

INITIAL POVERTY AND SOCIAL ANALYSIS

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy.

The low employability of India's youth is one of the major binding constraints to inclusive growth. More than 50% of India's population of 1.3 billion is below 25 years, and around 65% is below 35 years in age. Of India's working age population (aged 15 to 59 years) of 431 million, 29% is illiterate and another 24% has studied only until the primary level or below. Only 17% of the labor force has senior secondary (grades 11 and 12) and higher levels (including diplomas, graduates, and above) of education. India's Twelfth Five-Year Plan (2012–2017) therefore, regards the generation of productive and gainful employment on a large-scale to absorb India's growing labor force as being critical for inclusive growth and poverty reduction. Accordingly, Asian Development Bank (ADB)'s India Country Partnership Strategy (2013–2017), which aims to support India's efforts towards inclusive growth, recognizes education (with focus on technical and vocational education and training [TVET]) as a new sector in ADB's India operations.¹ The proposed project will support the Government of Kerala (GOK) in enhancing the employability of the state's youth and creating opportunities for productive employment. It will strengthen and scale up the "Additional Skill Acquisition Program (ASAP)" which has been designed to address the 'preventive' dimension of low employability by providing additional skills training opportunities to students of government and government-aided schools at the higher secondary level and those enrolled in the first year of undergraduate studies in arts and science colleges.

B. Targeting Classification

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

ASAP has a pro-poor focus. First, it focuses on government and government-aided schools and colleges where the relatively lower-income students enroll. Second, students belonging to the scheduled castes, scheduled tribes, other backwards castes, and those who are differently abled, will be provided full tuition waiver if they successfully complete the ASAP certification.² Third, courses designed for promoting entrepreneurship and to enhance the remuneration of the self-employed will focus on the youth (especially girls) belonging to low income households.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. According to the estimates of the Planning Commission of India, poverty headcount ratio in Kerala was 12% in 2009–2010 as compared to 29.8% for India as a whole. Kerala's health and education indicators are amongst the best in India. However, even though Kerala has the highest levels of male and female literacy in India, it has traditionally had amongst the highest levels of unemployment. According to the latest National Sample Survey conducted in 2009–2010, unemployment rate (based on current daily status) was the highest in Kerala (17.9%), followed by Nagaland (15.7%), Tripura (15.6%), Tamil Nadu (11.8%), and Odisha (8.2%). Contrary to expectations, the unemployment rate increases with the level of education. According to a recent survey, the unemployment rate was 6.1% for those who have only received primary education, 12.4% for secondary school graduates, 33.7% for higher secondary school graduates, and 26% for degree holders.³ At the root of this problem of "educated unemployment" is Kerala's outdated system of general education as well as TVET which is not aligned with the changing needs of the market, and which continues to emphasize rote-learning. The vocational institutes are under-resourced. By mainstreaming general and vocational education, ASAP will make it easier for students to become "market-ready" even while being enrolled in school and college.

2. Impact channels and expected systemic changes. The project will bring about the desired changes through the following impact channels: (i) It will enable GOK to engage good quality private and public skills training providers under ASAP so that over 310,000 youth, mainly from poor families, can be trained and made employable over the project period. (ii) It will support upgrading of around 100 government buildings into community skills parks with modern training facilities, gender-friendly design features, and easy access for differently-abled persons. This will expand the reach of quality skills training to the remote and backward parts of Kerala. (iii) The project will also support a large outreach campaign to raise awareness about the importance of vocational skills and the opportunities that it opens up. This will help in mobilizing youth for the skills training programs. Furthermore, ASAP's efforts to recruit potential program managers and trainers will also be supported. Training will be provided to government teachers and trainers in workplace practices. (iv) It will strengthen Kerala's skills ecosystem by helping ASAP in entering into partnerships with sector skills councils and industry associations to design, accredit, and deliver quality vocational courses.

¹ ADB. 2013. *India: Country Partnership Strategy 2013–2017*. Manila.

² If these students do not complete the courses, then they will have to return the fees over a 5-year period.

³ Government of Kerala. 2012. *Kerala State Skill Development Preliminary Report*. Thiruvananthapuram.

3. Focus of (and resources allocated in) the PPTA or due diligence. The S-PPTA will help in designing the proposed ADB support as a results-based lending. Poverty and gender concerns will be factored in while undertaking the technical and safeguards assessment of ASAP. See section VI. 0

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this program or program?

Kerala's education, health, and social indicators pertaining to women are the best in India. Kerala is the only Indian state with a favorable sex ratio. According to the Census, 2011, there were 1,084 females for every 1,000 males in Kerala as against the national figure of 934.⁴ In 2009, Kerala ranked 3rd in the Gender and Development Index and 9th in the Gender Empowerment Measure amongst all States of India (Ministry of Women and Child Development, 2009). Female life expectancy is 77 years in Kerala as against the overall India average of 67.7 years. Infant mortality rate at 12 per 1000 is the lowest in India while female literacy rate is the highest at 92%. However, Kerala's women lag behind significantly in terms of the workforce participation rate (WFPR) and employment levels.⁵ The sharp disparity between female and male unemployment, notwithstanding the fact that on most other health and education indicators, females are virtually on par with males, may be the result of several factors. The high enrollment of women in schools and colleges, and the high levels of remittances which prop up the local economy could be lowering the female WFPR. Equally, if not more important, is the fact that most of the government's TVET programs focus mainly on areas such as electrical work, carpentry, welding, plumbing, lathe operation, etc. which do not attract women.

