

# **Annual Area Employment Market Report**

**2012-2013**

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Government of Himachal Pradesh**

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## I. INTRODUCTION:

The era of economic planning started in Himachal Pradesh in 1948. Since then Himachal Pradesh has emerged as leader in hill area development, horticulture revolution, and it is also being considered as suitable destination for investment in industry, power and tourism. It is one of those states in India which was rapidly transformed from the most backward part of the country to one of most advanced states. It has already become the ideal in respect of development for the hill areas of the country. Economy of Himachal Pradesh is mainly dependent on agriculture and its allied activities. It is the main source of income as well as employment in Himachal Pradesh. High priority therefore, has been accorded to this sector by the Government.

However, the economy of Himachal Pradesh has shown a shift from agriculture sector to industries, but decline share of agriculture sector do not affect the importance of this sector in the state economy as the state economic growth is still being determined by the trend in agricultural production. It is the major contributor to the total domestic product and has overall impact on other sectors via input linkages, employment and trade etc.

As per section 7.2 and 7.4 of chapter VII of the National Employment Service Manual, anyone who is minimum 14 years of age and ordinarily residing in particular area and interested/need to avail the services of Employment Exchanges can get his or her name registered in the Employment Exchange. There is no requirement of a person being unemployed in order to register his/her name in an Employment Exchange. A person who is employed can also register themselves in case they want to change/improve their employment status. Therefore, the number of persons registered in Employment Exchanges does not reflect the number of unemployed (which is a dynamic figure). It is an indication of the number of persons who wish to avail of the services provided by Employment Exchanges.

For formulation and monitoring of plans to solve the unemployment problem in the State, the importance of up-to-date and reliable statistics on various aspects of unemployment need not be over emphasized. Keeping in view this need, such types of statistics are already being collected by various agencies. However, much more needs to be done to improve the quality and coverage of statistics on employment and unemployment, presently being collected by various agencies. The EMI (Employment Market Information) is one of the important sources of information on employment in Organized Sector of the economy. It also provides information about the structure of employment, occupational compositions and educational profile of employees, assessment of manpower shortages in the Organized Sector, etc. One of the major limitations of EMI is that it does not cover the vast Unorganized Sector with enough employment avenues.

The main function of Employment Market Information Scheme is to assess employment trends in Organized Sector (Public & Private Sector) at regular intervals. Employment data in respect of all Public Sector Establishments and non-agricultural Establishments in Private Sector employing 25 or more persons is collected under the provisions of Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and Rules framed there under.

The main objectives of the Employment Market Information Programme are:

- (i) To provide information at short intervals about the structure of employment in the Public & Private Sector Establishments at the Districts and State level.
- (ii) To present occupational composition.
- (iii) To assess the manpower shortages & surpluses in the Organized Sector.

Under the Employment Market Information Programme, information is collected through 'Establishment Reporting System'. Establishments are required to furnish Quarterly Returns about the number

of persons they are employing, vacancies that have occurred and the type of persons which are in short supply.

The employment information collected from the individual employers, after compilation and preparation is finally concluded in Employment Market Reports which are prepared and issued at various levels. The objective of these reports is to bring out precisely the factors responsible for the prevailing employment situation so that whenever necessary timely remedial action could be initiated at the proper level. Area Employment Market Report is one of such reports.

The purpose of Area Employment Market Report is to present in a simple form an analysis of the employment trends, unemployment trends, demand for personnel and imbalances between the supply of and demand for Labour leading to shortages or surpluses in specific occupations.

The data collected, compiled and prepared by State Employment Market Information Unit at Directorate of Labour & Employment Himachal Pradesh (SEMI Unit) on the basis of Quarterly EMI statements, during the Quarter ended March,2008 to Quarter ended March, 2013 has been shown in Table –I.

