

# 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. 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 has remained the central objective of all state and central government initiatives. Five Year Plans have also directly or indirectly focused on reducing poverty levels throughout the country. Planning Commission in the country is in charge of deciding the methodology and making estimates about the number and percentage of poor at national and state levels. These estimates are the official estimates of poverty in the country. On a comparable basis, these official estimates are available for the years 1973-74, 1977-78, 1983, 1987-88, 1993-94, 2004-05 and 2009-10.

As per the latest estimates of the Planning Commission released in March 2012, for the year 2009-10, the poverty ratios for rural and urban areas of Andhra Pradesh was 22.8% and 17.7% respectively and combined was 21.1%. The corresponding figures for All India during the same period were 33.8%, 20.9% for rural and urban areas and combined was 29.8%. 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 the economy grows and per capita incomes rises the poverty threshold indicating the minimum acceptable level of living needs 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 group recommended using poverty lines which are substantially higher than earlier ones.

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 Expert Group estimates show that poverty levels in AP have been lower than the national average and also that its pace of reduction is faster than what was observed at all India level. This can be attributed to the innovative poverty alleviation programs implemented in the state.

Andhra Pradesh is known for introducing innovative poverty alleviation programmes, like subsidization of Rice especially during more than the last two decades. Apart from general economic policies and bold policy initiatives, targeted poverty alleviation programmes like Indira Kranthi Patham (IKP) for women's empowerment, INDIRAMMA programme for providing housing and other infrastructure like pensions, land distribution and health insurance (Arogyasri) are the other important programmes helping poor in various dimensions. Increasing budgetary allocations, improving delivery systems in poverty alleviation programmes 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 2009-10 (NSS 66th 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.

### 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 Andhra Pradesh in males in rural areas increased, whereas that of females decreased in 2009-10 compared with the rates in 2004-05, while in urban areas it decreased for both males and females. Work force participation rates are high in Andhra Pradesh in general compared to all India figures. 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 and in fact, the state reports the highest incidence of employment in the unorganized/informal economy. 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. Shifting workforce from Agriculture to non-farm sector is the best way of enhancing 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 compared to the decline in its 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 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 the all India 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 unemployed, if he/she was not working, but was either seeking or 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 are based on the usual principal and subsidiary status and have shown an oscillatory trend during the period 1993-94 to 2009-10 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. The rural and urban unemployment rates in Andhra Pradesh as well as at All India levels increased from 1993-94 to 1999-2000. However, from 1999-2000 to 2004-05, the rural and urban unemployment rates in Andhra Pradesh decreased. 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 5 points from 36 to 31. Similarly, at All India level, the urban unemployment rate has fallen sharply 11 points from 45 to 34 where as the rural unemployment rate has marginally declined (only 1 point) from 17 to 16.

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## EMPLOYMENT AND TRAINING

### 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 19,591 by March, 2012. Out of these, 13,175 were in Public Sector and 6,416 were in Private Sector.

20.28 Lakh persons were employed in the organized Sector as on March, 2012. The Public Sector alone accounted for 12.76 Lakh and the remaining 7.52 Lakh were employed in the Private Sector.

A total of 1,97,087 candidates were enrolled, 9,530 vacancies notified to Employment Exchanges and 820 candidates were placed in 2012-13 (up to Oct.12). There were 19,07,027 candidates on Live Register of Employment Exchanges at the end of October, 2012.

Details about employment in the Organised Sector in A.P. (Public and Private Sectors) from March 1966 to March 2012 are given in Annexure 9.5.

## Craftsmen Training

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

Craftsmen training is being imparted in 140 Government Industrial Training Institutes and 658 Private ITCs. The total intake capacity of Government ITIs was 24,250 and Private ITCs 74,500 students in 2012-13.

## Vocational Training Improvement Project

Vocational Training Improvement Project is a Centrally Sponsored Scheme with World Bank Assistance. The Scheme was introduced in 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 up-gradation of ITIs including introduction of new trades. The operation period of the scheme is five years starting 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.

Moreover, the Instructor Training Wing, at 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 Trainers. A State Projects implementation Unit has been constituted at State Directorate to monitor implementation of VTIP Schemes in the State.

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

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

The Government ITI, Thambalapally, Chittoor district was awarded the “best performing southern region ITI for the year 2012” and Government ITI Bhimavaram awarded the “best consolidation prize for the year 2012” and the state of Andhra Pradesh declared as the best practicing state in India under PPP at the first national conference on skill development held at Mumbai in February, 2012.

## Modular Employable Skills Under Skill Development Initiative Scheme

The main features of this Government of India scheme that is being implemented since 2007-08 are:

- To provide skill up gradation (training) in vocational trades, to school dropouts and to persons with good work experience but without certificate in the fields of their work
- Ensuring Certification.
- The minimum age for admission is 14 years.

There are 72 sectors and 1431 courses designed under MES. There were 950 Vocational Training Providers of which 454 were Government providers upto March 2012. 19,078 candidates were trained up to March 2012 in 2010-11- and 2011-12.

An Action plan for 2012-13 with an outlay of Rs. 31.29 crore covering 75,800 beneficiaries has been prepared. 2,325 candidates are undergoing the training in 27 training centers in 2012-13. All 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:-

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

13.78 lakh youth were provided training under RUS scheme. 8,90 Lakh unemployed youth were provided placements through the efforts of the society up to 31.03.2011. An amount of Rs.40.00 Crore is allocated for the financial year 2011-12 and Rs.10.00 Crore has been released.

## Rajiv Yuva Kiranalu

Rajiv Yuva Kiranalu (RYK) was initiated by the Government of Andhra Pradesh to provide placement linked skills to unemployed youth in private establishment. RYK Vision is to convert large number of non-literate, school drop out, unskilled and unemployed youth into productive workforce by building their skills and 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.

