection of VTPs. The Committee are of the view that a detailed analysis of manpower requirement in terms of numbers, skills and competitiveness in the next decade in both organized and unorganized sectors is essential for these institutes to succeed. The Committee, therefore, reiterate their earlier recommendation that a comprehensive study of the employment opportunities, the skills required, present status, training may be undertaken and on the basis of the findings, courses modified and training centres opened.

(Recommendation at Para No.4.13)

17. The Committee found the State-wise position of vacancies of principals/ instructional staff in the ITIs grim and recommended that immediate steps be taken to fill-up the vacancies preferably by the end of the year 2011.

18. In the action taken reply furnished to the Committee, the Ministry of Labour and Employment stated as follows:

During Mid-term Review of VTIP in April-June 2011, it was observed that there was improvement in filling up of vacant instructors' positions. The States have appointed contract faculty till regular appointments are made. To have quality instructors and

for their retention, many States have raised salary of contract instructors. Filling up of vacant instructor positions is a continuous process. However, in 2010-2011, the percentage instructor in position has improved and some states such as Maharashtra, Madhya Pradesh, Chhattisgarh etc. have around 90% instructor position filled. However for States like Bihar, West Bengal, Jharkhand, J&K etc, where instructor vacancy is high, follow-up action will be taken to expedite filling up of posts.

19. The Committee are happy to note that 90% of instructor positions have been filled in states like Maharashtra, Madhya Pradesh, Chhattisgarh etc. The Committee feel that immediate action should be taken in the States where instructor vacancy position is still not encouraging. The Committee desire that emphasis should be given to recruit regular staff. The Committee would like to be apprised of the success achieved in filling up the vacancies.

(Recommendation at Para No.4.16)

20. While observing that the Central Training Institutes are making payment of TA/DA to the sponsored instructor trainees as per their entitlement Certified by their respective State Governments, the Committee recommended that uniform rate of TA/DA be paid to all the instructor trainees so as to avoid any dissatisfaction and frustration in the minds of those trainees who get lesser TA/DA. The Committee desired that Integrated Finance Division of the Ministry should again take up the matter with the Ministry of Finance to reconsider their earlier decision.

21. In the action taken reply furnished to the Committee, the Ministry of Labour and Employment stated as follows:

TA/DA is paid according to entitlement of State Governments. However according to recommendation of Standing Committee, the proposal for uniform rate of TA/DA be paid to all the instructor

trainees to avoid any dissatisfaction and frustration in the minds of those trainees who get less TA/DA will again be taken up with the IFD and Ministry of Finance.

22. The Committee would like to be apprised of the details of the proposal submitted to the Ministry of Finance and the decision taken by the them in the matter.

(Recommendation at Para No.4.20)

23. The Committee observed that besides upgradation of the existing ITIs, new ITIs/ITCs may also be opened in remote areas of the Country with more emphasis on courses catering to local needs. The Committee desired that needs of the market may also be considered while finalizing the courses to be taught in ITIs /ITCs and in doing so Public Sector Undertakings may also be involved/consulted and that these courses may be reviewed/upgraded every two years. The Committee were also of the view that more autonomy should be given to ITIs in their day-to-day functioning and desired that the Union Government also need to advise the State Governments that they should instead take a more active role in disseminating relevant information, viz., type of training provided, fees, and particularly the dropout, course completion and placement rates of different training institutes/Centres. The Committee were of the view that financial incentives, based on the number of students completing course, the pass rate, the average number of years taken to complete the courses and the placement rate, may be given to well-performing institutes to encourage them.

24. In the action taken reply furnished to the Committee, the Ministry of Labour & Employment stated as follows:

" To set up ITIs and SDCs preferably in remote, hilly, difficult, backward, SC/ST dominated and border, areas, Ministry of Labour & Employment has formulated/ formulating the following schemes:-

1. Kaushal Vikas Yojana (KVV)- To establish 1500 Industrial Training Institutes (ITIs) and 5000 Skill Development Centers (SDCs). This scheme is under formulation.
2. Skill Development in 34 districts Affected by Left Wing Extremism – To establish 34 new ITIs and 68 SDCs in remote areas of 34 Left Wing Affected Districts.

Under the scheme 'Upgradation of 1396 Government ITIs through PPP', the following actions are being taken to complete the upgradation process as scheduled:

- 1.** Monitoring through Quarterly Progress Reports (QPRs) received from the ITIs.
- 2.** Conducting zonal/regional workshops with all stake holders to review the progress of implementation of the scheme.
- 3.** Organizing Capacity Building Training (CBT) for Principals and senior faculty members of ITIs covered under the scheme.
- 4.** Convening of review meetings with the Principal Secretaries/Secretaries of all States/UTs.
- 5.** State Government would be requested to devise innovative training scheme for quality training.
- 6.** Key performance indicators for all ITIs have been introduced and are monitored regularly. These are enrolment rate, drop out rates, pass out rates etc.

Any other follow up action as that would be suggested by the awaited mid-term evaluation study of the scheme."

25. The Committee note that though Government propose to set up 1500 ITIs, yet no steps are being taken to give autonomy to the ITIs in their day-to-day functioning. The Committee agree with the National Knowledge Commission that ITIs need be given more power to strengthen and adapt their training programmes to better meet local market needs. The Committee feel that by giving functional autonomy to the ITIs, the efficiency of these institutions would increase manifold. The Committee reiterate their earlier recommendation that State Governments instead of controlling ITIs should only confine their role in disseminating information about the ITIs viz., types of courses offered, fee structure, relaxation for certain categories, hostel facilities, placement rates, rating of various institutes etc. only. The Committee are of the view that incentives may also be given based on key performance indicators. The Committee, therefore, reiterate that financial incentives may be introduced for providing good quality education i.e. different levels of finance may be allocated to the institutes based on their performance. The Committee further reiterate that emphasis to courses catering to local needs may be given and local Public Sector Undertakings may invariably be involved/consulted while finalizing the courses to be taught in ITIs /ITCs.