## 2. EMPLOYMENT TRENDS—

TABLE-I

Total Employment and Establishments covered under EMI (both Public & Private Sector)

Quarter ended	No. of Establishments			%age change in Total Estts.	Estimated Employment		Total Employment (Pub & Pvt.)	%age change in Total Employment
	Pub. Sector	Pvt. Sector	Total Estts.		Pub. Sector	Pvt. Sector		
31.03.2008	3839	1161	5000	NA	260588	104525	365113	NA
31.03.2009	3806	1217	5023	0.46	257837	114481	372318	1.97
31.03.2010	3908	1235	5143	2.38	267647	119915	387562	4.09
31.03.2011	3908	1329	5237	1.82	265908	125890	391798	1.09
31.03.2012	4014	1524	5538	5.74	267386	129418	396804	1.27
31.03.2013	4181	1661	5842	5.48	270955	139834	410789	3.52

### (a) TOTAL (PRIVATE AND PUBLIC SECTOR) EMPLOYMENT-----

Table-I depicts year wise detail of total employment from March, 2008 to March, 2013. It reveals from the table that during the year 2009-10 employment has increased by 1.97% and

continuous increase of 4.09%, 1.09%, 1.27 % and 3.52 has been noticed from year 2009-10 to 2012-13 respectively. During the year ended March, 2013 total **5842** establishments of Public & Private Sector were being covered as compared to **5538** Establishments of year ended March, 2012. Thus coverage of EMI has been increased by **5.48%** during the year 2012-13.

### **(b) PRIVATE SECTOR ----- EMPLOYMENT**

Table-II depicts the analysis of changes in Employment in Private Sector Establishments. Continuous increase in Employment has been noticed from the year ended March, 2008 to year ended March, 2012. The maximum increase of 9.5% was there in the year 2008-09. During the year 2009-10, 2010-11, 2011-12 & 2012-13 employment has increased by 4.75%, 4.98%, 2.80% & 8.04 respectively.

**Table-II**

#### **Total Employment and Establishments covered under EMI (Private Sector)**

<b>Quarter ended</b>	<b>No. of Establishments</b>	<b>Estimated Employment</b>	<b>%age change in Estimated Employment</b>
	<b>Pvt. Sector</b>	<b>Pvt. Sector</b>	
31.03.2008	1161	104525	N.A.
31.03.2009	1217	114481	9.5
31.03.2010	1235	119915	4.75
31.03.2011	1329	125890	4.98
31.03.2012	1524	129418	2.80
31.03.2013	1661	139834	8.04

### (c) PUBLIC SECTOR —EMPLOYMENT

Table-III depicts the data of employment in the Public Sector Establishments. During the period under review, growth of 3.80% has been noticed in employment of Public Sector Establishments during the year 2009-10. During the year 2008-09 decrease of 3.80% and during 2010-11 minimal decrease of 0.65% has been noticed but in the year 2011-12 and 2012-13 employment has increased by 0.55% and 1.33% respectively.

**TABLE-III**

#### Total Employment and Establishments covered under EMI (Public Sector)

Quarter	No. of Establishments	Estimated Employment	%age change in estimated Employment
	Pub. Sector	Pub. Sector	
31.03.2008	3839	260588	N.A.
31.03.2009	3806	257837	(-)1.05
31.03.2010	3908	267647	3.80
31.03.2011	3908	265908	(-) 0.65
31.03.2012	4014	267386	0.55
31.03.2013	4181	270955	1.33

**TABLE-IV****Detail of Public Sector Employment, Sector-Wise:**

Quarter ended	Center Govt.		State Govt.		Quasi Center Govt.		Quasi State Govt.		Local bodies		Total	%age change in total Employment
	Employment	%age change	Employment	%age change	Employment	%age change	Employment	%age change	Employment	%age change	Employment	
31.03.2008	14946	NA	177945	NA	16995	NA	46643	NA	4059	NA	260588	NA
31.03.2009	14172	(-) 5.18	178942	0.56	17196	1.18	43570	(-) 6.58	3957	(-) 2.51	257837	(-)1.05
31.03.2010	13812	(-) 2.54	189495	5.89	17067	(-) 0.75	43333	(-) 0.54	3940	(-) 0.43	267647	3.80
31.03.2011	13751	(-) 0.44	188750	(-) 0.39	16988	(-) 0.46	42587	(-) 1.72	3832	(-) 2.74	265908	(-)0.65
31.03.2012	12495	(-) 0.91	190110	0.72	18497	8.88	42541	(-) 0.10	3743	(-) 2.32	267386	0.55
31.03.2013	11544	(-) 7.61	193697	1.88	19356	4.64	42646	0.24	3712	(-) 0.82	270955	1.33

Analysis of Sector wise employment in Public Sector has been shown in Table-IV. It reveals from the analysis of above data that during the years under review, decline of 5.18% in Central Govt. Employment in the year 2008-09 has been noticed. Continuous decrease of 2.54%, 0.44%, 0.91% and 7.61% has been noticed from the year 2009-10 to 2012-13.

