9. POVERTY, EMPLOYMENT AND UNEMPLOYMENT

Poverty

9.1 Poverty is a state where a person finds it unable to maintain a minimum socially accepted level of standard of living. 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. Poverty alleviation remained the central to all the state and central level policy making. The Five Year Plans in India had their focus directly or indirectly on reducing the poverty levels throughout. In India the Planning Commission has been deciding on the methodology and making estimates of the number and percentage of poor at national and state level. These poverty estimates are treated as official. On a comparable basis these official estimates are available for the years 1973-74, 1977-78, 1983, 1987-88, 1993-94 and 2004-05.

As per the latest estimates of Planning Commission available for the year 2004-05, the poverty ratio for rural and urban areas of Andhra Pradesh were 11.20% and 28.00% respectively and that for the State as combined was 15.80%. The corresponding figures for All India during the same period were 28.30%, 25.70% for rural and urban areas and 27.50% for the Nation as combined. Annexure 9.1 depicts the percentage of people below the poverty line in Andhra Pradesh and at All India level for different time periods.

As economy grows and per capita incomes rise, the poverty threshold indicating the minimum acceptable level of living need to be revised to reflect the changing consumption patterns in society. In 2005, the Planning Commission appointed an Expert Group to review alternate concepts of poverty and recommend necessary changes in the existing procedures of official estimation of poverty. The Expert Group under the Chairmanship of Prof. Suresh D. Tendulkar submitted its report in November, 2009. The Expert Committee recommended using poverty lines which are substantially higher than the earlier ones.

As per the Committee methodology, the estimates of poverty ratio for rural and urban areas of Andhra Pradesh for 2004-05 were 32.30% and 23.40% respectively and that for the State as combined was 29.90%. The corresponding figures for All India during the same period were 41.80%, 25.70% for rural and urban areas and 37.20% for combined.

The Official Estimates of poverty show that the performance of Andhra Pradesh in reducing income poverty has been impressive, particularly in rural areas. The Planning Commission estimates as well as the recent Expert Groups estimates show that poverty level in AP has mostly been lower than the national average and also its pace of reduction is faster than what is observed at all India. This can be attributed to the innovative poverty alleviation programs implemented in the state.

Andhra Pradesh is known for introducing innovative poverty alleviation programmes, massive subsidization of Rice especially during the last two decades or so. Apart from the general economic policies and bold policy initiatives, the targeted poverty alleviation programmes like Indira Kranthi Patham (IKP) for women's empowerment, INDIRAMMA programme for providing housing and other infrastructure, pensions, land distribution and health insurance (Arogyasri) are the other important programmes helping the poor in various dimensions. Besides increasing the budgetary allocations, effective monitoring and improving delivery systems in poverty alleviation programmes help reduce the severity of poverty.

EMPLOYMENT & UNEMPLOYMENT

9.2 One of the most important surveys conducted by the National Sample Survey Office (NSSO) is the Quinquennial Survey on Employment and Unemployment and the latest being the one held during 2009-10 (NSS 66th Round). In order to capture the multidimensional aspects of employment and unemployment situation, information on several variables was also collected in these surveys. Persons who were engaged in any economic activity are termed as workers. Unpaid helpers who assisted in the operation of an 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 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 both rural and urban areas of Andhra Pradesh were higher when compared with all India.

Work Force (Employed)

Persons who are engaged in any economic activity constitute the work force. The number of persons employed per 1000 persons is called 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 the day.

Work force participation rates in Andhra Pradesh among males in rural areas have increased, whereas that of females has decreased in 2009-10 when compared with the rates in 2004-05 while in urban areas it has decreased for both males and females. Work force participation rates in general are high in Andhra Pradesh when compared with all India. Details are given in Annexure.9.3.

Apart from the quantum of employment, quality 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 and in fact, the state reports high incidence of employment in the unorganized/informal economy. Further, demographic dividend, which is one of the sources of future economic growth in Andhra Pradesh, is expected to increase the working age group and reduce dependency ratio. Reduction in dependency ratio is likely to increase savings and investments. Shifting the workforce from Agriculture to the non-farm sector is an ideal way for enhancing the income levels of the poor by creating quality non-agriculture work opportunities through skill development in rural areas.

The growth of employment has picked up significantly in Andhra Pradesh while there is decline in growth at the National level in the recent past as compared to the previous period. Further, the pace of growth of employment is also quite impressive in Andhra Pradesh. While Andhra Pradesh has registered an annual compound growth of 1.70% in employment between 2004-05 and 2009-10 - up from 0.70% between 1999-2000 and 2004-05, All India's employment growth slipped from 2.50% to 2.10% during the same reference period. Similarly, the employment elasticity which represents the responsiveness of employment generation to change in gross domestic product stands at 0.19% for Andhra Pradesh as against All India's employment elasticity of 0.28%.