(Recommendation at Para No.4.21)

26. The Committee felt that the DGE&T should come out with a status paper at the end of the year on the implementation of the schemes, projects and programmes that required participation of State Governments and Private Entrepreneurs and the Status paper may include the details of the schemes, the targets, achievements, whether implemented effectively by the State Governments/Private entrepreneurs, grading of their participation interest. The Status paper may also be laid in the Parliament.

27. In the action taken reply furnished to the Committee, the Ministry of Labour and Employment stated as follows:

"Updated brochures of all the schemes of DGE&T are being published at regular intervals. The information in these brochures include the details of the schemes, targets, achievements, status of implementation have been included in these brochures. This information is also included in Annual report of the Ministry published every year."

28. The Committee note that the updated brochures of all the schemes of DGE&T are being published at regular intervals and the information in these brochures include the details of the schemes, targets, achievements and status of their implementation. The Committee had desired that a status paper may be brought out on annual basis indicating the schemes, projects, programmes of the DGE&T that required participation of State Governments and private entrepreneurs. The Committee reiterate their earlier recommendation that DGE&T should come out with a status paper on the achievement of targets regarding the schemes, projects and programmes requiring the participation of the state governments and private entrepreneurs annually pointing out the efforts made by /not made by the respective State Governments and private parties in achieving the targets fixed for the year and giving comparative grades to all the State Governments and private entrepreneurs involved in various schemes, projects and programmes of DGE&T on the basis of the interest shown/ efforts made by them in achieving the targets. The Committee further reiterate that such status paper may also be laid in the Parliament.

CHAPETER-II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT.

Recommendation (Sl. No.2 Para 4.2)

The Committee note that out of 969 employment exchanges in the country, 467 have been computerized by the Government till date and the Government have also initiated a mega project, namely, Employment Exchange Mission Mode Project (EEMMP) involving crores of rupees under which all the employment exchanges of the *country are to be interlinked*. The Committee find that the Government have not evaluated the performance of the employment exchanges which have been computerized. On the other hand, the Government propose to computerize all employment exchanges and interlink them too. How, without first having assessed the technical limitations of the employment exchanges so computerized, the Government intend to inter-link them, is beyond the comprehension of the Committee? The Committee recommend that the Government should also undertake a comprehensive review of the computerized employment exchanges. so as to detect the possible shortcomings and nitty-gritty in the system and rectify them at initial stages itself so that EEMMP does not face any technical glitches later on.

REPLY OF THE GOVERNMENT

On the recommendation of the Committee that Government should also undertake a comprehensive review of computerized employment exchanges, it is informed that under EEMMP Project while preparing Detailed Project Report (DPR) “as is Study” was conducted by the Consultant i.e. NISG, a not for profit organization. The States covered under this study include Haryana, Andhra Pradesh, Orissa, Rajasthan and Assam. Thereafter “Bench marking Study” was also conducted in the States of Gujarat and Maharashtra. Besides, a number of meetings were held with the representatives of States/UT Administrations, officers by the Ministry and NISG and Ernst & Young (E&Y) and hence action was taken to study the possible shortcomings and nitty-gritty in the system so that DGE&T may not face any technical glitches while implementing the project.

Recommendation (Sl. No.4 Para No. 4.4)

The Committee note that the Vocational Guidance and Employment Counselling Programme is implemented through 969 Employment Exchanges, 420 vocational Guidance units at Employment Exchanges and 83 University Employment Information and Guidance Bureaus all over the country to help the youths in

career counselling and vocational guidance. The Committee are surprised to note that there is no prescribed qualifications for the recruitment of Career Counsellors. In Committee's view, a Career Counsellor is supposed to be an expert and should not only possess the specific qualification but also be well conversant with the educational patterns, local language, culture and societal values of the State in which he is posted. The Committee are of the firm view that in the absence of these essential prerequisites, a Career Counsellor would not be in a position to guide the candidates appropriately. The Committee, therefore, recommend that the Government prescribe a set of appropriate qualifications for appointment as Career Counsellors. The Committee also recommend that the career literature should also be made available in vernacular languages.

REPLY OF GOVERNMENT

Recommendation has been brought to the notice of State/UT Governments for taking necessary action in this regard (Annexure-A). Career Literature is prepared in English as well as vernacular languages. Regarding appropriate qualification for appointment of Career Counsellors, Government will discuss with the State Governments and prescribe appropriate qualifications after doing due diligence.

Recommendation (Sl. No. 5 Para No. 4.5)

The Committee find *that* the Ministry has not made any provision for payment of unemployment allowance to the persons

registered with Employment Exchanges. However, some States (Chhattisgarh, Haryana, Kerala, Tamil Nadu, Punjab, Puducherry and Jammu & Kashmir) are paying unemployment allowance to the registered unemployed youth. Such incentives, though small, encourage unemployed youth to come forward and register themselves with the Employment Exchanges, which in turn, enables States to analyse the correct employment situation and find ways and means for providing employment to these youths. The unemployment allowance *also helps the* youth to complete their education. The *Committee* strongly feel that payment of unemployment allowance not only helps unemployed youth to sustain in dire situations but also facilitates the Government in getting realistic data of unemployment situation in the country. Though the Union Government is not in favour of providing any unemployment allowance, the Committee, however, desire that it may, at least persuade the rest of the States to emulate the States giving unemployment allowance.

REPLY OF GOVERNMENT

The desire of Standing Committee of paying unemployment allowances to the registered unemployed youth with employment exchanges has been communicated to all the States/UTs.