In State Government Establishments increasing trend of Employment has been noticed except in the year, 2010-11 when nominal decrease of 0.39% has been noticed. It has again increased by 0.72% during the year 2011-12 and by 1.88% in the year 2012-13.

In the Quasi-Centre Govt. Sector an increase of 1.18% in Employment was there in 2008-09 and it has decreased during 2009-10 and 2010-11. During the year 2011-12 and 2012-13



Employment has increased by 8.88% and 4.64% respectively. In Quasi-State Govt. Sector employment has declined till the year 2011-12 but in the year 2012-13 employment has increased by 0.24%. Overall analysis of table –IV (Public Sector Employment) reflects that there was an increase of 3.80% during the year 2009-210 which has marginally decreased in the Year 2010-11 and again increased by 0.55% and 1.33% in the year 2011-12 and 2012-13. However, Employment in State Government Sector has been continuously increasing during last five years except in the year 2010-11 when there was nominal decrease, which shows that employment opportunities in the State of H.P. are continuously increasing.

#### (d) EMPLOYMENT OF WOMEN

There were total **80004** women employed in both Public & Private Sector at the end of March, 2013 which is **19.47%** of total employment. Public Sector covers **22.18%** and Private Sector **14.22%** of total employment of women in Organized Sector. The Table-V depicts the status of Women Employment in H.P. both in Public Sector & Private Sector. Increase in women employment in both Sectors (Pub. & Pvt. Sector) has been observed from the year 2009-2010 to 2012-13. Total **80004** women were employed at the end of March 2013 as compared to **76248** at the end of March, 2012. Thus women Employment has increased by **4.92%** during the year 2012-13. Women employment in Public Sector has increased from **58352** to **60106** and in Private Sector it has increased from **17896** to **19898** during the same period. Thus the percentage increase during said period is **3%** in Public Sector and **11.18%** in Private Sector Establishments. Rate of growth in women employment is much higher in Private Sector Establishments which indicates that women are coming ahead to get opportunities of employment in Private Sector Establishments.

**TABLE-V****Total Women Employment (Public & Private Sector)**

Quarterly	Estimated Employment					
	Pub. Sector	%age change	Pvt. Sector	%age change	Total (Pub & Pvt. Sec.)	%age change in Women Employment (total)
31.03.2008	47259	NA	12094	NA	59353	NA
31.03.2009	45955	(-)2.76	12185	0.75	58140	(-) 2.04
31.03.2010	54717	19.06	12819	5.20	67536	16.16
31.03.2011	57285	4.69	13964	8.93	71249	5.49
31.03.2012	58352	1.86	17896	28.15	76248	7.01
31.03.2013	60106	3.0	19898	11.18	80004	4.92

**3. UNEMPLOYMENT TRENDS —**

The day- to- day registration at Employment Exchanges and notification of vacancies by the Employers generate comprehensive information, which facilitates the appraisal of Organized Labour Market. The Statistical Returns from Employment Exchanges relating to various characteristics of job seekers fresh or otherwise and the demand pattern of employment in Industry and Service Sectors provide only a broad indication of unemployment situation in the Organized Labour Market. However, registration is voluntary and cannot be deemed to cover all job seekers. Moreover, the number of job seekers is not the

number of unemployed persons. Some important statistics relating to unemployment situation are given in table VI & VII.

**TABLE-VI**

**Detail of Registration, Live Register, Vacancies Notified and Vacancies Filled**

**During the year 2008-09 to 2012-13.**

Year	Registration	%age change	Live Register	%age change	Vacancies Notified	%age change	Vacancies filled	%age change
2008-09	167437	NA	813782	NA	8310	NA	8280	NA
2009-10	130490	(-) 22.06	824340	1.29	4640	(-)44.16	4779	(-) 42.28
2010-11	120042	(-) 8.00	825764	0.17	7869	69.59	4833	1.13
2011-12	135781	13.11	839007	1.60	10573	34.36	11620	140.43
2012-13	168779	24.30	861314	2.65	5611	(-) 46.93	11309	(-) 2.67

Table VI depicts the broad unemployment trends for year 2008-09 to 2012-13.

