



CHAPTER 9 POVERTY

Poverty

Several 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. While poverty has been interpreted and measured by experts in several methods, various dimensions of poverty have been discussed in the recent past.

Broadly, 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. 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.

NITI Aayog has categorized the states into five classes based on their relative poverty head count positions in 2011-12 with scales of <10%, 10-20%, 20-30%, 30-40% and >40%. As per this classification, Andhra Pradesh in terms of urban poverty is placed in the range of <10% along with the states of Goa, Sikkim, Himachal Pradesh, J&K, Mizoram, Kerala, Tamil Nadu and Meghalaya. However, with reference to rural poverty, Andhra Pradesh is placed in the range of 10-20% along with the states of Haryana, Meghalaya, Rajasthan, J&K, Nagaland, Tripura, Tamil Nadu, Uttarakhand. With better and more focused implementation of various livelihood and employment generating schemes in the recent past, poverty in Andhra Pradesh is expected to further decline both in respect of rural and urban areas.

Employment & Unemployment

The Quinquennial Survey on Employment and Unemployment collected information on several variables to capture the multidimensional aspects of employment and unemployment in the country and is regarded as 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). Persons, including the unpaid helpers who assist and engaged in any economic activity are termed 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. Shifting workforce from Agriculture to non-form 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.

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, by the end of December, 2015, there are 9,244 establishments in organized sector in Andhra Pradesh providing employment to 8.60 lakh persons. Of the total establishments, 6,470 are in public sector (with employment of 6.04 lakh persons) and 2,774 (with employment of 2.56 lakh persons) are in private sector.

A total of 76,874 candidates were enrolled, 1521 vacancies notified to Employment exchanges and 150 candidates were placed. The district-wise registration details are given in Annexure 9.5.

Training in Vocational trades

Candidates are being trained in various vocational trades under Craftsmen training scheme by providing them employable training skills. The scheme intends to meet manpower requirements of industries and also aims to reduce unemployment among educated youth. Training is being

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imparted in 78 Government Industrial Training institutes and 420 private ITCs. The total intake capacity of students in Government ITIs in 2015-16 was 12,586 and that for Private ITCs, it was 54,887.

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.

ITIs as Centers of Excellence

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 persons 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. Five Principals from different ITIs have been selected for training at ITE, Singapore.

Modular Employable Skills

Modular Employable Skills under Skill Development Initiative is a GoI scheme. The main feature of this scheme is providing skill upgradation (training) in vocational trades to school dropouts and to persons with good work experience but without formal education and a issuing a certificate in the fields of their work. There are 68 sectors and 558 courses designed under Modular Employable Skills (MES). 7,551 candidates were trained and another 211 are under training in 2015-16. There are 530 Vocational Training Providers(VTPs) registered under the scheme.

Tribal Sub Plan

The Govt. has taken up Infrastructure Development in Residential Industrial Training Institutes (RITIs) for S.T.s at K.R.Puram, W.G. District & remaining 4 RITIs and allocated Rs. 1.57 crore under Tribal Sub Plan for 2015-16 to construct new buildings, procurement of machinery and equipment, library books etc.

Schedule Caste Sub Plan

The Govt. has taken up up-gradation of Residential ITIs for S.Cs, Kadapa & RITI, Macherla under S.C.S.P. for 2015-16 and allocated Rs.7.86 crores. It is proposed to construct Kitchen, dining and security room, procurement of machinery and equipment etc.

Apprenticeship:

Region-wise Apprentice seats located and utilized in the Public and Private Sectors in the State are given in Table 9.1

Table 9.1 Apprentice seats located and utilized in the Public and Private Sectors

Region	No. of Apprentices located	No. of seats utilized.
Vizag	3048	2490
Kakinada	3437	3060
Guntur	3775	1207
Tirupathi	1852	1327
Total	12,112	8084

Skill Development

The Andhra Pradesh State Skill Development Corporation (APSSDC) is an implementing arm of Skill Development entrepreneurship and Innovation department. APSSDC was set up to skill 2 crore people in Andhra Pradesh in next 10 – 15 years with a vision to be the best state in India and to be competing with the best in the world by 2022, when India celebrates its 75th year of Independence and to achieve status of fully developed state. The mission of the department is to skill 20 million people in 15 years by meeting skilled human power demands of all missions and shape Andhra Pradesh as a skilled workforce and knowledge hub for the world. The role of the Skill development department is to bring in expertise, training of trainers, legislation / policy, rope in placement/ staffing agencies, explore opportunities outside state/country, coordinate with NSDC/GoI, comprehensive portal, CSS funds, coordinate / support skill requirements of 7 Missions, establish state chapter of sector skill councils. In the set up phase it has been planned for scaling up of operations process and procedures, pilot studies for new innovative programmes, kick start training programmes and running existing ones. In the growth phase, scaling up and improving efficiency of existing programmes and implementing new innovative programmes out of the pilots are being aimed. Thus target from 2015-16 to 2019-2020 is projected at 50 lakh at the rate of 10 lakh per year and 2 crore in fifteen year target i.e. by the year 2039.

Structure of the Mission:



A committee with District Collector, DRDA, APSSDC, EGMM, CSR, Vice Chancellors, industries, private etc., has been constituted and the functions of committee is to prepare district action plan, coordinate training programs, identify and provide idle infrastructure, 500/1000 capacity centre under PMKVY, coordinate requirements of local Industries, operationalisation of YTCs and other training spaces. APSSDC central campus, integrated school (with vocational skills), Skill development university, training of trainer institute (with residential facilities), manufacturing and R&D setup, industrial centers of excellence, entrepreneurship and incubation facilities, residential campus with capacity to host 20,000 trainees, land-intensive training programs, industrial consortiums and state-of-art sector skill councils.