Recommendation (Sl. No. 7 Para No. 4.7)

The Committee observe that there is no provision for providing financial assistance to the persons interested in self-employment at the level of DGE&T. The Committee note that 23

self-employment promotion cells have been set up to motivate, guide and assist the jobseekers in taking up self-employment. The Committee are of the view that when the job seekers are motivated to take up self-employment they may also be made aware of the benefits available under the Centrally Sponsored Schemes like Prime Minister Employment Generation Programme (PMEGP), Swarn Jayanti Grameen Swarozgar Yojana (SJGSY) and Swarn Jayanti Grameen Shahri *Rozgar Yojana (SJSRY)* which promise financial assistance so that these *job* seekers can avail the financial benefit under these schemes. The Committee recommend that these self-employment promotion cells be set up in every district where the job seekers can be given guidance regarding career opportunities and be informed about the financial assistance available under PMEGP, SJGSY and SJSRY schemes.

REPLY OF GOVERNMENT

Recommendation has been brought in the notice of State/UT Governments for taking necessary action in this regard (Annexure-A).

Recommendation (Sl. No. 8 Para No. 4.8)

The Committee note that a plethora of private placement agencies catering to the recruitment needs of the private employers including those providing domestic helps have mushroomed in the recent past. Some of these private

placement agencies mislead *the unemployed youth*, collect *money from them and vanish into the air*. The Committee strongly recommend that such unscrupulous agencies must be regulated and checked so that the unsuspecting unemployed youth are not fleeced. The Committee also note that guidelines on regulation of private Placement agencies were issued to all the States/UTs by DGE&T on 30.10.2003 and thereafter, it has been left to the respective State Government to frame regulation and/or guidelines for monitoring the working of private placement agencies keeping in view the current scenario and their local needs. The Committee impress upon the Government to review the regulations/guidelines issued for monitoring the working of the placement agencies by the respective State Governments and also ensure their proper implementation so that the unwitting unemployed youth are not exploited.

REPLY OF GOVERNMENT

This is regarding private placement agencies functioning in various parts of the country. The Committee recommended that these agencies must be regulated and checked so that unsuspecting unemployed youth are not fleeced. The Committee also recommended review of regulations/guidelines issued by the Government of India. In this respect, it is informed that such issues are being debated at various levels with much severity. Taking note of deliberations, a Tripartite Committee has been proposed which will re-examine the whole issue relating to private

placement agencies and how to regulate/control their illegitimate activities.

Recommendation (Sl. No.9 Para No. 4.9)

The Committee note that misleading jobs advertisements cause jobseekers a great deal of hardship and difficulty. Some spurious advertisements dressed up as job opportunities have cost job seekers dearly in the past. More so, such advertisements are day-to-day feature of many newspapers. The Committee also note that the issues relating to agencies that are sending people for employment outside the country are handled by Ministry of Overseas Indian Affairs. The Secretary during evidence stated that he would call a meeting of the Ministries of Overseas Indian Affairs and Information & Broadcasting and see what system could be put in place to ensure that at least advertisements which go in the electronic media, in the All India Radio were screened before being published/released. The Committee are of the view that there is an urgent need for a Central Enforcement Machinery and also for formulation of a comprehensive law for regulating these agencies. Besides, publishers and broadcasters of such advertisements may also be made accountable in case a fraudulent advertisement is published/broadcast by them. The Committee would like to be apprised of the response of the Ministries of Overseas Indian Affairs and Information & Broadcasting.

REPLY OF GOVERNMENT

This is regarding private placement agencies functioning in various parts of the country. The Committee recommended that these agencies must be regulated and checked so that unsuspecting unemployed youth are not fleeced. The Committee also recommended review of regulations/guidelines issued by the Government of India. In this respect, it is informed that such issues are being debated at various levels with much severity. Taking note of deliberations, a Tripartite Committee has been proposed which will re-examine the whole issue relating to private placement agencies and how to regulate/control their illegitimate activities.

Recommendation (Sl. No.10 Para No.4.10)

The Committee are of the considered view that in the present scenario there is an urgent need for redrafting of the National Employment Policy so that the public and the job seekers could have fair knowledge or idea of the availability of jobs in the market. The representatives of the Ministry of Labour and Employment stated that they had formulated the National Employment Policy in consultation with all the concerned Ministries. The Committee were informed that the National Employment Policy was almost in the final stages of formulation. The Committee hope that the Ministry will come forward with a comprehensive National Employment Policy once the 12th Plan is finalized.

REPLY OF GOVERNMENT

The National Employment Policy is under consideration of the Government and will be modified as soon as approved.

Recommendation (Sl. No. 11 Para 4.11)

The Committee observe that as per reports, a large proportion of the educated unemployed are first time work-seekers. It appears that the aspirations of the educated are not being met and there could be a number of reasons for this. On the one hand, there is higher unemployment amongst the educated and on the other, employers are complaining of lack of skilled manpower. The Committee note that unorganized sector constitutes about 94% of the workforce in the country. The Committee are of the view that most of the employment opportunities will occur in the unorganized sector and a strategy for training the unorganized sector would need to be worked out. The Committee feel that an extensive survey on the employment opportunities, the skills required, present status, training needs, etc. of the unorganized sector be made and on the basis of the findings, courses and training centres be opened otherwise merely providing training under the MES programme, which is meant for skill upgradation of workers, will not serve the purpose of catering the training needs of the ever-growing informal sector. The Committee, therefore, recommend that a comprehensive study of the unorganized sector and its needs be made and evaluated first and thereafter, steps taken to enhance their employable skills.

REPLY OF GOVERNMENT

C. Steps taken for improvement

The Apex Committee decided to relax the criteria of registration of VTP for Company/Organisation/firms/ in respect of number of employees and having trained the specified number of persons. Revised eligibility guidelines for selection of VTP are enclosed at Annex I.