Registration of job seekers has declined by **22.06%** in year 2009-10 and **8.00%** in 2010-11 but in the Year 2011-12 and 2012-13 registration has increased by **13.11%** and **24.30%** respectively. Marginal increase of **1.29%** and **0.17%** was there in 2009-10 and 2010-11 respectively in the Live Register of job seekers which has increased by **1.60%** in year 2011-12 and by **2.65 %** in year 2012-13. **5611** vacancies were notified

to Employment Exchanges including Central Employment Cell and Special Employment Exchange (for Physically Handicapped) during the year 2012-13 as compared to **10573** vacancies during the year 2011-12. **11,309** vacancies were filled during the year 2012-13 as compared to **11,620** during the year 2011-12. Thus placement has declined by **2.67%** in the year 2012-13. However, 9 Job Fairs were organized in the year 2012-13 in which **7,488** job seekers were placed. Special efforts to improve placements in Private Sector are being made by the Department. For this purpose, Campus Interviews are organized in Employment Exchanges and Job Fairs are organized in different towns at regular intervals so that interview opportunities could be made available to job seekers near their residence and access of job seekers to employers could be made easier.

**TABLE-VII****Occupational Analysis of Live Register**

Sr No	NCO Code	Occupation	Live Register as on 31.03.2012	Live Register as on 31.03.2013	%age change over previous year
1	0-1 Div.	Professional, Technical and Related Workers	164007	173017	5.49
2	2 Div.	Administrative, Executive and Managerial Workers	5056	5695	12.63
3	3 Div. Except 358	Clerical and Related Workers	39438	41531	5.30
5	4,5,6 Div. Except 541,542, 574,630	Sales Workers, Farmers, Fishermen, Hunters, Loggers and Related Workers, Service Workers	9311	10564	13.45
6	7,8,9 Div. Except 971,980,986,999	Production and Related Workers, Transport Equipment Operators and Labourers	31346	33693	7.48
7	980 to 986	Supervisors and Foremen, Transports Equipment Operation, Drivers	15356	15385	0.188
8	541, 542, 358, 574, 941, 999	Unskilled Workers	3915	3517	(-) 10.16
9	X- Division	Workers not classified by Occupation	570578	577912	1.028
	Total		839007	861314	2.65

Occupational analysis of Live Register has been shown in Table-VII. It reveals from the table that total **8,61,314** job seekers in different occupations were registered in Employment Exchanges in

H.P. as on 31.03.2013. Maximum numbers of job seekers as on 31.03.2013 were in X-Division i.e. workers not classified by occupation and registered for general vacancies. In professional, technical and related works i.e. 0-1 division there were 1, 73,017 job seekers on 31.03.2011. An increase of 5.49% in 0-1 Division and 7.48% in 7, 8, and 9 Division was there during the year 2012-13.

#### **4. DEMANDS FOR PERSONNEL-----**

Himachal Pradesh Government has announced Industrial Policy 2004 and facilities under Industrial Package to set up new industries in the State has been given to Employers of Private Sector. As a result new industries are being set up and employment opportunities in Private Sector are increasing. Demands for Personnel are increasing especially in the field of manufacturing and Pharmaceutical Companies.

It has been observed that due to lack of motivation, awareness and deficiency in skills, job-seekers are not able to pick up appropriate job and they do not stick with the job for long time and leave or change the job frequently. Job seekers need better vocational guidance and career counseling to get the job as per their qualifications & desires. In order to improve the quality of education and to produce the manpower according to market demand, Government has set up the State Skill Development Mission on 6<sup>th</sup> June, 2009 under the Chairmanship of Chief Secretary, Himachal Pradesh. Subject is mainly being dealt by the Department of Technical Education, H.P. which has required infrastructure and technical manpower to impart training in Skill Development. Department of Labour & Employment is mainly maintaining the data of youth and can identify trainees by way of registration.

