

YOJANA

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CREDIBLE EMPLOYMENT DATA: NEED OF THE HOUR

- As per India's recent population growth rates, about 10-12 million people enter the job market every year. Given the low female labour force participation of 27-30 per cent the total number of jobseekers per year comes to around 8 million.

Importance of employment data:

- Around 80% of the workforce belongs to the unorganized sector, absence of employee documentation makes the overall data calculation difficult.
- There is also an increase in the employment in the unorganized sector, which is not captured in any official data estimates.
- Because of absence of data, the government is unable to do right synchronization between aspirations of job seekers and quality of jobs.

Challenges lies in getting credible employment data:

- The most comprehensive survey on labour workforce in India is conducted by National Sample Survey of India. But it is not dynamic in nature, last conducted survey is for the fiscal year 2011-12, not reflecting the employment data in the present scenario.
- The Annual Labour Survey by the Labour Bureau, which was conducted for the year 2015-16, but has no data on employment for the last 3-4 years, making it difficult to compare the data.
- And also, recently Labour Bureau released Quarterly Employment Survey, though this has the most recent results for the third quarter of 2017 it only covers eight sectors for calculation, which cover only 15% of the economy and hence might not reflect the job situation in the country

Steps taken to improve employment estimates:

- Payroll reporting by Employee Provident Fund Organization, which helps to measure the number of formal jobs and its increase on a monthly basis. The new jobs in the market has created membership-based employment like driver partners in Ola/Uber or delivery professional in companies like Flipkart/Amano/Snapdeal or professional home service aggregators like Urban Clap/Quikr Services etc. As a way forward, the taskforce headed by former Vice Chairman NITI Aayog, Professor Arvind Panagariya, has recommended yearly survey on employment data in July 2017, based on household surveys, which is

now underway. The first report of the NSSO household survey on employment is expected to be released in the first half of 2019.

- And also, there have to measures to calculate data on self-employment. According to data based on Mudra Yojana, over the last three years 12.27 crore loans have been disbursed and of these 74% are women borrowers. However, steps have to take to check its progress to measure and compare data on self-employment

EMPLOYMENT IN INDIA - AN IMPROVING PICTURE

Jobless growth scenario

Historical background

- Between 1999-00 and 2004-05, jobs increased at a rapid pace of 2.4 per cent a year, or an average annual job gain of 9.7 million jobs. GDP growth averaged 5.6 per cent a year.
- For the period 2004-5 to 2011-12, although GDP growth averaged the highest ever (CAGR of 7.8 per cent a year), however, total new jobs increased by only 11 million during this period.
- For the period post 2011-12, there were several factors arguing against “robust” employment generation.
 - ✓ Successive two drought periods 2014-15 and 2015-16
 - ✓ After 2016, though weather restored to normalcy, impacts of undertaken economic reforms such as demonetization and GST have been seen in various angles.
 - ✓ Though both the reforms have long term positive effects, it had introduced uncertainty in the initial phase, and hence, in the short-run, affected economic growth, and employment generation.
 - ✓ Also, high NPA creates obstacles employment generation activities
- On the other hand, the government has been taking steps to expand employment activities. Below are key ones.
- MUDRA initiative - provision of loan to small entrepreneurs
- Wage subsidies to employers hiring new workers (the government pays for the employee contribution to provident fund).
- And the demography of India is also in favour to support employment activities. Below are the facts to substantiate the statement.

- The national fertility rate is now at replacement levels (2.1 children per woman) and the population growth rate has declined to just 1.1 per cent a year, from a 1.8 per cent level two decades earlier.
- The size of the young 15-24 age group is expected to increase by only 2.5 million over the next five years.
- There has been a rather robust expansion of educational enrolment. Between 2004-05 and 2011-12, about 40 million more went to school or college (age \geq 15 years).
- Hence more creation of jobs would help immensely to absorb these young people in productive workforce

CREATING LIVELIHOOD OPPORTUNITIES IN URBAN AREAS

- As per Census, 2011, over 31 per cent of the total population lived in urban areas and estimates suggest that this will rise to over 50 per cent by 2050. Hence, it has become necessary to create sufficient livelihood opportunities in urban areas by developing the Skill Ecosystem and improving employment opportunities and the overall living urban conditions.