Roadmap

Setup phase	Growth phase	Stabilizing phase
Setting up operations, processes and procedures. Pilot studies for new innovative programs. Kick-starting new training programs and running the existing programs.	Scaling up and improving efficiency of existing programs. Implementing new innovative programs out of the pilots	Focused on quality enhancement. Working on better operations. Improving efficiency and productivity Ensuring sustainability of programs.

The Skill development mission also has linkage with Mission coordinators/constituent departments and nominate a coordinator, articulate demand for skilled workforce, earmark a portion of the budget for skilling activities. A 'career counselling helpline' is being launched as a state-wise service. This call centre is planned at Parivartan bhavan, Guntur district and APSSDC has tied up with Nirmaan vidya helpline for this service. Udyog ratham is a mobile van planned and is a unique and easily accessible mode for candidates to register for job and skill training and

for employers to offer jobs.

The activities managed by the skill development mission are:

Siemens centers:

- There is big gap in employability levels of engineers and diploma holders due to less exposure to hi-end, industry-relevant technology.
- Focus on automotive, heavy engineering, aerospace, energy, naval and other manufacturing sectors.
- Unique Hub & Spoke cluster model with plan for 6 clusters in the state, with total 36 centres
- Each geographic and industrial region is being covered and placement opportunities are available across the globe. These centres are to be operationalised by April 2016

ESDM – DEITY - APSSDC has been designated as the State Implementing Agency (SIA) for the skill training in the 'Electronics System Design and Manufacturing (ESDM) sector, a scheme of department of Electronics and IT, Govt of India. 23 training partners have been selected with 14 job roles under this scheme by APSSDC with an initial target of around 1500 youth.

IT – Sector - MoU signed with NASSCOM for launching courses in 'Cyber Security' and 'Data Analytics', MoT program for the faculty members of 35 universities/colleges are under progress.

Tribal Welfare Department MoU signed with Tribal welfare department to train tribal youth in "18" youth training centres (YTCs), conducted "Bhavitha" program and mobilised around 2500 youth.

Jain Irrigation - Drip irrigation service and maintenance entrepreneur being developed

UN Women - Training housemaids for overseas placement. ToT organized logistic sector skill council - logistic trainings - skilling activities in the ports, airport terminals, warehouses, capital region project etc.

Key International Partnerships

- MoU signed with UN women for training of women migrating from AP. The first MoT workshop organized during 30th Nov to 2nd Dec. 2015 is an initiative to benefit more than 30,000 women who migrate to middle east from AP.
- Partnership with UNDP to develop handicrafts cluster in Narsapur through industries foundation. Scoping visit and consultative workshop completed through funding by UNDP. Training and value-addition models to start in coming year targeting around 5000 women artisans.

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- MoU with McKinsey Social Initiative for implementing their 'Generation' Skill Programme in India. An international skill and industry linked training programme first time being implemented in India.
- Advance Discussions with Chicago State University for linkage in IT related ToT programmes, community college link-up, etc.
- MoU in discussion with Tata Strive – the skilling initiative of Tata Sons for partnering in all stages of skill training, including running a full-fledged skill training centre involving different courses by Tata companies. Plan to train more than 2000 candidates every year. All trainings under their CSR, only space by APSSDC.
- Several other partners like IL&FS, Involute, CIPET, Gram Tarang also partnering in same mode where only space is being provided by APSSDC and trainings being conducted by them through own funding.
- MoU with ATDC (Apparel Training and Design Centre), GoI for training related to garment and textile sector.
- MoU with Tally for Tally ERP course for degree students. Two TOT workshops were completed.
- MoU with Samsung for training of faculty and students for the Taizen application development programme in colleges all over the state.

Key highlights of other impact initiatives.

Tribal Training	Capital Area Skill development Programs
Leveraging YTCs for tribal skill development (12 training centres) Standardized screening workshop Screening of 8,500 tribal youth and aptitude driven training Infrastructure will be utilized for various training programs by private partners Basic skills to specialized training	Surveyor training Construction related training Tie-up with leading industry partners for on-job training in construction and allied Compulsory safety training Major focus on in trade services to quickly get the required skilled workforce
Municipal area SDCs & services centres	"Make in India" linked programs
Define standards for a typical municipal SDC facility Setup 110 municipal SDCs Majority to use existing colleges and polytechnics Connecting the SDCs together through internet	Implementing ESDm (DIETY, GoI) Food and marine Processing Renewable Energy Construction App & Software, design skill training and training for IoT (Internet of Things)

Performance of Skill Development is given in Table 9.2

Table 9.2 Performance of Skill Development

Indicators	2015-16	
	Target	Achievement
No. of people trained	89,375	73324
No. of partnership initiated (industry and academy)	88	87
No. of Skill Development Centres established	540	409
Placed / Settled (%)	40	93
No. of entrepreneurship models	9	8
International Collaborations	3	4
Innovative projects / practices	50	20

Source: Skill development department

People trained under each institutes are shown in Table 9.3

Table 9.3 Entity wise people trained

Entity	Achievement
APSSDC	11200
EGMM	6366
MEPMA	12222
SDCs	2927
JKCs	16005
PMKVY	24604
Total	73324

Source: Skill development department