Unemployment:

The National Sample Survey Office (NSSO) provides the Unemployment estimates on the basis of the Quinquennial surveys. Persons are considered as unemployed, if he/she was not working, but was either seeking or was available for work for a relatively longer 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 the labour force. It is a more refined indicator of the unemployment situation in a 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 in Andhra Pradesh and All India have shown oscillatory trend during the period 1993-94 to 2009-10. The unemployment rates on usual (principal and subsidiary) status of various rounds for Andhra Pradesh and All India presented in Annexure-9.4. The rural and urban unemployment rates in Andhra Pradesh as well as All India have increased from 1993-94 to 1999-2000. However, from 1999-2000 to 2004-05, the rural and urban unemployment rates in Andhra Pradesh have decreased. The rate of decline in respect of urban unemployment (from 39 to 36) was sharper as compared to that of the rural unemployment (from 8 to 7). The rural Unemployment rate has however increased (5 points) from 7 in 2004-05 to 12 in 2009-10 where as the urban unemployment rate has decreased by same quantum (5 points) from 36 to 31. Similarly, at All India level, the urban unemployment rate has fallen sharply (9 points) from 45 to 34 where as the rural unemployment rate has marginally declined (only 1 point) from 17 to 16.

EMPLOYMENT AND TRAINING

9.3 Employment in Organized Sector

As per the Employment Marketing Information (EMI) collected by Employment Exchanges in Andhra Pradesh, there were 8,900 establishments in organized sector in Andhra Pradesh at the end of March, 1966. Out of these, 3,123 were in public Sector and 5,777 were in Private Sector. The number of establishments in the organized sector has now grown to 20,867 by March, 2011. Out of these, 13,814 were in Public Sector and 7,053 were in Private Sector.

20.59 lakhs persons were employed in the organized Sector as on March, 2011. The Public Sector alone accounted for 12.77 lakhs and the remaining 7.82 lakhs were employed in Private Sector.

During the year 2011-12(upto Sept.11), a total of 1,44,553 candidates were enrolled, 4,156 vacancies were notified to Employment Exchanges and 816 candidates were placed. As many as 18,33,231 candidates were on the Live Register of Employment Exchanges at the end of September, 2011.

Employment in the Organised Sector in A.P. (Public and Private Sectors) from March1966 to March 2011 is given in Annexure 9.5.

Skill Development

The Employment and Training department is implementing several programmes to develop manpower resources in various technical disciplines and to provide skilled artisans to the Industries. They are –

Craftsmen Training:

Craftsmen Training Scheme is intended to train candidates in various Vocational Trades to meet manpower requirement to industries and also to reduce unemployment among educated youth by providing them employable skilled training.

Craftsmen training is being imparted in 134 Government Industrial Training Institutes and 611 Private ITCs. During 2011-12, total intake capacity of Government ITIs is 31,555 and Private ITCs is 1,00,030 students.

Vocational Training Improvement Project:

Vocational Training Improvement Project is a Centrally Sponsored Scheme with World Bank Assistance. The Scheme has been introduced in the year 2006-07. 25 Government ITIs have been brought into this scheme in a phased manner with a total project outlay of Rs.8150 lakh for introduction of Centers of Excellence in Automobile, Production & Manufacturing, Electronics, Fabrication and Electrical Sectors and upgradation of ITIs including introduction of new trades. Operation period of the scheme is for five years from the year of inception of the scheme at the ITI. The Project cost is to be shared by the Central Government and State Government in the ratio of 75:25.

Besides, Instructor Training Wing, Visakhapatnam has been sanctioned by the Government of India under VTIP with a project outlay of Rs.350 lakh to be shared by the Central Government and State

Government in the ratio of Rs.75:25. This is intended to impart training to the Trainers.

To monitor the implementation of the VTIP Scheme in the State, a State Projects implementation Unit has been constituted at the State Directorate.

Domestic Funding Scheme:

This scheme was introduced in the year 2005-06 covering five government ITIs with a total project out lay of Rs.800 lakh (Rs.160 lakh each). The Project cost is to be shared by the GOI and GOAP in the ratio of 75:25. Entire amount was released by the Central & State Governments and utilized fully.

Upgradation as Centers of Excellence/ Trades under Public Private Partnership:

In all, 61 ITIs have been covered under the scheme for Upgradation as Centers of Excellence / Trades in a phased manner with a project outlay of Rs.152.50 crore (Rs.2.50 crore for each).

Skill Development Initiative Scheme under Modular Employable Skills: Government of India has introduced this scheme in 2005-06 but implementation took place from 2007-08. The main features are:

- Useful for school dropouts and candidates who studied upto 5th class.
- Useful for workers who are well experienced in the fields without certificate.
- Unlike regular CTS trades in which candidates have to undergo training for 1/2/3 years, candidates can get himself trained in a short span of time i.e 60 to 800 hours and be professionalized in that field and be eligible for job opportunities not only in India but also abroad.
- Certification by DGET, New Delhi recognized by NCVT.
- The minimum age for admission is 14 years.

There are 57 sectors and 1250 courses designed under MES. There are 650 Vocational Training Providers of which 296 are Government up to Sep, 2010 and 177 VTPs up to November, 2011. MES society has been implemented in A.P. under supervision of RDAT Ramanthapur, Hyderabad from 2007-08. The candidates trained are 2,70,000 upto September 2010.