Steps taken to improve Skills Ecosystem:

- The National Skill Development Policy was released in 2009 and the National Skill Development Corporation (NSDC) was established with a mandate to skill 150 million people by 2022.
- The NSDC is structured as a PPP with government-ownership restricted to 49 per cent of the equity, majority ownership of NSDC rests with the private sector.
- 22 Ministries are offering various types of skill training programmes.
- The Skill India Mission was launched in 2015. Skill India Mission has further revised the target upwards and now aims to train 400 million people by 2022.

Specific steps taken to improve conditions in urban areas.

- Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM)-
A. To reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities, resulting

in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level institutions of the poor.

B. It follows Multi-dimensional Livelihoods strategies.

- ✓ Social Mobilization and Institutional Development
- ✓ Shelters for Urban Homeless
- ✓ Employments through skill training and placements
- ✓ Support to urban street vendors
- ✓ Self-employment program

C. A ranking system called SPARK has been introduced to induce competition among the states based on outcome parameters of the Mission.

D. It has tried to formalize the workforce by two ways

- ✓ Recognition of Prior Learning (RPL) has been adopted in convergence with the Pradhan Mantri Kaushal Vikas Yojana as a mechanism to recognize, certify and formalize those who have acquired skills informally.
- ✓ City Livelihoods Centers (CLCs) are being revitalized, with a renewed focus on creating a robust database of freelance service providers, making their services available through mobile apps etc.

E. DAY-NULM address the gender gap in workforce by mobilizing women into self-groups

F. The Ministry has launched Integrated Capacity Building Programme (ICBP) to build their capacities for implementing the urban missions including the employment and self-employment programs and sensitizing them to the vulnerabilities of the urban poor.

• **Swachh Bharat Mission - Urban (SBM-U)**

A. The Swachh Bharat Mission - Urban (SBM-U), launched on 2nd October 2014 aims at making urban India free from open defecation and achieving 100% scientific management of municipal solid waste in 4,041 statutory towns in the country.

B. The objectives of the mission are mentioned below:

- ✓ Elimination of open defecation
- ✓ Eradication of Manual Scavenging
- ✓ Modern and Scientific Municipal Solid Waste Management

- ✓ To effect behavioural change regarding healthy sanitation practices
- ✓ Generate awareness about sanitation and its linkage with public health
- ✓ Capacity Augmentation for ULB's
- ✓ To create an enabling environment for private sector participation in Capex (capital expenditure) and Opex (operation and maintenance)
- **Pradhan Mantri Awas Yojana- Urban (PMAY-U)**
 - A. The Pradhan Mantri Awas Yojana (Urban) Programme launched by the Ministry of Housing and Urban Poverty Alleviation (MoHUPA), in Mission mode envisions provision of Housing for All by 2022, when the Nation completes 75 years of its Independence.
 - B. The Mission seeks to address the housing requirement of urban poor including slum dwellers through following programme verticals:
 - ✓ Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource
 - ✓ Promotion of Affordable Housing for weaker section through credit linked subsidy
 - ✓ Affordable Housing in Partnership with Public & Private sectors
 - ✓ Subsidy for beneficiary-led individual house construction /enhancement.
- **Smart City Mission (SCM)**
 - A. Smart Cities Mission, sometimes referred to as Smart City Mission, is an urban renewal and retrofitting program by the Government of India with the mission to develop 100 cities across the country making them citizen friendly and sustainable.
 - B. The Union Ministry of Urban Development is responsible for implementing the mission in collaboration with the state governments of the respective cities.
- **Atal Mission for Rejuvenation & Urban Transformation (AMRUT)**
 - A. It is an urban transformation scheme with the focus of the urban renewal projects to establish infrastructure that could ensure adequate robust sewerage networks and water supply
- **Heritage City Development & Augmentation Yojana (HRIDAY)**

- A. The scheme aims to preserve and revitalise soul of the heritage city to reflect the city's unique character by encouraging aesthetically appealing, accessible, informative & secured environment.

Way Forward:

- Convergence guidelines for DAY-NULM and SBM-U were released recently, with the objective of developing dignified livelihoods opportunities along the sanitation value chain.
- Similar policy interventions focusing on improving the quality of livelihoods generated through other urban missions are being explored. Convergence with the National Health Mission (NHM) has also been initiated, as health-related expenditure is one of the most prominent reasons for a family to slip back into poverty trap.