1. Vocational Training Providers (VTPs) should be registered based on infrastructure available. Size of the training batches will also be decided on the availability of training infrastructure. The committee also decided that the pre- inspection must take place quickly to avoid delays on account of delays in inspection.
2. In respect to addition of new sectors/modules by VTPs, the Committee decided that, VTP Evaluation Committee (VEC) recommendation is mandatory for inclusion of new sector.
3. Accreditation by Quality Council of India (QCI) within 6 months and get ISO 17024 certification within a year is made mandatory for Assessing Bodies.
4. The batch size for training and assessment has been restricted to 20 for manufacturing sector and 30 for agriculture, allied and service sectors was agreed. But, if some VTPs want to have larger batches they may apply to competent authority with full justification. The request to be decided after

inspection to ensure availability of necessary training infrastructure.

5. No assessing body should be permitted to do assessment in a State/UT, if does not have its office/infrastructure available within the State/UT.

6. The committee decided that all Testing Centres (TCs) declared by ABs prior to assessment should be inspected by a committee comprising of representative of RDAT, State Director and Industry expert. It is also decided to involve the industry associations and trade unions to help in inspection and providing feedback.

7. The committee decided that training should be conducted only after skill gap assessment is carried out by State/UT Directorates to ensure placement. The State Govt. should prepare annual training programme for the next financial year and submit to DGET by 31st January based on which resources will be released to State/UT Government.

8. The committee decided that franchises of the VTPs, ABs, or testing centres should not be permitted at all.

Apart from improving SDI, a decision has also been taken to set up 1500 new ITIs in PPP in unserved blocks of the country and 5000 Skill Development Centers in order to

cover youth from rural areas to get Skills and meet the requirement of unorganised Sector. Subsequently, the number of SDCs will be increased to 50,000 to cover the whole country.

D. Monitoring and Evaluation

- Apex committee at national level and State Committees at State level advise and guide the project implementation. The Apex Committee is chaired by the Secretary(Labour & Employment), Govt. of India and State Committees will be chaired by concerned Secretary/Principal Secretary to the State Government. These Committees have representatives of major stakeholders.
- Each State Government/UT administration has set up SDI Cell. States/UTs have declared one Govt. ITI as nodal ITI in each district, which coordinates with VTPs and provide support to the assessing bodies in its region.
- VTP would assist trainees in getting employment and track the trainees till they get gainfully employed.
- Post-training evaluation of 1% trainees certified would be done every year.

- In respect of mid-term evaluation, Expression of Interest from Consultancy agencies has been obtained and after making official selection of agency the same will be carried out.
- Web based software would be used for implementation and monitoring of the scheme. It will also act as on-line employment exchange providing job opportunity to the candidates.

Recommendation (Sl. No. 12 Para No.4.12)

The Committee find that on comparing with other developed economies of the world, the skill base of the Indian economy is far below. As per the data released by NSSO for the year 2004-05, only 2% aspirants in the age group of 15-29 years have undergone formal vocational training. About 8% aspirants have had non-formal vocational training. Hence, it clearly shows that out of the workforce actually entering the world of work, major chunk is captured by higher proportion of un-trained youth. The *Committee are*, therefore, of the view that it has become essential to enhance the infrastructure providing skill development trainings so that all those entrants acquire relevant skills beforehand.

The Committee also are of the *view* that the training centres should be accessible to the would-be-workforce like STD Booths and Internet Cafes which are easily reachable for

delivering low-cost, high quality training to majority of the workers *every* year. The Committee feel that besides getting trained workforce, this initiative would generate more employment in these small businesses. The Committee also find the Australian Government have a well defined system for enhancing the employability through their 'Skills Vouchers Programme'. The Scheme offers the eligible aspirants apply for a voucher which helps them cover the cost of specific types of training. There are two different vouchers on offer: a Business Skills Voucher and a Work Skills Voucher. A prospective trainee has to find out if he or she fits the eligibility criteria for either a Business Skills Voucher or a Work Skills Voucher. To apply *for the applicable voucher, the person can search for an* eligible course as well as for the training organizations approved to deliver it. The system is integrated through the internet for universal access and ease of operations. The Committee, therefore, recommend that an effective system on the above lines should be developed so that the existing as well as prospective youth of the country be trained before their actual entrance in the world of work.

REPLY OF GOVERNMENT

(i) To enhance Skill Development infrastructure for providing necessary training, Ministry of Labour & Employment has formulated/ formulating the following schemes:-

A. Kaushal Vikas Yojana (KVY)- To establish 1500 Industrial Training Institutes (ITIs) and 5000 Skill Development Centres (SDCs). This scheme is under approval.

B. Enhancing Skill Development Infrastructure (ESDI) in North Eastern States & Sikkim – To upgrade 20 ITIs by introducing 03 new trades in each ITI and supplementing deficient infrastructure in 28 ITIs by introducing new hostel, boundary wall and replacing / providing obsolete / deficient tools & equipment of existing trades.

C. Skill Development in 34 districts Affected by Left Wing Extremism – To establish 34 new ITIs and 68 SDCs and to train a total of 5340 youth of Left Wing Affected Districts in various skill training programme.

(ii) All the above new training facilities are about to be created in far flung areas of the country. One SDC will be established in a cluster of 10-12 villages under the scheme KVY. Thus, the schemes aim to create Skill Development facilities so that these easily accessible to would be workforce as well as at the doorsteps of rural youth.

Skill Voucher Programme is being implemented by State of Gujarat. This would be discussed by working group on Skill Development for XII Five year Plan.

Recommendation (Sl. No.13 Para No.4.13)

The Committee note that the State-wise position of vacancies of principals/instructional *staff in the ITIs is grim*. According to the Ministry the matter of vacant posts was discussed in Labour Minister's Conference and during review meetings of Vocational Training Improvement Project. State Governments have also been asked to fill up the vacant posts by appointing guest/contract faculty till these are filled with regular appointments. The Committee are surprised to note that a large number of vacancies still exist. The Committee recommend that steps be taken to fill up these vacancies preferably by the end of the year 2011 and they be apprised about the progress achieved in this regard.

