Standing Committee Report Summary

Rural Skilling and Migration: Impact Study of Schemes

- The Standing Committee on Rural Development (Chair: Mr Saptagiri Sankar Ulaka) presented its report on 'Rural Skilling and Migration: Impact study of Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), Deendayal Antyodaya Yojna-National Rural Livelihoods Mission (DAY-NRLM) and Rural Self Employment Training Institutes (RSETIs)' on August 11, 2026. DAY-NRLM aims to reduce poverty by mobilising Self-Help Groups (SHGs) and promoting sustainable livelihoods. DDU-GKY provides placement-linked skill training to rural youth. RSETIs are district-level training centres that offer short-term residential courses to promote self-employment. Key observations and recommendations include:

- **Bridging placement gaps:** The Committee noted that of the 18 lakh candidates trained under the DDU-GKY, 12 lakhs were placed as of March 2026 (67%). It noted that inadequate post-placement salaries contributed to high job dropout rates and distress migration. It recommended: (i) ensuring near 100% placement through industry linkages and localised placement drives, (ii) institutionalising extended migration assistance, (iii) raising target for employment paying at or above minimum wage, (iv) establishing special placement cells at the district level, and (v) evaluating implementing agencies based on long-term employee retention rather than initial placements.

- **Underutilisation of budget:** The Committee noted persistent under-utilisation of funds across the three schemes. It noted that for DDU-GKY, the approved budget of Rs 10,115 crore for years 2021-26 was reduced to a revised estimate of Rs 1,162 crore, and actual expenditure was Rs 978 crore. It recommended: (i) undertaking a comprehensive review of bottlenecks at the state and district level, (ii) timely release of funds through direct benefit transfer, (iii) aligning budget allocations with actual absorption capacity, and (iv) strengthening expenditure monitoring. It also recommended the Department of Rural Development (DoRD) to: (i) streamline bank linkages to ensure: timely access to interest subsidies on bank loans and reduce the financial burden on states, and (ii) require quarterly utilisation reports and corrective action plans from low-performing states.

- **SHG credit and market linkages**: The Committee noted that while the DAY-NRLM has mobilised a large number of rural women into SHGs, credit linkage per group remain inadequate to support sustainable enterprise development. The Committee recommended: (i) significantly scaling up credit flows and increasing average loan sizes, (ii) expediting the Lakhpati Didi initiative, (iii) developing robust marketing networks through common branding, e-commerce integration, corporate partnerships, and product standardisation, and (iv) supporting value addition in agriculture, livestock, and micro-enterprises, along with regular impact assessments.

- **Expanding RSETIs:** The Committee noted that the existing network of RSETIs is insufficient to meet skilling needs. As of May 2026, a total of 636 RSETIs are operational, covering 623 districts across 27 states and six union territories. It noted that training is often conducted far from villages and is not adequately aligned with local economic opportunities. It recommended: (i) expanding functional RSETIs to cover every district and establishing block-level training sub-centres, (ii) redesigning skilling curricula to align with local resources, agro industries, tourism, digital services, and renewable energy, and (iii) prioritising market-aligned trades, self-employment, and demand-driven skill mapping.

- **Female participation:** The Committee noted that despite the large-scale mobilisation of women under DAY-NRLM, female participation in formal skilling and placement programmes remains relatively low. It observed that barriers such as distance from training centres, safety concerns, and lack of childcare facilities are not adequately addressed. It recommended introducing women-only training batches and mobile training units, and ensuring crèche facilities at training centres.

- **Reducing regional disparities:** The Committee noted wide inter-state variations in performance of skilling and livelihood schemes, with several backward and aspirational districts recording weaker outcomes. It recommended adopting a need-based fund allocation formula that considers local poverty levels, rural distress, and migration patterns. It also recommended: (i) compiling and sharing state and constituency-wise performance indicators, and (ii) targeted support packages for lagging states, including Bihar, Uttar Pradesh, West Bengal, Odisha, and the North-East.

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August 31, 2026