Accelerating the Pace:

- To reap the demographic dividend, the government of India has adopted various policies to enhance the pace of employment generation and hence to ensure access of employment opportunities to all with special focus on weaker and poor sections of the society.
- 1) National Career Service
 - A. This to enhance the availability and accessibility of employment opportunities, via the transformation of Public Employment Service in India through the National Career Service (NCS) platform
 - B. It acts as a common platform by bringing together job seekers, employers and training providers and helps in providing employment opportunities
 - C. The salient features of NCS include: provision of career related services to job-seekers; counselling services; call centres; Model Career Centres; rich repository of career content, capacity building and other facilitation services.
 - D. Provides a variety of employment related services like e-linking all employment exchanges, organizing job fairs and interlinked with major private job portals by signing agreement with private players and as such
 - 2) Reforms in labour laws such as
 - A. Deen Dayal Upadhyay Shramev Jayate Karyakram

- B. Facilitating inspection of establishment in a scientific and transparent manner through Shram Suvidha Portal.
- C. Labour Inspection scheme: A computerized list of inspections will be generated randomly to reduce inspector raj. Inspector has to upload report within 72 hours
- D. Universal Account Number (UAN) for Employee Provident Fund (EPF)-The portability of the Social Security Benefits to the labour of organised sector across the jobs and geographic areas will be ensured.
- E. Apprenticeship Protsahan Yojana- envisages on imparting on-the-job training to apprentices.

Steps such as also provided path in increasing our rank in World Bank's Ease of doing business index (77th from 100th)

- ✓ Simplification and rationalisation of multiple existing Acts into four Labour Codes, viz., Code on Wages, Code on Industrial Relations and Code on Occupational Safety, Health & Working Conditions.

- 3) Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) - to incentivize industry for promoting employment generation. To further incentivise the textile industry, government has been contributing the entire employer's contribution (12 per cent or as admissible) towards both the Employees' Pension Scheme (EPS) and Employees' Provident Fund (EPF) under this scheme

The government has been taking steps to expand the employment opportunities for all sections of the society and hence this could act as a catalyst to achieve Sustainable Goals 2030

HARNESSING THE DEMOGRAPHIC ADVANTAGE

Data points:

- As per Economic Survey 2016-17, for the first time since 1950 the combined working age (WA) population (15-59) of the advanced countries declined with both China and Russia experiencing fall of 20 per cent in their working age population individually.
- On the other hand, India currently with around 28 per cent population in the youth category is witnessing an increase in its working age population which may saturate by 2040.
- However, there is large heterogeneity among the states in their demographic profile and evolution. While the peninsular states with low fertility rate are exhibiting a pattern akin

to the developed economies, the hinterland states are relatively young and dynamic, characterized by a rising working age population.

Major challenges in skilling the young population to reap the demographic advantage:

- Large pool of poorly educated and unskilled and semi-skilled young population, on other hand, there is a high demand for skilled manpower such automation, Big Data, AI and as such.
- Inadequate trained professional to impart required skills per market demand, mainly due to lack of focus on developing appropriate infrastructure on trainer's training programmes and career progression pathways for them.
- Multiplicity in assessment and certification systems leading to inconsistent outcomes and confusion to the employers.
- Preponderance of informal/unorganised sector and mapping of existing skills and skill required.
- Achieving convergence and coordination across sectors.

Steps taken to reverse these challenges:

- Dedicated Ministry of Skill Development and Entrepreneurship (MSDE) has been formed in 2014 as the nodal ministry for all skill development activities in India
- National Policy for Skill Development and Entrepreneurship 2015 has expanded its vision an ecosystem of empowerment by Skilling on a large Scale at Speed with high Standards and to promote a culture of innovation-based entrepreneurship which can generate wealth and employment
- 'Labour Market Information System' has been formed to have an integrated database on both market demand and supply side information
- Multi-skills centres have been established as Pradhan Mantri Kaushal Kendras
- SMART portal (Skill Management and Accreditation of Training centres) provides a single window IT application that focuses on the Accreditation, Grading, Affiliation and Continuous Monitoring of the Training Centres in the Skill Ecosystem and intends to address issues like quality benchmarks, fostering excellence in Training Centres, enabling trainees to make informed choices with regard to Training centres etc.
- National Apprenticeship Promotion Scheme provides industrial exposure and also financial assistance