REPLY OF GOVERNMENT

During Mid-term Review of VTIP in April-June 2011, it was observed that there was improvement in filling up of vacant instructors' positions. The States have appointed contract faculty till regular appointments are made. To have quality instructors and for their retention, many States have raised salary of contract instructors. Filling up of vacant instructor positions is a continuous process.

However, in 2010-2011, the percentage instructor in position has improved and some states such as Maharashtra, Madhya Pradesh, Chhattisgarh etc. have around 90% instructor position filled. However for States like Bihar, West Bengal, Jharkhand, J&K etc, where instructor vacancy is high, follow-up action will be taken to expedite filling up of posts.

Recommendation (Sl. No.14 Para No. 4.14)

The Committee are distressed to note that there is around 30% dropout rate in the ITIs. The Ministry admitted that there was a certain percentage of students who could not pass and quit the courses. Though the Government has not **formally** evaluated the reasons **for this** dropout rate yet **the** reasons were stated to be the long duration of courses in Craftsman Training Scheme and Apprenticeship Training Scheme, poor social acceptability of the courses covered in skill training programme and shortage of instructors. The Committee note that the Government has taken various steps such as introduction of modular and multiskilled courses in centre of Excellence Scheme introduction of short term programmes based on modular employable skills. They are of the considered view that a lot still needs to be done in the form of proactive and preemptive action with a view to checking the drop out rate. The Government should also consider making stipends given to the trainees lucrative enough so that they are able to complete the course. The Government may also consider providing soft loans, through public sector banks to the poor and potential

trainees so as to enable them to not only pursue specialized courses but also complete them as well. The Committee also recommend that hostel facility be provided to the rural, tribal students studying in these institutions. Further, the DGE&T need to coordinate with the State Governments, Ministry of Tribal Affairs etc. to explore the possibility of providing funds for construction of these hostels.

REPLY OF GOVERNMENT

- The ITIs are under the administrative control of respective state government. NCVT has made provision for payment of minimum Rs. 100/- as stipend to trainees, there is no cap on upper limit . State Governments can provide stipend lucrative enough so that trainees are able to complete the course.
- Under the scheme “Skill Development in 34 districts Affected by Left Wing Extremism” a total of 5340 youth of Left Wing Affected Districts are proposed to be trained in various skill training programmes with a stipend of paid Rs. 3500/- per trainee/month so that they are able to complete the courses. All the 34 ITIs proposed to be established under this scheme will be having hostel facility. Out of 34 ITIs, 21 ITIs will be established in SC & ST dominated (SC- 3 & ST-18) districts.
- All the 1500 ITIs to be established under the scheme “Kaushal Vikas Yojana (KVV)” would be having hostel facilities.
- To fulfill the requirement of hostel in the ITIs in hilly and difficult areas of North Eastern region mainly with tribal population, 28

hostels are proposed to be built in 28 existing ITIs under the scheme "Enhancing Skill Development Infrastructure in North Eastern States & Sikkim".

- Regarding providing soft loans, through public sector banks to the poor and potential trainees, it would be taken up with Ministry of Finance.

Recommendation (Sl. No. 15 Para No. 4.15)

The Committee observe that refresher courses for trainers are not being held periodically in the absence of which they are unable to update themselves with advancements of changing technologies and availability of information. The Committee strongly recommend that refresher courses for trainers should be held at regular intervals and highly specialized trainings, in public and private institutions and other educational institutions may also be organized for them. The Committee also desire that the Government consider giving incentives to these trainers for attending and successfully completing the training programme. The Committee further impress upon the Government that while framing instructors Training Programme, industry should also be consulted so that their requirements could be addressed and the programmes suitably retailored.

REPLY OF GOVERNMENT

To update the knowledge and skills of trainers with advancements of changing technologies and availability of information, following trainers training courses are being offered at institutes of DGE&T

- (i) Refresher training is provided to update and upgrade the knowledge and skill of the instructors of ITIs, to keep them abreast of technological developments in Industry. Training is also being imparted in advanced modules of multi Skill courses to the instructors of ITIs upgraded as CoE.
- (ii) Training on Quality Management Tools has been also arranged at above institutes for instructors of ITIs, jointly with Quality Council of India w.e.f. November, 2009.
- (iii) To empowering the instructors with ICT skills, Microsoft's project Shiksha was launched jointly with M/S Microsoft in January'2009 for training of instructors of ITIs/ITCs. Around 6711 trainers of ITIs/ITCs have been trained across the country.
- (iv) To make training programme more flexible and adaptable to changing technology, modular pattern of craft Instructor training in place of conventional one year training has been introduced in CTI and ATIs with effect from session started from Aug 2009.
- (v) TA/DA to instructors participating in any of the above course is being paid by Central Government .
- (vi) All the training programmes are designed by a trade expert committee which normally consists of 60% members from industry.

Recommendation (Sl. No. 16 Para No. 4.16)

The Committee observe that the Central Training Institutes are making payment of TA/DA to the sponsored instructor trainees as per their entitlement Certified by their respective State Governments. According to the Ministry, DGE&T had proposed payment of uniform DA to the sponsored instructor trainees from various States by the Central Training Institutes. The Integrated Finance Division of the Ministry of Labour and Employment in consultation with the Ministry of Finance agreed for payment of TA/DA as per State Government norms. The Committee strongly feel that uniform rate of TA/DA be paid to all the instructor trainees so as to avoid any dissatisfaction and frustration in the minds of those trainees who get less TA/DA. The Committee desire that Integrated Finance Division of the Ministry should again take up the matter with the Ministry of Finance to reconsider their earlier decision by conveying the concern of the Committee in the matter. The Committee may be apprised of the final decision in the matter.

