

NITI Aayog Skill Development & Employment Vertical

Employment & Skill Development-Vision

The Vision statement in the area of Employment and Skill Development over a 15 year period is visualized as follows:

"To promote inclusive, productive & decent employment leading to reduction in poverty and income inequality and to empower the youth to make India the Skill Capital of the world."

Current Challenges in the sector

- **Absence of decent employment opportunities to all, with predominance of own-account workers and casual labourers among the workforce.**
The share of workforce in regular employment was only 17.9 percent in 2011-12 while self-employed accounted 52.2 percent and casual employment was 29.9 percent during this period. Out of the total self-employed 32.8 percent were own-account workers, 1.5 percent were employers and 17.9 percent unpaid helpers. This brings to the fore the issue of quality of employment. Nearly 80 percent of the workforce including own-account workers, unpaid helpers and casual employed did not enjoy the benefit of a secured job or social security benefits.
- **Inadequate coverage of social security benefits to the workforce especially those in the informal sector.**
Out of the total workforce of 474.23 million in 2011-12, 91.9 percent were employed in the informal sector. The trend of informalisation was more within the organized sector as compared to the unorganized sector. Out of the total employment of 81.92 million in the organised sector in 2011-12 the proportion of workforce in informal employment was 54.6 percent.
- **Ensuring decent wages to the workforce**
Under the Minimum Wages Act, 1948 both the Central and State Government fix minimum wages for certain scheduled employments. At present there is multiplicity of minimum wages across Centre and States and across occupations. The criterion for inclusion in the list of scheduled employment viz; more than 1000 workers in a State has resulted in exclusion of many activities such as domestic workers from the scheduled list and so all workers do not get the benefit of minimum wages. Even the adoption of the national floor level minimum wage which is lower than the minimum wage of some states is not legally enforceable.
- **Low level of female participation in the labour force and predominance of female workforce in subsidiary activities**
The decline in the labour force participation is accounted for by the decline in the female labour force participation rate. This decline in female labour force participation was attributed to an increase in school enrolment of females in the age group 5-14 years and an increase in family incomes that led to

withdrawal of women from the labour force from the labour market¹. The decline in female labour force participation was more in rural areas than in urban areas. (Table-1)

Table-1 Female Labour Force Participation Rate per 1000
(as per UPSS estimate)

NSSO Rounds	2004-05	2009-10	2011-12
Rural	333	265	253
Urban	178	146	155

Source : NSSO Reports, various rounds

The increasing proportion of women in working age confining to National Sample Survey Office (NSSO) activity code 92 and 93 and their willingness to work within the vicinity of their homes indicate that, with the structural transformation of the economy and the consequent loss of women-oriented jobs in the agricultural sector, social compulsions to stay at home and lack of jobs closer to their homes have led to the withdrawal of females.

- **Almost half of the workforce is engaged in the agriculture & allied sector when the GDP from the sector is only around 15 -16 percent**

The broad sectoral distribution of employment as per the Annual Employment-Unemployment Survey conducted by the Labour Bureau shows that the share of employment in the primary sector declined from 50.8 per cent in 2012-13 to 48.3 per cent in 2013-14, while the share of the secondary and tertiary sector increased from 20.8 per cent and 28.4 per cent to 22.4 per cent and 29.3 per cent respectively during this period (Table-2).

Table-2 Sector-wise Distribution of Employed Persons (as per UPSS estimate)

	(In Percent)		
	Primary	Secondary	Tertiary
2012-13	50.8	20.8	28.4
2013-14	48.3	22.4	29.3

Source:

Labour Bureau, Report on Employment-Unemployment Survey 2012-13 & 2013-14

- **Bring about workplace safety and standards especially in the informal sector inclusive of MSME, home-base units etc**

The challenges faced in this area involve: i) occupational safety and health (OSH) policies are either fragmented or absent- laws with limited scope and no clear standards or sanctions for offenders. ii) weak and ineffective labour inspection services iii) Absence of complementary compliance strategies iv) lack of consultation and engagement of workers and employers v) lack of data and information management vi) lack of OSH Specialists and OSH Practitioners vii) lack of awareness about the subject among the workers and employers viii) lack of OSH researchers and ix) lack of OSH laboratories,

¹ Vikalpa, 'Decline in Rural Female Labour Force Participation in India – A Relook into the Causes', *The Journal of Decision Makers*, IIM Ahmedabad, Vol.40, Issue -3 , July-September,2015).

training institutions and programmes. The other significant challenge is in a growing informal economy, expansion of flexible forms of employment, expansion of labour migration and new risks associated with the use of new technology puts the focus of OSH to the backdrop.

- **To end all forms of exploitation of labour be it in the form of child labour or bonded labour**

Even today child labour is visible in road side eating joints, family enterprise, farming etc. The Child Labour (Prohibition & Regulation) Amendment Act, 2016 would be able to curtail the use of child labour by restricting the use of child labour even in family enterprises to only after school hours or during vacations.

Instances of prevalence of forced and bonded labour system are noticed now and then even after its abolition by law with effect from 25th October, 1975. The root of the problem lies in the social customs and economic compulsions and they are yet to change in the desired direction. As per the information received from the States, the number of bonded labourers released and rehabilitated as on 31.03.2016 is enlisted.

Name of the State	Released and Rehabilitated
Andhra Pradesh	31,687
Arunachal Pradesh	2992
Bihar	14,577
Chhattisgarh	2215
Gujarat	64
Haryana	92
Jharkhand	196
Karnataka	58,348
Kerala	710
Madhya Pradesh	12,392
Maharashtra	1,325
Odisha	47,313
Punjab	252
Rajasthan	6556
Tamil Nadu	65,573
Uttar Pradesh	37,788
Uttaranchal	5
West Bengal	344
TOTAL	2,82,429

Under the Bonded Labour System (Abolition) Act, 1976, it is the responsibility of State governments to identify, release and rehabilitate the bonded labour. In order to assist the State Governments in the task of rehabilitation of identified and released bonded labourers, a Centrally Sponsored Plan Scheme for Rehabilitation of Bonded Labour was in operation since May, 1978. Under the Scheme, rehabilitation assistance @ Rs. 20,000 per bonded labour was provided which was equally borne by the Central and State Governments.

- **To improve the education levels of the workforce and bring in a system of life-long learning to update the skills of the workforce in accordance with the changing demands.**

Employers' complain of lack of availability of skilled labour. The new entrants to the labour force coming out of the institutions of higher learning are not able to find jobs matching their aspirations. This skill mismatch arises due to disconnect between the industry and the institutions of higher learning. At the same time, knowledge is growing exponentially and changes technological and other wise are accelerating. This calls for putting in a system of life-long learning to improve the employability of the labour force

- **Enhancing employability**

To harness the demographic advantage that India enjoys it is necessary to make available education, skill development and job opportunities for the youth. Since not all youth can get the wage employment there is need to promote entrepreneurship among the youth including females by creating a facilitating environment for start-ups, innovations etc. This will act as force multiplier for the employment creation. However, it is necessary to support this initiative by making available credit, training, quality up-gradation and marketing access as a package by bringing in coordination of the implementing departments at the field level. Further to make skill aspirational the process of integration of vocational education and training with the general education needs to be accelerated so as to make vocational training attractive to the youth. To increase the availability of skilled manpower apprenticeship needs to be widened to cover manufacturing and service trades and incentivise MSME units to take in more number of apprentices. All these efforts put together would increase the availability of skilled manpower in the country and enable India to become the Skill Capital of the world.