The main objective of Skill Development Mission that can be achieved through Department of Labour & Employment, H.P. is by imparting training on “soft skills” to the youth. Soft skills play a vital role in professional success. There are number of professions in modern world in which soft skills can be more important in the long run than even occupational skills. The most common characteristics employers’ desire for their organizations these days are positive work ethics, good attitude, and desire to

learn and be trained which can only be developed through continuous guidance/training. The more valuable employee is one who can grow and learn as the business changes. Soft skills are personal attributes that enhance an individual's interaction, job performance and career prospects. Unlike hard skills which are about a person's skill set and ability to perform a certain type of task or activity, soft skills are interpersonal and broadly applicable. Hard skills can help one to get an interview but soft skills are needed to get and keep the job.

Department of Labour & Employment, H.P. organizes Vocational Guidance Camps and Career Counseling programme for Students in different educational institutions in the state so that they can be benefited throughout their career. For this purpose the services of consultants/ experienced trainers are utilized by including them in vocational guidance camps and career counseling programs.

The Department of Labour & Employment has already made beginning to identify good resource persons who are available locally and who can guide and counsel the youth of State not only in the field of soft skills but also informing the youth about various opportunities available after they complete their 10<sup>th</sup>, 10+2 and graduation. Apart from career talk/presentation by the resource persons, career literature is distributed to the youth in the Vocational Guidance programme organized by the Department throughout the state. Till date the Department has been able to deploy resource persons who are retired defense officers, principals, in service lecturers from Government schools/colleges, human resource officers from private sector companies etc. The Department still needs to increase its geographical reach to deliver Vocational Guidance services to the entire youth of the state and to have large pool of trainers in career and employment guidance and counseling of the youth of the state.

## **5. MANPOWER SHORTAGE AND SURPLUSES**

It has been experienced that there is shortage of manpower in highly skilled categories. In the category of Administrative, Executive and Managerial Workers i.e. 2 division only 5695 job seekers were registered in Employment Exchanges in H.P and increase of 12.63% was there in this field during the year 2012-13(Table-VII). There is surplus of manpower in the category of X Division i.e. Workers

not classified by Occupation mostly simple Middle Pass, Matriculates and 10+2 pass. As many as 5, 77,912 applicants were registered for general vacancies in Employment Exchanges in the State as on 31.03.2013. Increase of 1.028% has been noticed in this Division during the year 2012-13.

## **6. OTHER IMPORTANT DEVELOPMENTS-----**

### **(i) Effect of Industrial Policy and Hydro Power Policy on Labour Market:**

Himachal Pradesh is a hill State. Agriculture and horticulture are the mainstay of Himachal economy, as 71% of people are engaged in it. The State has also been gifted with vast natural resources and availability of cheap hydro electric power. Its priority Sectors are agro processing, Hydro-Electric Power, Tourism & Industry. Keeping in view the importance of industrialization and to attract industrial investment in the State, Govt. of H.P. has announced Industrial Policy in year 2004. Industrial Areas have been developed in Baddi, Barotiwala and Parwanoo in Solan District, Mehatpur, Tahliwala and Amb in Una District, Kala Amb & Paonta Sahib in Sirmaur District and Golthai in Bilaspur District. Over 90% of Industrial investment in Medium and Large Scale Industries has been implemented in these locations. Due to incentives and relaxation announced to investors, new industries are being set up and Employment opportunities in Private Sector are increasing.

Generation of Employment Opportunities for local people, especially the educated, skilled and technical youth is a major objective of encouraging industrialization in the State. Therefore, the incentives, concessions provided to industries under this policy are only justified if it contributes in achieving this objective. Keeping in view this fact, Government of Himachal Pradesh is trying to ensure 70% employment to Himachalis in Hydro Power Projects and Industrial Units set up in the State.



After announcement of Industrial Policy and Hydro Power Policy, Industrial Units and Hydro Electric Projects have increased in the State. The State Government has done well in the field of education, especially in the field of technical education. At present 33 Polytechnics (15 in Govt. Sect. and 18 in Private Sector), 6 D-Pharmacy Institutions and 7 Engineering /Polytechnics having 2<sup>nd</sup> shift of diploma education) 13 B-Pharmacy Colleges in Govt./ Private Sector, 19 Engineering Colleges (2 in Govt. Sector & 17 in Private Sector), 222 ITIs (93 in Govt. Sector and 129 in Private Sector) are working under the ambit of Department of Technical, Vocational & Industrial Training, H.P. It resultantly has increased the challenge of finding jobs for educated classes. The objective of the State Government is to find jobs for every technically qualified student coming out from these institutions every year.