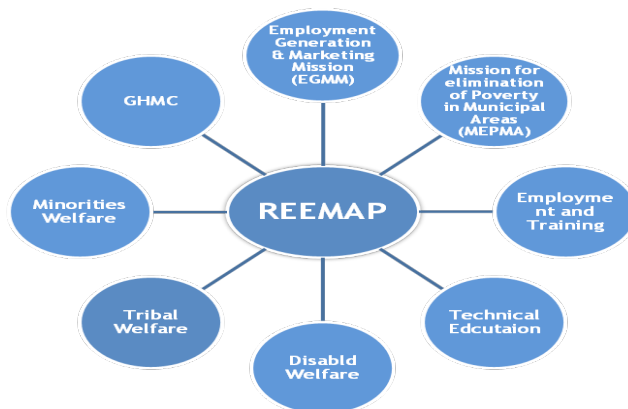
The Government set up a High level council Rajiv Education and Employment Council of Andhra Pradesh (REECAP) under the Chairmanship of Hon'ble Chief Minister with 9 Cabinet Ministers, Principal Secretaries of relevant departments and 10 representatives of the Industry and Academia to operationalise the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

An exclusive State Level Society named "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 functions through the following eight Sub- Missions constituted in eight Government departments.

1. Sub-mission for rural employment: Rural Development Department implement the scheme for rural unemployed youth.
2. Sub-mission for urban areas: Employment &

Training Department identify unemployed youth and provides training and employment

3. Sub-mission for urban slums: Urban Development Department identify unemployed youth in urban slums and provides training and employment.
4. Sub-mission for placements in Education Institutions: Technical Education Department identify the students passed from technical and professional institutions and provides training and employment.
5. Sub-mission for differently disabled: Disabled Welfare Department identify physically challenged youth in urban and rural areas and provides training and employment.
6. Sub-mission for Tribes: Tribal Welfare Department identify tribal areas and provides training and employment.
7. Sub-mission for Minorities: To be anchored by Minorities Welfare Department.
8. Sub-mission for Hyderabad city: To be anchored by GHMC Department.



## District Level key arrangements

District Level Committee to plan, implement and monitor RYK has been set up with Dist. Collector as Chairman, key Government officers and persons of repute from Industry/ Academia.

The Committee will meet every fortnight to provide overall direction, review and monitor the progress.

- A district level RYK facilitation centre has been opened to assist youth and counsel them on all aspects of the program.
- All Government offices which have computer hardware and internet facility have been declared as

registration centres so that unemployed can register themselves in RYK portal.

## Achievements

About 892 training centres have been established directly in PPP mode. Trainings are given in 28 sectors and in about 100 courses. A range of Post Placement Support Services like directing candidates to low cost accommodation, helping them to get bus pass, open zero balance account, networking with other candidates is being done. Third party evaluations of training centres, post-placement tracking systems are being setup.

22.29 lakh candidates were registered under RYK for placements, of which 2.75 lakh candidates got placements up to Feb 2013 as against the target of 3.43 lakh up to March 2013.

Details of the placements under RYK is shown in Table 9.1.

**Table 9.1 : Placements under RYK 2012-13**

Qualification	Registered Candidates	Placements	% of Placements
SSC Pass	6,76,324	1,01,408	15
Intermediate Pass	4,19,220	55,732	13
Non-Literates & SSC fail	4,12,845	33,519	8
Degree Pass	2,92,226	44,767	15
B.E.D, PG & B.Pharmacy	1,19,372	3,542	3
ITI	88,208	10,166	12
B.Tech Pass	73,784	6,998	9
Intermediate Fail	59,047	7,863	13
Degree Fail	47,181	5,555	12
Polytechnics	38,295	5,214	14
B.Tech Fail	2,076	54	3
Total	22,28,578	2,74,818	12

Source : REEMAP, Hyderabad.

Out of 2,74,818 placements 1,69,006 were allotted to men and 1,05,812 were allotted to women under this scheme. Of these, 45% of the placements pertain to BCs, 26% to SCs, 18% to OCs, 8% to STs and the remaining 4% to Minorities. Details of Sector-wise placements and Model wise placements are shown in Table 9.2 and Table 9.3 respectively.

**Table 9.2 : Sector wise placements  
(Till end of Feb.2013)**

Sl. No	Sector	No of candidates
1	Retail/Sales/Marketing	14685
2	Textiles	12285
3	Construction	13981
4	Logistics	14375
5	Retail/Sales/Marketing	25028
6	Education & Training	25764
7	Manufacturing	26465
8	IT/ITES/BPO	60053
9	Others	96867

Source : REEMAP, Hyderabad.

**Table 9.3 : Model wise placements**

Sub-mission	Placement	% of placement
Training & placement	183494	67
Direct placement	78048	28
Self employment	7211	3
Job mela	6031	2
Campus placements	34	0

Source : REEMAP, Hyderabad.

## Measures of Transparency & Accountability

IT platform is being used to implement and monitor the program as well as to provide a variety of services to stakeholders. RYK portal is being developed by Centre for Good Governance. Its features are:

- a) On line youth registration
- b) Manpower requirement registration by Industry. Any industry that has vacancies can report in the portal so that RYK identifies candidates of requisite qualification and sends them to the Industry or trains and places them in the Industry.
- c) Implementation and monitoring module-
  - All processes are automated so as to track all stages of implementation accurately.
  - A variety of monitoring reports are generated so that user Departments at every level know the status of implementation.
  - All training centres are registered and shown in the portal so as to facilitate their inspection and review possible at any time.
  - Monitoring of biometric attendance