

GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA
UNSTARRED QUESTION NO. 2749
TO BE ANSWERED ON 12TH MARCH, 2018

NEW NATIONAL EMPLOYMENT POLICY

2749. KUMARI SHOBHA KARANDLAJE:
SHRI PRATHAP SIMHA:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government is framing a new Sector-wise National Employment Policy to address the crucial issue of job creation in the country and if so, the details thereof;**
- (b) whether the Ministry has held consultations with various Ministries in this regard and if so, the details thereof;**
- (c) whether the Government is aware that huge job losses of engineers and skilled workers in IT, Telecom, Steel, Engineering and Mining, are posing a new challenge to the country's growing unemployment market and if so, the details thereof;**
- (d) whether the new Policy will include incentives for employers to create more jobs, reforms to attract enterprises and help for MSME industries, which are major job providers and if so, the details thereof; and**
- (e) whether the Policy is expected to take up the twin issues of providing quality jobs to over 10 Million youth being added to the country's workforce every year and ensuring that more of these are created in the formal sector and if so, the details thereof?**

ANSWER

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT (SHRI SANTOSH KUMAR GANGWAR)

(a) to (e): An Inter-Ministerial Committee has been constituted to draft the National Employment Policy and consultations have been held with various stakeholders including Ministries, State Governments, Trade Unions, Industry Associations etc. for inputs to the Policy. International Labour Organization (ILO) has recently been involved for formulation of the National Employment Policy.

According to National Association of Software and Services Companies (NASSCOM), the half yearly financial reports of major IT companies indicate a decline in employment. The drop in the recruitment by the IT industry this fiscal year is due to several factors which inter-alia include :

- Some of the less complex, standard and repetitive jobs are being automated ;**
- Companies are improving their employee-utilisation levels and reducing bench strength ; and**
- Companies are employing people with specialised skillsets in newer areas such as data science, machine learning, artificial intelligence and internet-of-things. The growth rate in these technologies and the nature of the business do not necessitate large-scale hiring.**

As per NASSCOM, the Indian IT-BPM industry is expected to continue to be a net hirer and currently employs nearly 3.9 million people in this fiscal, an addition of 173,000 over last year.

According to NASSCOM the IT-BPM industry, both globally and in India, is witnessing unprecedented changes in technology. Current trend observed is the automation of entire sets of activities that are simple, standardised and rule-based. As a result, few job roles are expected to become redundant over the medium- to long-term. Driven by the impact of disruptive technologies – social,

cloud, mobile, analytics, AI etc, the IT-BPM industry in India is fundamentally transforming its business model and building new offerings to emerge as the digital solutions partner. This structural change in the sector requires re-skilling, domain knowledge and enhanced technology competencies. However, these changes also mean that new sets of skills are needed and as such, these are throwing up opportunities for newer job roles.

The stakeholders covering industry, academia and Sector Skills Councils are working to ensure that the existing workforce is re-skilled/up-skilled in emerging technologies and job roles. Most companies (large, medium & small) are also implementing rigorous training programs to re-skill/up-skill their existing employees in new and emerging technologies.

Job generation in MSME sector cuts across different Ministries of the Government of India. Government is implementing the following Schemes for enterprise creation and job generation:

(i) Prime Minister's Employment Generation Programme (PMEGP): This is a credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth. The Scheme was launched during 2008-09. A total of 4.49 lakh micro enterprises have been assisted with a margin money subsidy of Rs 9416.02 crore providing employment to an estimated 37.57 lakh persons since PMEGP's inception till 31.12.2017.

(ii) Scheme of Fund for Regeneration of Traditional Industries (SFURTI): It is a cluster-based scheme for development of khadi, village industries and coir clusters by providing them with improved equipments, common facilities centers, business development services, training, capacity building and design and marketing support, etc. SFURTI Scheme has been revamped. A total assistance of Rs. 139.58 crore has been released benefitting 59,900 artisans.

(iii) A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE): was launched on 18.3.2015 to set up a network of technology centres and to set up incubation centres to accelerate entrepreneurship and also to promote start-ups for innovation and entrepreneurship in agro-industry. Under ASPIRE, 62 Livelihood Business Incubation (LBI) centres have been approved.

(iv) Khadi and Village Industry Commission (KVIC): Ministry of MSME through KVIC is implementing various schemes to encourage Khadi and village industry sector. During the FY 2017-18, employment generated in the Khadi and Village Industry sector is estimated at 138.74 lakhs.

(v) Coir Board: Ministry of MSME through Coir Board is also implementing various Schemes/programmes through its field level offices to assist entrepreneurs to set up new Micro, Small and Medium Enterprises (MSMEs) in all coconut producing States. More than 7 lakh employment has been generated in the Coir Sector.

(vi) Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE): The scheme facilitates credit to the MSE units by covering collateral free credit facility (term loan and /or working capital) extended by eligible lending institutions to new and existing micro and small enterprises. The corpus of CGTMSE has been enhanced from Rs. 2500 crore to 7500 crore. The Scheme has extended guarantee cover to over 28 lakh enterprises leading to huge employment generation.

(vii) Micro & Small Enterprises Cluster Development Programme (MSE-CDP) - Ministry launched MSE-CDP for holistic development of selected MSEs clusters. Scheme provides for creation of tangible “assets” as Common Facility Centers (CFCs) like Common Production/Processing Centre (for balancing/correcting/improving production line that cannot be undertaken by individual units), Design Centres, Testing Facilities, Training Centre, R&D Centres, Effluent Treatment Plant, Marketing Display/Selling Centre, Common Logistics Centre, Common Raw Material Bank/Sales Depot, etc.

(viii) MSME-Tool Rooms/Technology Development Centre (MSME-TRs/TDCs): 18 MSME-Tool Rooms/TDCs have been setup across the country to assist enterprises in their technological upgradation by providing precision toolings, trained manpower & consultancy in the area of tool & die making etc. During FY 2017-18 upto 31.12.2017, these centres have trained 1,07,070 persons with commensurate employment generation.

(ix) Credit linked Capital subsidy Scheme (CLCSS): CLCSS facilitates technology upgradation of small scale industries, including agro & rural industrial units by providing 15% upfront capital subsidy (limited to maximum of Rs.15.00 lakhs). Since inception and upto 30.11.2017, a total of 48,618 units have been assisted utilizing subsidy of Rs. 2904.53 crore.

A Scheme called “Pradhan Mantri Rojgar Protsahan Yojana” has been initiated by the Government in the year 2016-17 for incentivising industry for promoting employment generation. Under this scheme employers would be provided an incentive to enhance employment where the Government will pay the employer’s contribution of 8.33% EPS made to new employees. In textiles (apparel and made-ups) sector, the Government will also pay the 3.67% EPF contribution of employers in addition. Government has also announced a booster package of Rs 6000 crores for the textile sector which is an employment intensive sector.

Government has also implemented the National Career Service Project providing a package of employment related services inter-alia consisting of a portal (www.ncs.gov.in) for online registration and posting of jobs for job-seekers.