With a view to provide the manpower to Private Sector Establishments, Department of Labour & Employment is organizing Campus Interviews and Job Fairs to maximize the placement in Private Sector. W.e.f. 01.04.2014 to 31.03.2014 total 153 Campus Interviews and 11 Job Fairs were organized at different places in H.P. in which 6374 job seekers were placed. Job seekers are being motivated to get the employment opportunities in Private Sector, through career counseling and vocational guidance.

(ii) **Automation of Employment Exchanges and Job Portal:**

Department of Labour & Employment has developed a Job Portal (<http://himachal.gov.in/jobportal>) for the employers and job seekers in the State. Under this unique initiative, employer can select candidates with requisite qualifications and experience with the click of mouse. The job seekers too get information from the internet about vacancies available in various Private Sector companies and organizations in Himachal Pradesh. Now the entire database of all the unskilled, semi-skilled and highly

skilled job seekers throughout the State is being made available on this portal. This will give a much wider selection field to all the employers. Candidates can also apply directly after seeing availability of vacancies on the Job Portal. Thus, the Job Portal acts as a transparent and efficient interface among the three stake holders viz. the Employment Department, Employers and the Job Seekers- as a One- Stop- Shop. At present out of 67 Employment Exchanges in the State 63 Employment Exchanges are online through eEMIS web based software and 4 Employment Exchanges are working offline.

**(iii) Employment Generation Programmes:**

The past trends and all the available evidence suggest that the bulk of the growth in employment in future will come from the Unorganized Sector. It will be an important challenge to ensure the employment in this Sector consisting of jobs with safe conditions of work, decent and growing earnings and a measure of income and social security. Moreover, increasing the proportion of Organized Sector employment will be an important task to accomplish in the future.

Lack of regular employment is also linked with backwardness of region. H.P. being an agricultural State, has high proportion of self-employed workers alongwith high proportion of casual workers and most of them are engaged in subsistence agriculture, leading to low levels of living. As per the results of the National Sample Survey conducted in 1999-2000, in India about 7% of the total workforce is employed in the formal or organized sector (all public sector and all non-agriculture establishments in private sector with 10 or more workers) while remaining 93% work in the informal or unorganized sector. The size of Organized Sector employment is estimated through The Employment Market Information Programme of DGE&T, Ministry of Labour & Employment. The capacity of the organized sector to absorb the additional increase in labour force, due to modernization and automation, is limited. Therefore, an

overwhelming proportion of the increase in the labour force will have to be adjusted in the unorganized sector.

In view to tackle the situation over the recent years, Employment generation programmes (EGPs) have emerged as important employment policy tool in India, like other developing countries. This policy envelope includes a wide range of activities intended to increase labour demand; to increase the quality of labour supply or to improve the matching of workers and jobs. Significant economic and social benefits are expected to accrue from these measures. The major programmes that are currently in operation in India are: Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Swarnajyanti Gram Swarozgar Yojna (SGSY), Swarn Jyanti Shahari Rozgar Yojna (SJSRY) and Prime Ministry's Employment Generation Programme (PMEGP). These programmes are playing an important role to improve the livelihood of unemployed persons of different categories. But, out of these programmes MGNREGA has addressed the problem of overall rural unemployment in India.

Recognizing the serious problem of unemployment, the National Rural Employment Guarantee Act (NREGA) was enacted on 07.09.2005. Renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), it provides for the enhancement of livelihood security of the rural areas of country by providing at least hundred days of guaranteed wage employment in Every Financial year to every household whose adult members volunteer to do unskilled manual work. Thus, MGNREGA makes the Government legally accountable for providing employment to those who ask for it and thereby goes beyond providing a social safety net by guaranteeing the Right to Employment. It has prevented distress migration and helped in empowerment of women.

In H.P. first phase of MGNREGA was introduced in District Chamba & Sirmaur on 2<sup>nd</sup> February 2006. In the second phase, MGNREGA was started in District Kangra and Mandi w.e.f. 01.04.2007.

