

POVERTY, EMPLOYMENT AND UNEMPLOYMENT

9 Chapter

Poverty

Poverty is a state where a person is unable to maintain a minimum socially accepted level of standard of living. Although there is a diversified opinion on the definition and measurement of poverty, it is regarded as the root cause for low levels of health and educational outcomes, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity for mobility. The concept and measurement of poverty have undergone changes over decades. Almost all the development paradigms, including the Millennium Development Goals (MDGs) and the more recent Sustainable Development Goals (SDGs), emphasize reduction of poverty in all its dimensions. Poverty alleviation continued to be the central objective of state and central government initiatives. The official estimates of poverty for the period 1973-74 to 2011-12 are placed in the annexure 9.1.

Several Committees and expert groups have studied the poverty measurement methodologies in the past. The recent expert group under the Chairmanship of Prof. Suresh D. Tendulkar recommended using poverty lines which are substantially higher than earlier ones. As per the latest estimates of the Planning Commission released in July 2013 for the year 2011-12, the poverty ratios for rural and urban areas of united Andhra Pradesh were 10.96% and 5.81% respectively and combined ratio stands at 9.20%. The corresponding figures for All India during the same period were 25.70%, 13.70% for rural and urban areas and the combined was 21.92%. Annexure 9.1 depicts the percentage of people below the poverty line in united Andhra Pradesh and at All India level for different time periods.

However, following widespread criticism that the government grossly underestimated the number of poor in the country by choosing an unrealistic poverty line for such estimates, the then Central

Government had commissioned Dr. C. Rangarajan's Committee. The Committee estimated that nearly one in three Indians was poor in 2011-12. The number of poor as per the Rangarajan's Committee is significantly higher than that of the official estimate and the difference was attributable primarily to a change in the definition of the poverty line.

Andhra Pradesh enjoys the legacy for introducing and implementing innovative poverty alleviation programmes. Apart from general economic policies, targeted poverty alleviation programmes for women's empowerment, providing housing and other infrastructure like pensions, land distribution and health insurance helping the poor in various dimensions. Increasing budgetary allocations, improving delivery systems in poverty alleviation programs and effective monitoring can help reduce severity of poverty.

Employment & Unemployment

The Quinquennial Survey on Employment and Unemployment is one of the most important surveys conducted by National Sample Survey Office (NSSO), the latest being the one held in 2011-12 (NSS 68th Round). These surveys collected information on several variables to capture the multidimensional aspects of employment and unemployment in the country. Persons engaged in any economic activity are termed as workers. Unpaid helpers who assist in the operation of economic activity are also considered as workers.

Labour Force

Persons categorized as working (employed) and also those who are seeking or available for work (unemployed) together constitute the labour force. The Labour Force Participation Rate (LFPR) is defined as the number of persons in the labour force per 1000 persons. The estimates of Labour Force Participation Rate based on current daily status are presented in Annexure 9.2.

Labour Force Participation rates for both rural and urban areas in Andhra Pradesh were higher compared with all India levels. However, over the years, the LFPR of all persons of rural areas have shown a decline, urban LFPR has shown improvement. The trend is visible both in Andhra Pradesh (combined state) as well as India.

Work Force (Employed)

Persons engaged in any economic activity constitute the work force. The number of persons employed per 1000 persons is known as Work Force Participation rate (WFPR). The work force participation rate per 1000 persons is based on current daily status. As per the current daily status, a person is considered working (employed) for the entire day if he/she had worked for 4 hours or more during a day.

Work force participation rates in 2011-12 compared with the rates in 2009-10 have increased both in rural and urban areas of Andhra Pradesh. Details are given in Annexure.9.3.

Apart from the quantum of employment, the quality of employment also remains a concern in the state. Problems such as wage rate, seasonality, job insecurity, illiteracy, occupational hazards etc., continue in the state. Around 94% of the workers in A.P. are in the unorganized sector. Further, demographic dividend, which is one of the indicators of future economic growth, is expected to increase the working age group in the state and reduce dependency ratio. Reduction in dependency ratio is likely to increase savings and investments. Skilling of labour in related trades will help the workforce engaged in Agriculture to enhance their income levels in the off season by getting employed in non-farm activities.

Unemployment

The National Sample Survey Office (NSSO) provides Unemployment estimates on the basis of the Quinquennial surveys. Persons are considered unemployed, if he/she was not working, but was available for work for a relatively long time during the reference period.

Unemployment rate is defined as the number of persons unemployed per 1000 persons in the labour

force. This in effect gives the unutilized portion of labour force. It is a more refined indicator of unemployment in population than the proportion of unemployed, which is nearly the number of unemployed per 1000 persons in the population as a whole.

Unemployment rates based on the usual principal and subsidiary status have shown a mixed trend during the period 1993-94 to 2011-12 in Andhra Pradesh and at All India level. Details about the unemployment rates on usual (principal and subsidiary) status of various rounds for Andhra Pradesh and All India are presented in Annexure-9.4.

After an initial rise in the rural and urban unemployment rates between 1993-94 to 1999-2000 in Andhra Pradesh, there has been considerable moderation in the rural and urban unemployment rates from 1999-2000 to 2004-05. However, while in urban areas declining unemployment trend continued till 2009-10, it again went up by 2011-12. The rural unemployment increased quite alarmingly during the period 2004-05 to 2009-10 and remained at the same higher level in 2011-12.