- India International Skill Centre has been set up by MSDE with MEA to facilitate mobility of Indian workers globally. It will also provide skill training along with Pre-departure orientation and basic language skills.
- Temporary employment opportunities mainly with the intention to provide international exposure and learning opportunities are being provided through programmes such as the Technical Internship and Training Programme (TITP) with Japan where in technical interns are sent from India to the Japanese company for three years.

Steps to be taken

- Integrating Micro industries to Market Place- creating and integrating more micro enterprises at village level to large marketplaces may limit migration and increase the chances for continued livelihood.
- Wage advantage or Wage premium should be given to skilled people, which would in turn motivate many other unskilled workforces to go for skill development programme
- Generate skilled job opportunities, this would not reduce informal and unorganized economy, but also make India, a skill capital of the world
- Private sector, who are the primary beneficiary of the skilled manpower, should be encouraged in skilling funding via options such as reimbursable contributions, levies or even mandatory cess

MUDRA- FUELLING GROWTH IN MICRO ENTREPRENEURSHIP AND EMPLOYMENT

Introduction- About MUDRA:

- Pradhan Mantri Mudra Yojana (PMMY) was launched with the objective of funding the unfunded.
- PMMY loans are extended through Member Lending Institutions viz: Banks, Micro Finance Institutions (MFIs) and Non-Banking Financial Companies-MFIs (NBFC-MFIS) for an amount of up to Rs. 10 lakhs for income generating activities.
- The loans fall in three categories is.
 - ✓ Shishu (Upto Rs. 50,000)
 - ✓ Kishore (Upto Rs. 50,000 to Rs.5 lakh)

✓ Tarun (Rs. 5 lakhs to Rs. 10 lakh).

- This, apart from increasing the opportunities available to the young, educated or skilled workers who aspire to become first generation entrepreneurs, facilitates the expansion of existing small businesses, thereby giving a boost to employment.

MUDRA – Impetus in expanding employment:

- MUDRA has increased the availability of credit for the needy population living in the lower rungs of the society
- Provided pathway to strengthen and expand the existing micro and small enterprises and have also provided a fillip to new enterprises, thus generating employment.
- It has mainly reached vulnerable sections of the society
- Around 55 percent of the borrowers are from SC/ST/OBC category and the loans also disbursed to substantial women segment
- The program has mainly expanded entrepreneurship among population. Around 28 per cent of PMMY loans have been extended to new entrepreneurs.

MSMEs: NEW ENGINES OF GROWTH AND EMPLOYMENT

Importance of MSME sector

- It has been continuously contributing significant portion in terms of improving overall socio-economic condition of India.
- It provides space for both self – employment and job creation
- It also has multiplier effect on other sectors of the economy
- Hence it has been acknowledged as the backbone of the economy

MSME Sector: Potential for employment Generation:

- Currently, there exist over 7 crore MSMEs that create around 12 crore jobs in the country across various types of enterprises.
- This sector offers wide range of opportunities for self-employment as well as jobs after the agriculture sector. The labour-capital ratio tends to be much higher for MSMEs.
- As the country is expecting to witness significant demographic growth and expansion in working age population in the coming years, the MSME sector would need to play an important role to absorb this labour force.
- It is crucial to lay greater focus on building human capital, especially in certain manufacturing industries which are highly labour intensive. National Manufacturing

Policy (NMP) has envisaged that the manufacturing sector has the potential to provide employment to 100 million people by 2022.

Way forward:

- Expand job opportunities in labour intensive sectors
- Innovative labs should be created and strengthened to improve the quality of training imparted in educational institutions and also in skill centres based on market demand
- Market best practices and better technical skills should be implemented to enhance labor productivity
- Timely credit should be ensured such as MUDRA yojana
- Better market access and supply chain should be facilitated. For example, steps such as,
 - ✓ National Procurement policy - mandatory 20 percent of total procurement of the goods and services by CPSEs, central ministries and other government departments shall be made from MSEs, including 4% from MSEs owned by SC/ST entrepreneurs
 - ✓ MSME Sambandh portal - supporting entrepreneurs to participate in the Public Procurement of goods and services.
 - ✓ National Scheduled Caste/Scheduled Tribe Hub (NSSH) - to help in Public Procurement Policy for the SC/ST entrepreneurs
 - ✓ MSME Sampark portal - a platform where the recruiters would have access to the increasing talent pool of trained manpower, facilitating their placement.

