

# Standing Committee Report Summary

## Skill Development in Mining Sector

- The Standing Committee on Coal and Steel (Chairperson: Mr. Rakesh Singh) submitted its report on Skill Development in the Mining Sector on August 10, 2017. Key observations and recommendations of the Committee include:
- **Skill gap:** The Committee noted that only 2% of the total workforce in the age group of 15-59 years in India has undergone skills training. Under the National Skills Policy, 2009, the target is to impart skills training to 500 million people by 2022. The skilling challenge is more severe for India because a large proportion of the population is below the age of 25. The Committee also observed that the mismatch between skills versus jobs results in unemployment of working age group people, impacts the economy and results in social unrest.
- The Committee recommended that skill initiatives must focus on three important parameters i.e., quantity, quality and access. Skilling programmes must be scalable, replicable and accessible, and must have a high degree of inclusivity. The skilling standards being developed must ensure clarity on career choices, options and receptivity of the qualification. The government should create a formal arrangement between the government, industry and skills providers to build skills training as a mainstream and inclusive programme.
- **Skilling requirements in mining sector:** The Committee observed that the total employment in the mining industry was estimated to increase from 0.95 million to 1.2 million by the year 2025. Currently, about 70% of the mining workforce is employed in coal mining activities. With regard to non-coal mining, 86% of the mining leases are of less than 50 hectares in size, cover 16% of the mining area, and are labour intensive with low levels of mechanisation.
- The Committee noted that the key factors affecting human resources and skill requirement in the Indian mining industry include: (i) technology up-gradation, (ii) globalisation and ageing profile of workforce, and (iii) long gestation period for skill acquisition. Further, 50-55% of semi-skilled manpower require urgent re-skilling or up-skilling for which there is no credible, industry specific institution in the country. The Committee recommended that the government should explore the feasibility of establishing a mining industry specific institute.
- The Committee also noted that mining leases are granted by state governments, and 95% of the leases are in the private sector. Therefore, any strategy to foster scientific mining practices and deployment of trained manpower will depend on active participation by state government. It would also require developing a strategy for skill development in the private sector. The Committee recommended that the Ministry of Mines must prepare a roadmap to address the issues of skill gap in the mining sector.
- **Funding mechanism:** The Committee noted that an amount of Rs 166 crore would be required for around five lakh jobs. However, during the skill plan period (2016-2022) the estimated available funds are around Rs 109 crore. This leaves a gap of Rs 57 crore which is to be made up through various private sector and state sector initiatives.
- The Committee recommended that the Ministry should put a sustainable funding mechanism in place so that the skilling projects and activities in the mining sector are implemented within the targeted timelines. The Ministry should also catalyse investment from the private sector through corporate social responsibility.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research ("PRS"). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.