EMPLOYMENT AND TRAINING

Employment in Organized Sector

As per the Employment Marketing Information (EMI) collected by Employment Exchanges in Andhra Pradesh, there were 9,689 establishments in organized sector in Andhra Pradesh at the end of October, 2014. Of these, 7,099 were in public sector and 2590 were in private sector.

8.45 Lakh persons were employed in the organized Sector at the end of October, 2014. 5.97 lakh were employed in the public sector and the remaining 2.48 Lakh in the private sector.

A total of 85,325 candidates were enrolled, 3365 vacancies notified to Employment Exchanges and 616 candidates were placed up to December 2013. There were 8,80,296 candidates on Live Register of Employment Exchanges at the end of October, 2014. The district-wise registration details are given in Annexure 9.5.

Craftsmen Training

Candidates are being trained in various vocational trades under Craftsmen Training Scheme by providing them employable training skills. The scheme intends to meet man power requirements of industries and also aims to reduce unemployment among educated youth. Training is being imparted in 78 Government Industrial Training Institutes and 420 Private ITCs. The total intake capacity of students in Government ITIs in 2013-14 was 15,250 and that for Private ITCs, it was 54,500.

Vocational Training Improvement

Training was imparted to 2260 members in Multi-skilling courses and 2145 persons were trained in the regular trades under Craftsmen Training scheme. All the pass-out trainees in the 17 ITIs under the project were given placements by the local industries.

Up-gradation of ITIs as Centers of Excellence / Trades under Public Private Partnership

31 ITIs have been covered in all, under the scheme for up gradation as Centers of Excellence / Trades in a phased manner. Training is imparted to 900 trainees in Multi-skilling courses (CoE) and 7000 trainees of regular Craftsmen Training scheme (CTS) Trades. All the passed out trainees of these 31 ITIs are given placements by the local industries. The Government have selected five Principals from different ITIs for training at ITE, Singapore.

During the year 2012, the Government ITIs at Thambalapally and Bhimavaram have received awards for excellence and the state of Andhra Pradesh was declared as the best practicing state in India under PPP.

Modular Employable Skills under Skill Development Initiative Scheme

This is a GoI scheme. The main features of this scheme include skill upgradation (training) in vocational trades to school dropouts and to persons with good work experience but without formal education and a certificate in the fields of their work.

There are 68 sectors and 558 courses designed under Modular Employable Skills(MES). There are 503 Vocational Training Providers(VTPs) of which 76

are government ITIs, 121 are private ITIs, 291 are private VTPs and 20 are semi-government. During the year 2014-15, 4532 candidates were trained and another 4532 are under training as against the target of 14,202.

SCSP and TSP

The government have taken up Infrastructure Development and Upgradation works in Residential ITI's for SCs and STs under Scheduled Castes Sub Plan and Tribal Sub Plan during the year 2014-15.

Yuva Kiranalu:

The programme was designed to harness the huge demographic dividend in the State by bridging the gap between the Industries' requirement for skilled and manpower and youth's desire for a dignified and remunerative job. REEMAP, a state level society was coordinating the efforts of eight sub-missions. The objective of the programme was to provide 15 lakh jobs to youth in the private sector through skilling in various trades during 2011-12 to 2014-15.

About 1000 training centres have been established directly in PPP mode to offer trainings in 80 courses. In all, as against 15.68 lakh registrations, 3.05 lakh placements have been made under the programme. Of these, 39% were allotted to women. 45% of the placements were BCs, 24% SCs and 21% for STs, 2% Minorities and the balance 8% for OCs. The placements were made across sectors like: Health, marketing, Textiles, Construction, Education, logistics etc.

Employment generation and Skill Development:

The government has taken various steps to improve skills of persons engaged in various trades and also shaping up policies for providing employment to both the skilled and un-skilled workforce. The efforts being made to attract investments and set up industries in a big way, will provide employment in the private sector and necessary skills will be imparted to the unemployed in various trades with a motto to generate maximum employment.

Under the Social Empowerment Mission, launched recently by the government, the State is envisioning

to set standards in the higher education spectrum. Skill Development Centre has been set up in Vijayawada which, as part of the Skill Mission will strive to impart enriched capacities. Special efforts will be made for improving quality of education and skill development in order to empower youth, especially women. Andhra Pradesh will soon become a knowledge state and education hub.

Skill mission – the process flow



Skill Development Fund:

At present, funds are being tapped from few Government of India programmes namely Spl. SGSY (MoRD), Swarnajayanthi Shahari Rojgar Yojana (MoUD), Modular Employable Skills

Placement models

Placements under the existing employment programme are being made by private training partners. Industry based models where industry will take up in- house training which will lead to absorption of candidates. Government agencies facilitate mobilization of manpower of requisite qualifications. Trainings and Placements are being held in collaboration with Government of India partners and Self Employment.

- Focus on building employment linked skills along with formal education
- Target based approach for various segments: School/ITI/Graduates
- Standardized certification through SSC
- Indicators to measure institutions by placement%
- Emphasis on Direct jobs/ apprenticeship-modernization of Labour Exchanges (GOI)

(MoL,E&T) etc., in addition to State government funds.