Now in the third phase, all the remaining 8 Districts of the State have been covered under the scheme w.e.f. 01.04.2008.

**(iv) Skill Development Allowance Scheme- 2013:**

There are more than 8.6 lakh registrants in Employment Exchanges of Himachal Pradesh. A vast majority of the registrants are Matriculate, 10+2, Graduates (B.A, B.Sc, and B.Com.) and Post Graduates (M.A, M.Sc, M.Com) As such a vast majority of our youth lack **skills** for which there is a demand in the private sector which can enable them to either take up employment or to go in for self employment. Simultaneously the Private Sector also faces the problem of mismatch between their requirement of technical skilled manpower and the skill availability of the unemployed youth.

As per ILO Report on “Skills for improved productivity, employment growth & development” 2008, Skills Development is central to improving productivity. In turn, productivity is an important source of improved living standards and growth. Effective Skill Development Systems- which connect education to technical training, technical training to labour market entry and labour market entry to work place and lifelong learning — can help countries sustain productivity growth and translate that growth into more and better jobs.

As per Credit Rating Information Services of India Ltd. (CRISIL) “Skilling India, The Billion People Challenge” 2010 — since the job market is biased towards high — skill labour, the creation of jobs for low-skill labour, who would continue to dominate its work force, is a challenge for the State. Closing the skill gaps of the educated workforce is critical.

As per National Skill Development Corporation (NSDC) Paper — “Concept Paper on Labour Market Information System, an Indian Perspective” 2011, Indian economy is considered as one of the fastest growing economies globally. Further India’s population is expected to increase to 1.4 billion by 2026.

By 2025 India will have 25% of the world's total workforce. The clear task ahead is then to harness the collective pool of knowledge and skill in Industry and to find ways and avenues of rightfully deploying the potential workforce in years to come. State Governments have to take initiatives through schemes and programs in the field of skill matching, Vocational Guidance and Employment creation. Some States have shown exemplary performance and initiatives in the field of skill development and employment generation through strategic public and private partnership.

In order to reduce the gap between demand and availability of skilled manpower Himachal Pradesh Government has notified the **Skill Development Allowance Scheme- 2013** in accordance with para 142 of Budget Speech of 2013-14 of Hon'ble Chief Minister.

Under this Scheme Physically Challenged applicant with minimum 50% permanent disability to be paid @ Rs. 1500/-per month and all other applicants @ 1000/- per month for a maximum period of two years.

With the implementation of this scheme, huge pool of educated unskilled youth is being provided incentive to upgrade their skills for ensuring employability. During the year 2013-14 an amount of Rs. 14,04,59,000 were disbursed to 41,977 beneficiaries in the State of H.P. under Skill Development Scheme 2013. This scheme will likely lead to a high increase in demand for skill Development courses. Purpose of the Government is not just to provide financial incentive but also ensure facility/availability of quality skill development.

It will not always be possible for the Government to closely and continuously monitor private sector institution which offer skill development course to ensure quality maintenance. This may leave possibilities for the youth to be exploited by some unscrupulous Private Training Institutes. This will defeat

the very purpose of the Scheme which is to encourage employment. The Government may have to step in to meet this requirement/demand for quality skill Development courses.

Many Government Departments either run skill development institution which provides facilities for short and long term skill development courses (like ITI,s Driving Schools of HRTC, Institute of Hotel Management etc.) or hold short term skill development courses (e.g. floriculture, beekeeping, tourist guide etc.).

It will therefore be appropriate that all Departments, Boards, Corporations and Universities wherever feasible hold/run special courses for such applicants to give training thereby resulting in actual development of skills promoting employment. This will ensure the best possible implementation of the Skill Development Allowance Scheme- 2013 of the State Government.

The data on employment situation is collected from Employers on Quarterly basis and its accuracy is ensured. With a view to ensure accuracy and reliability of data furnished by the Employers on mandatory Quarterly ER-I and Biennial ER-II Returns and to ensure the implementation of provisions of Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, a regular and systematic schedule of inspection of Employers record is carried out.

Steps to update the Employer Register (Employers Record) and to identify New Establishments are also being taken, so that coverage of Employment Market Information Programme is maximized.

Director of Employment,  
Pradesh.