2. Does the proposed program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No

The ASAP initiative will help to address the problem highlighted above by engaging private skills training agencies to provide training in the growing services sector in areas such as retail, health and wellness, hospitality, gems and jewelry, media and entertainment, financial services, IT and IT-es. More women will be attracted to these vocations. While Kerala may have a narrow manufacturing base, it has shown good growth in the services sectors. By providing vocational training in different service sectors, the ASAP initiative will open up more employment opportunities for women within Kerala. This will enhance the choices and employment opportunities available for women since they may be more averse to migrate out of the state for work as compared to men. The required gender actions will be prepared during assessment of ASAP so that they form part of the program action plan or disbursement-linked indicators.

3. Could the proposed program have an adverse impact on women and/or girls or widen gender inequality?

Yes No Please explain

As stated above, the project will have a positive impact on gender relations and contribute to gender empowerment.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the program, including beneficiaries and negatively affected people? Identify how they will participate in the program design.

The primary stakeholders (and beneficiaries) of the program are students studying in government and government-aided higher secondary schools and in arts and science colleges. Secondary stakeholders include the parents of these students, teachers, and vocational training providers, potential employers, nongovernment organizations (NGOs), and GOK. ASAP has been designed in close consultation with these stakeholders. While undertaking the technical and safeguards assessment, additional consultations will be held focusing in particular, on women, poor students, and their families.

2. How can the program contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the program design require participation of the poor and excluded?

Please see responses to questions 1 and 3 in this section.

⁴ The sex ratio was 1078 females to 1000 males in rural Kerala and 1091 females to 1000 males in urban areas.

⁵ According to the 66th round of the National Sample Survey (2009–2010), the female workforce participation rate (WFPR per 1000 persons of age 15 to 59 years) in Kerala was 221 while the male WFPR was 677. The corresponding overall India figures were 243 and 764 respectively.

3. What are the key, active, and relevant civil society organizations (CSOs) in the program area? What is the level of CSO participation in the program design?

Local NGOs will be consulted during program design. Their assistance will be taken to organize focus group discussions focusing on the needs, concerns, and aspirations of women and poor students regarding potential career options and suitable vocational training courses.

Information generation and sharing (High) Consultation (High) Collaboration Partnership

4. Are there issues during program design for which participation of the poor and excluded is important? What are they and how will they be addressed? Yes No

Please see response to section VI, question 2.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C

1. Does the program have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

The project will only upgrade existing facilities. There will be no land acquisition or displacement.

2. What actions are required to address involuntary resettlement as part of the PPTA or assessment process?

Program safeguard system assessment and actions None

B. Indigenous Peoples Category A B C

1. Does the proposed program have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of Indigenous Peoples? Yes No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

3. Will the program require broad community support of affected indigenous communities? Yes No

4. What actions are required to address risks to Indigenous Peoples as part of the PPTA or the program assessment process?

Program safeguard system assessment and actions None

Scheduled tribes (i.e. indigenous people) constitute around 1% of Kerala's population.

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the program design?

Creating decent jobs and employment- (H) Adhering to core labor standards Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (N/A) Increase in human trafficking (N/A) Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
Creating internal social conflicts Others, please specify ____

2. How are these additional social issues and risks going to be addressed in the program design?

ASAP has been designed to reach out to the relatively poor youth of Kerala, and to give them the opportunity of enhancing their vocational skills and overall employability. ADB will strengthen the design and implementation arrangement of ASAP further so that the youth of Kerala become more "market-ready" and are able to compete successfully for decent jobs within and outside the state.

VI. PPTA OR ASSESSMENT RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or program assessments) contain key information needed to be gathered during PPTA or the program assessment process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?

Yes No

2. What resources (e.g., consultants, survey budget, and budget for workshop(s)) are allocated for conducting poverty, social, and/or gender analyses and participation plan during the PPTA or the program assessments?

The reasons behind Kerala's high overall unemployment rate, and in particular, the relatively lower female WFPRs will be assessed. The scope of designing specific skills courses for girls and for the poor (i.e. those focusing on self-employment and small business development) will be examined. Possible remedial measures such as continued outreach efforts, career counseling, and involvement of NGOs will be considered for increasing the participation of the poor, especially girls, in the ASAP initiative. An experienced gender and social development specialist, who is currently engaged under TA 8010 (Skill Development for Inclusive Growth), will work closely with the TVET specialist, Labor Market Economist, Monitoring and Evaluation specialist, and other consultants who will be part of the processing team (appendix VI). Separate budget has also been earmarked under the PPTA for conducting stakeholder consultations, workshops, and surveys.