EMPLOYMENT - THE INDIAN PERSPECTIVE

- India had 51.52% of population in the working age (15-64 years) in 2016 according to the world bank. This high ratio of working population places our country in the position to reap the demographic dividend.

Labour Market: Structural Rigidities

- Unemployment problem is challenges in India because it emerges from structural rigidities of our labour market, scarcity of capital and low skill levels of our labour force.
- Indian labour laws are considered complex and restrictive, this also caused huge compliance burden for the companies
- High compliance burden has made companies to turn to contract-based employees and also low labour to capital ratio is low despite the fact that India is a labour abundant and capital scarce country.

- This also caused low employment elasticity of Indian Economy. According to an International Labour Organisation (ILO) report, the employment elasticity of Indian economy is 0.15 per cent.
- High labour supply also resulted in low labour wage rates and hence affecting the quality of employment.
- Indian economy also suffers from disguised employment in the farm sector, which is necessitating alternative employment in rural areas, along with time bound target of doubling of farmers' income.

Steps taken to address labor rigidities:

- Introduction of 'Fixed term contract' employment in certain employment intensive industries like textiles. It also allows employers to hire workers for a pre-defined fixed term with a proportionate share of all the benefits to which any permanent worker is entitled.
- The government has introduced 'Pradhan Mantri Rojgar Protsahan Yojana' with the objective to pay the full employer's contribution towards EPF and EPS from 1st April 2018 thus encouraging new employment.

Steps taken to improve Ease of Doing Business

- Initiatives such as shram Suvidha Portal, Universal Account Number and National Service Portal in order to reduce the complexity burden and better accountability for enforcement.
- MSME Samadhan- launched with an aim to empower micro and small entrepreneurs (MSEs) across the country to directly register their cases related to delayed payments by Central Ministries, Departments, CPSEs or State Governments
- Facilitation of credit through Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE), ASPIRE Fund of Funds and Small Industrial Development Bank of India (SIDBI).
- 93 per cent of India's labour force works informally. About 80 per cent of it works in the informal sector and the remaining is employed informally in the organised sector of the country. A number of steps have been initiated by the government, which together, are likely to have a tangible impact on the employment situation in the country. The steps should also be taken to improve the quality of jobs

ROAD DEVELOPMENT: INDIRECT EMPLOYMENT OPPORTUNITIES

Key programs:

- National Highways Development Program (NHDP)-started Golden Quadrilateral and North-South and East-West Corridors
- Bharatmala Pariyojana

Employment generation through Bharatmala Pariyojana

- This recent program focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps.
- It is also expected to significantly boost investment in the sector and create large scale employment opportunities across the entire value chain of highway construction.
- The increased emphasis on use of technology such as LiDAR (Light Detection and Range) for more accurate project designing has also led to a spurt in demand for manpower trained in remote sensing applications.
- The ministry is also implementing schemes for training and upgradation of skills in the highways and transport sector. One of the initiatives is Recognition of Prior Learning (RPL) as per the National Skill Qualification Framework of the Ministry of Skill & Entrepreneurship Development.

EMPLOYMENT AVENUES FOR DIFFERENTLY ABLED

Steps taken to increase employment opportunities for disabled:

- Rights of Person with Disability Act 2016 has increased the job reservation from 3 to 4 per cent for people with disabilities.
- Special employment exchanges and Special employment cells
- Steps have also been taken to increase their proportion in private sector - tThe government pays the employer's contribution of the disabled employee's provident fund and employee state insurance up to three years for employment of person with disabilities with a minimum salary of Rs. 25,000 per month.
- To motivate the companies who provide right infrastructure for disabled, awards are given to Government Sector, Public Sector Undertakings and private enterprises for creating barrier free environment for the persons with disabilities