REPLY OF GOVERNMENT

TA/DA is paid according to entitlement of State Governments. However according to recommendation of Standing Committee, the proposal for uniform rate of TA/DA be paid to all the instructor trainees to avoid any dissatisfaction and frustration in the minds of

those trainees who get less TA/DA will again be taken up the IFD and Ministry of Finance.

Recommendation (Sl. No. 18 Para No.4.18)

The Committee find that State Governments are paying stipend to SC/ST students in lump-sum that too at the end of the academic year. The Committee are of the firm view that paying stipend in lump-sum and at the end of academic year, defeats the very purpose of the stipend which is to assist the students to meet their academic expenses. The Ministry has asked the State Governments to take remedial measures and pay stipend to the SC/ST students on monthly basis. The Committee would like to be informed whether the State Governments have started paying stipends to SC/ST students on monthly basis. The Committee desire that yearly report also be obtained from States in the matter. The names of States who have so far not started paying monthly stipend to SC & ST students be given in the Annual Report of the Ministry.

REPLY OF GOVERNMENT

All State Governments/UT Administration have been requested to pay stipend to SC/ST trainees on monthly basis. They have also been requested to forward a report on this so that, the information could be incorporation in the Annual Report.

Recommendation (Sl. No. 19 Para No. 4.19)

The Committee find that several reports of the DGE&T, some of them being annual publications pertaining to the year 2007 are being released now. According to the Ministry, the reason for the delay is the time involved in collection of data from other sources. Such a specious argument is not acceptable to the Committee. The Committee believe that these publication contain data and figures for a particular year, which if not brought out in time, lose their relevance and become redundant. The Committee, therefore, recommend that the Government should concentrate on the latest data and old reports now be compiled and brought out in one single consolidated edition to serve academic interest/future reference needs and made available on the Ministry's website.

REPLY OF GOVERNMENT

The publication "Trade Apprenticeship Training in India" as on 31.12.2009 is under approval. So far as Bulletin on Job-opportunities in India" is concerned, the major portion of the report based on the Primary/Secondary data derived from various recruiting agencies viz.. UPSC, SSC, RRB, State Public Service Commissions and UGC/Universities etc. The delay is due to the time taken by these Agencies to furnish the data in time. Secondly , the data based on secondary sources of this report depends on the timely release of such data by these agencies which is beyond control of this Ministry. The annual publication is being released on timely basis now. However, The Annual Employment Review, 2010 has already approved and is under process for printing and the "Bulletin on job opportunities in

India 2009” is under finalization. This report would serve the academic interest/future reference needs as per the recommendation/observation of the Committee.

CHAPTER-III

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

NIL

CHAPTER-IV**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION.****Recommendation (Sl. No. 3 Para 4.3)**

The Committee outright reject the reply of the Ministry that making it mandatory for graduates/professional degree holders/diploma holders, who wish to *apply for jobs* to register with Employment Exchanges, is likely to create lot of repercussions being against the spirit of Article 10 of ILO Convention 88, relating to employment service, which India has ratified. The Committee are of the view that Article 10 should be seen in a positive light, i.e. that all interested parties should take all possible measures to encourage full use of employment service facilities and making registration mandatory would only help job seekers to make full use of employment service facilities. The Committee strongly feel that making registration compulsory will be beneficial for the job seekers as it would not only enable them to get the alerts about job opportunities once the Exchanges are computerized but also make them eligible for unemployment allowance in the States where it is paid. Not only this, mandatory registration will also benefit Employment Exchanges as their data about the unemployment situation in the country *would be automatically* updated and, in turn, boost the Government's Employment Market Information (EMI) Programme. The

Committee, therefore, recommend that it should be made mandatory for graduates/degree holders/diploma holders/certificate holders to register themselves with their nearest Employment Exchanges, or alternatively possibility of on line registration may be explored wherein the students appearing in their final examination may be given an option by their respective educational institution to register themselves. The Government may also consider the option of opening service branches/centres of the Employment Exchanges in every district post office where the pass outs can register themselves easily. The Committee feel that Career Counsellors may also be available in these service branches. The Committee also desire that job melas be organized at regular intervals and such melas may also be organized for the backward classes exclusively. The Committee further desire that Members of Parliament of the region may also be informed of these job melas.

REPLY OF GOVERNMENT

The Committee recommended that registration should be made mandatory for graduates/degree-holders/diploma-holders/certificate-holders to register themselves with their nearest employment exchanges or alternatively online registration wherein the students appearing in their final examination may be given an option by their respective educational institutions to register themselves. The Government may also consider opening of service branches/centres of employment exchanges in every district Post Office. Career Counsellors may also be made available in the service branches. Rozgar Melas organized by the

employment exchanges, Member of Parliament of the region may also be informed about it. In this connection, it is informed that these issues were debated in the 35th meeting of the Working Group on National Employment Service in which representatives from the State Governments including Ministry of Labour & Employment participated and after discussing the various pros and cons, it was agreed that registration should not be made mandatory. At present, the online registration is being done in some of the States and other States are also computerizing their employment exchanges. As soon as the EEMMP Project is implemented, all the employment exchanges in the country will be connected and all the employment related services will be available on just clicking a button service. All the stakeholders i.e. Government, employers, employees, industry and youth will be benefitted. As far as the registration of job-seekers at the time of appearing in final examination of degree/diploma/certificate is concerned, it is not possible at this stage. However, Government of Karnataka has initiated a new model named as HRD Centres. These HRD Centres aim at reducing the mismatch between demand and supply of skilled manpower and providing job-seeker friendly environment at the employment exchanges. A presentation was made in the 37th meeting of the Working Group on National Employment Service recently held in Lucknow during 23rd – 24th June, 2011. It was advised to emulate this model, if other State can replicate it with due concurrence of their respective Governments. The effort of the Government is to provide efficient online services to all Stakeholders so that they are attracted to the

Employment Exchanges. However mailing registration mandatory will be impossible to enforce.