Action plan for 2011-12 with an outlay of Rs. 13.70 crores covering 35,800 beneficiaries has been prepared. Accordingly, GOI released Rs. 6.31 crores. The training programmes have been taken up by 68 VTPs and the training is in progress.

All the Government ITIs and Private ITCs were empanelled as VTP (Vocational Training Providers) for implementation of the scheme.

Rajiv Udyogasri Society:

Rajiv Udyogasri Society was registered in the year 2007.

The main objectives of the society are:-

- To provide training and placement to about 10 lakh educated / unemployed youth in the State.
- To identify the employment potential in different sectors.
- To train the youth in short term courses so as to cater to the needs of Industry.

13,77,893 youth were provided training under RUS scheme. 8,90,314 unemployed youth were provided placements up to 31.03.2011 through the efforts of the society.

An amount of Rs.35.00 Crores is budgeted for the financial year 2010-11 and Rs.8.75 Crores has been released for the first quarter.

An Action Plan has been prepared to train 1,35,630 youth with an outlay of Rs.80.43 crores for the year 2011-12.

Major sectors of training cum placement under RUS are:-

IT, ITES, Construction, Textiles, Pharma, Chemicals & Fertilizers, Gems & Jewellery, Hospitality, Tourism, Accounting, Driving

Line Departments involved in training cum placement under RUS society are:-

Employment & Training, MEPMA, Technical Education, Board of Intermediate Education, Collegiate Education, Youth Services, NAC, IEG, SC Corporation, AP Vikalangula Corporation, EGMM, OMCAP.

Website developed to take RUS closer to its cliental through www.rajivudyogasri.gov.in, www.rus.gov.in.

New Initiatives:

GBFS training to about 30,000 youth of 2nd year of Degree course in association with NASSCOM and 6 Universities of Andhra Pradesh. Proposal to prepare youth of A.P.

to join Army & Allied Services through pre recruitment training. Skill development training in Wanaparthy, Mahabubnagar District for Women (on Embroidery Skills) has been initiated by M/s Foundation for Rural and Social Development.

Rajiv Yuva Kiranalu (RYK)

Rajiv Yuva Kiranalu (RYK) is conceived by the Government of Andhra Pradesh to build job specific skills among the unemployed and place them in appropriate private jobs. Vision of RYK is to convert large number of non-literate, school drop out, unskilled and unemployed youth into productive workforce by building their skills thereby promoting inclusive growth. The mission proposes to employ 15 lakh youth in jobs in the private industry by 2014. The implementation shall be on a mission mode.

To operationalise the programme, Government have set up a High level council Rajiv Education and Employment Council of Andhra Pradesh (REECAP) up under the Chairmanship of Hon'ble Chief Minister with 9 Cabinet Ministers, Principal Secretaries of relevant departments and 10 representatives of the Industry and Academia for creating necessary policy environment and guiding the implementation process. This is a unique body which brings the best of Govt. Industry and Academia together to maximize opportunities for the unemployed youth.

An exclusive State Level Society named as "Rajiv Education and Employment Mission in Andhra Pradesh (REEMAP) " has been registered to coordinate the efforts of all sub-missions on a mission mode. REEMAP will function through the following seven sub-missions constituted in seven Government departments.

1. Identification, training and employment of unemployed youth in rural areas to be headed by CEO, Employment Guarantee and Marketing Mission.
2. Identification, training and employment of unemployed youth in urban slums to be headed by Director, Mission for Elimination of Poverty in Municipal Areas(MEPMA).
3. Identification, training and employment of unemployed youth in urban areas, headed by the Commissioner, Employment and Training
4. Responsible for ensuring placement of students passing out of the technical and professional institutions to be headed by Commissioner, Technical Education
5. Identification, training and employment of physically challenged youth in the urban and the rural areas and to be headed by the Director/Commissioner, Disabled Welfare.
6. The Submission shall be responsible for mobilization, training and employment of Minorities in the State except Hyderabad District.
7. The Submission shall be responsible for mobilization, training and employment of all categories of youth in Hyderabad District.

Employment & Training sub-mission

A target of 38,609 is fixed to the Department of Employment & Training for the year 2011-12. The main objective of this programme is to enhance the employable skills of unemployed youth in various sectors so that, a pool of skilled manpower can be maintained to meet the requirements of the Industry/ Establishments. So far, 307 training centres are imparting skills to 10856 candidates in various sectors at I.T.Is. As on date, 9207 were shown placements by the Department of Employment & Training through Job Melas, Rajiv Udyogasri Society (RUS), Modular Employable Skills (MES) etc. All the Govt./Pvt. I.T.Is and District Employment Exchanges are registering the candidates under "Rajiv Yuva Kiranalu". So far, 97,684 candidates have enrolled their candidature in Rajiv Yuva Kiranalu Portal. It is ensured to reach the 38,609 target fixed for the year 2011-12 to the Department of Employment & Training.

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