Recommendation (Sl. No. 20 Para No. 4.20)

The Committee note that the DGE&T is in the process of upgradation of 1396 Government ITIs, some through domestic funding, others through World Bank assistance and remaining through Public Private Partnership (PPP) mode. The Committee expect that all the ITIs will be upgraded as per the schedule worked out. Besides upgradation of the existing ITIs, the Committee impress upon the Government that new ITIs/ITCs may also be opened in remote areas of the Country with more emphasis on courses catering to local needs. The Committee desire that needs of the market may also be considered while finalizing the courses to be taught in ITIs/ITCs and in doing so Public Sector Undertakings may also be involved/consulted. The Committee also desire that these courses may be reviewed/upgraded every two years.

The Committee are also of the view that more autonomy should be given to ITIs in their day-to-day functioning. The Committee desire that the Union Government also need to advise the State Governments that they should instead take a more active role in disseminating relevant information, viz., type of training provided, fees, and particularly the dropout, course completion and placement rates of different training institutes/Centres. The Committee feel that to reach maximum

number of aspirants All India Radio and Vernacular press may be used to publicize various training programmes.

The Committee also find that no attention is paid to using financing as an innovative means to encourage quality training. The same levels of finance are allocated to poorly performing institutions with high dropout rates vis-a-vis those that maintain a high quality of teaching and performance. The Committee are of the view that incentives, based on the number of students completing course, the pass rate, the average number of years taken to complete the courses and the placement rate, may be given to well-performing institutes to encourage them.

REPLY OF GOVERNMENT

To set up ITIs and SDCs preferably in remote, hilly, difficult, backward, SC/ST dominated and border, areas, Ministry of Labour & Employment has formulated/ formulating the following schemes:-

1. Kaushal Vikas Yojana (KVY)- To establish 1500 Industrial Training Institutes (ITIs) and 5000 Skill Development Centers (SDCs). This scheme is under formulation.
2. Skill Development in 34 districts Affected by Left Wing Extremism – To establish 34 new ITIs and 68 SDCs in remote areas of 34 Left Wing Affected Districts.

Under the scheme 'Upgradation of 1396 Government ITIs through PPP', the following actions are being taken to complete the upgradation process as scheduled:

1. Monitoring through Quarterly Progress Reports (QPRs) received from the ITIs.
2. Conducting zonal/regional workshops with all stake holders to review the progress of implementation of the scheme.
3. Organizing Capacity Building Training (CBT) for Principals and senior faculty members of ITIs covered under the scheme.
4. Convening of review meetings with the Principal Secretaries/Secretaries of all States/UTs.
5. State Government would be requested to devise innovative training scheme for quality training.
6. Key performance indicators for all ITIs have been introduced and are monitored regularly. These are enrolment rate, drop out rates, pass out rates etc.

Any other follow up action as that would be suggested by the awaited mid-term evaluation study of the scheme.

Recommendation (Sl. No. 21 Para No.4.21)

The Committee note that the Employment Exchanges and Industrial Training Institutes are under the administrative control of the State Governments but the development programmes at national level, particularly the areas concerning common policies, common standards and procedures, training and trade testing is

the responsibility of DGE&T. The Committee feel that the DGE&T should come out with a status *paper at the end of the year on the implementation of the schemes, projects- and programmes* that required participation of State Governments and Private Entrepreneurs. The Status paper may include the details of the schemes, the targets, achievements, whether implemented effectively by the State Governments/Private entrepreneurs, grading of their participation interest. The Status paper may also be laid in the Parliament.

REPLY OF GOVERNMENT

Updated brochures of all the schemes of DGE&T are being published at regular intervals. The information in these brochures include the details of the schemes, targets, achievements, status of implementation have been included in these brochures. This information is also included in Annual report of the Ministry published every year.

CHAPTER-V**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE.****Recommendation (Sl. No. 1 Para 4.1)**

One of the functions of DGET is to carry out continuous programme of evaluation of policies, procedures and working practices of Employment Exchanges within States and to establish coordination and consultations with the Ministries whose activities affect the employment situation in the country. The Committee observe that the administration of Employment Exchanges was passed on to the State Governments w.e.f. 01 April, 1969 thereby transferring its entire responsibility of running the Employment Exchanges to the States resulting in their poor functioning. The Committee observe that the Union Government have not made any comprehensive study on the working of the Employment Exchanges, response of the employers, the number of persons, and the number of job seekers. The Committee were informed that the Government proposes to amend the Employment Exchanges (CNV) Act, 1959 with a view to diversify the activities of the National Employment Service and to enhance the scope and by covering other activities/establishments which are not within the purview of the Act as of now. The Committee are not able to comprehend

that without making any survey/study, how the Government brought *the draft* EE(CNV) Amendment Bill, 2010. The Committee take a serious note of the deteriorating condition of the Employment Exchanges in the country and recommend that Union Government take proactive action to revamp the functioning of the Employment Exchanges and make them efficacious and useful.

REPLY OF GOVERNMENT

The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959 was enacted in the year 1959 and came into effect from 1st May, 1960. Like all other Labour Laws the enforcement of the provisions of the Act is vested with the State Governments and the Directors of Employment are the designated officers for enforcement of the provisions of the Act in their respective states. Based on the practical difficulties faced by the States in enforcing the provisions of the Act a number of proposals have been discussed in the various meetings of the working group on National employment service.

Ministry of Labour & Employment taking serious note of deteriorating conditions of Employment Exchanges in the country have already taken up a Mission Mode Project (EEMMP) for upgradation and modernization of employment exchanges in the country. The introduction of e-Governance in employment exchanges is to help in providing speedy and easy access to

employment service related information to job-seekers and employers. The project aims to progressively support all State Governments/Union Territory Administrations in the country to make effective use of IT in various activities of employment services and make it user friendly.

Recommendation (Sl. No. 6 Para No.4.6)

The Committee note that the Government has not prepared any definite strategy to attract private employers to notify their vacancies in the Employment Exchanges once the National Portal is operational. In the present scenario, private establishments are much more than the government establishments. In Committee's view, to make Employment Exchanges attractive to job seekers, it is necessary that private employers notify their vacancies in the Employment Exchanges. The Committee, therefore, recommend that a comprehensive strategy to attract private employers should be formed which may include, private employers to advertise their vacancies on the portal, giving them access to the profile of the candidates across the country, allowing them to screen, test and interview the candidates in the Employment Exchange campus, etc.

REPLY OF GOVERNMENT

The Committee recommended a comprehensive strategy to attract private employers in terms of notification of vacancies, access to the profile of job-seekers, screening of tests and interviews in the employment exchanges' campuses. It is

informed that all kinds of such activities will be geared up after implementation of EEMMP as it would not only provide easy access to online registration but it will provide all kinds of employment related services to all the stakeholders with full transparency.

Recommendation (Sl. No. 17 Para No. 4.17)

As per the Apprentices Act, 1961 it is obligatory on the part of the employer to engage apprentices as per statutory notice. The Committee's examination reveals that as on 30th March, 2009, as against 96759 training seats allocated for graduate and technician apprentices, only 57,991 seats *had* been utilized. The position regarding trade *apprentices is no* better. As on 30th June, 2009 as against 2,78,123 training seats available 1,95,703 apprentices were undergoing training. The reasons for seats remaining vacant are stated to be lengthy procedure for engagement of apprentices in public sector. The Committee also note that the rate of stipend given to the apprentices is paltry considering the present cost of Inflation Index. The Committee recommend that wide publicity may be given to these vacancies and procedure for appointment of the apprentices be simplified and the Government may consider inviting applications from the prospective Apprentices when they are in their last session of the theoretical course. They also recommend that the rate of stipend be revised keeping in view the rising trend in Consumer Price Index.

REPLY OF GOVERNMENT

- i) Instructions will be issued to the establishments through all the Regional Directorates of Apprentices Training and State/UT Governments to give wide publicity of engagement of apprenticeship seats in electronics & print media so that all the apprenticeship seats are filled. Establishments will also be instructed to put the vacancies position of Apprenticeship seats on their website. Government is also designing web portal having all the details of establishments engaging apprentices and candidates can apply to the establishments directly.
- ii) The rates of stipend of apprentices on the basis of Consumer Price Index are revised after every two years. The last revision of the stipend was done in October 2011 for trade apprentices and in March 2011 for other categories of apprentices.

New Delhi;
21st March, 2012
1 Chaitra, 1934 (Saka)

HEMANAND BISWAL
CHAIRMAN,
STANDING COMMITTEE ON LABOUR.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 24TH FEBRUARY, 2012**

The Committee met from 1500 hrs. to 1530 hrs in Committee Room 'C', Parliament House Annexe, New Delhi to consider and adopt the following draft action taken reports:

- (i) Action Taken by the Government on the recommendations contained in the 18th Report of the Committee on the subject 'Directorate General of Employment & Training – A Review';
- (ii) Action Taken by the Government on the recommendations contained in the 19th Report of the Committee on 'Demands for Grants of the Ministry of Labour and Employment for the year 2011-12';
- (iii) Action Taken by the Government on the recommendations contained in the 20th Report of the Committee on 'Demands for Grants of the Ministry of Textiles' for the year 2011-12'.

PRESENT

Shri Hemanand Biswal - Chairman

**MEMBERS
LOK SABHA**

2. Dr. Virendra Kumar
3. Shri Narahari Mahato
4. Shri Hari Manjhi
5. Shri P. Balram Naik
6. Shri Sanjay Dina Patil
7. Shri S. Pakkirappa
8. Shri Mahendra Kumar Roy
9. Ms. J. Shantha

RAJYA SABHA

10. Shri Mohd. Ali Khan
11. Shri Rudra Narayan Pany
12. Smt. Renubala Pradhan
13. Shri Ranbir Singh Parjapati
14. Shri Rajaram
15. Shri G.N. Ratanpuri

SECRETARIAT

- | | | | |
|----|-----------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri Ashok Sajwan | - | Additional Director |
| 3. | Smt. Bharti S. Tuteja | - | Under Secretary |

2. At the outset, the Chairman welcomed the Members and apprised them about the draft action taken reports to be considered and adopted by the Standing Committee on Labour.

3. The Committee took up the draft Reports for consideration. The Committee adopted the draft Reports without any modification.

4. The Committee then authorized the Chairman to present the reports to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX-II
(Vide Para No. 3 of the Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON
RECOMMENDATIONS CONTAINED IN THE EIGHTEENTH REPORT
OF THE STANDING COMMITTEE ON LABOUR (FIFTEENTH LOK
SABHA)**

	Percentage		Total
I.	Total number of Recommendations		21
(i)	Recommendations/Observations which have been accepted by the Government. Paragraph Sl. Nos.4.2, 4.4, 4.5, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.18 and 4.19.	15	71.4%
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply. Paragraph Sl. Nos. NIL		
(iii)	Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration. Paragraph Sl. Nos. 4.3,4.20,4.21	3	14.3%
(iv)	Recommendations/Observations in respect of which replies of the Government are interim in nature. Paragraph Sl. Nos.4.1, 4.6, and 4.17.	3	14.3%
			100%