

**SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY**

Country:	India	Program Title:	Supporting Kerala's Additional Skill Acquisition Program in Post-Basic Education
Lending Modality:	Results-based lending for programs	Department/ Division:	South Asia Department Human and Social Development Division

**I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY****Targeting classification:** general intervention**A. Links to the National Poverty Reduction and Inclusive Growth 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 less than 25 years old, and around 65% is less than 35 years old. Of India's working-age population (15–59 years old) of 431 million, 29% are illiterate and another 24% have studied only up to the primary level or below. Only 17% of the labor force has senior secondary (grades 11 and 12) and higher levels (including diplomas, graduate degrees, and above) of education. India's 12th Five-Year Plan, 2012–2017 therefore regards the large-scale generation of productive and gainful employment to absorb India's growing labor force as being critical for inclusive growth and poverty reduction. Accordingly, the country partnership strategy of the Asian Development Bank (ADB) for India for 2013–2017, which aims to support India's efforts toward inclusive growth, recognizes education, with focus on technical and vocational education and training, as a new sector in ADB's India operations.<sup>a</sup> The proposed project will support the Government of Kerala in strengthening and scaling up the Additional Skill Acquisition Program (ASAP), which aims at complementing post-basic (higher secondary and undergraduate) education with market-driven vocational training and career counseling to enhance the employability of the state's disadvantaged youth, and make them market-ready by the time they graduate.

**B. Results from the Poverty and Social Analysis during Assessments of the Program and its Systems**

1. **Key poverty and social issues.** According to the estimates of the Planning Commission of India, the poverty headcount ratio in Kerala was 12% in 2009–2010, compared with 29.8% for India as a whole. Even though Kerala's education and health profile is among the best and the most equitable in India, paradoxically it has poor unemployment indicators.<sup>b</sup> In 2011–2012, the state's unemployment rate was 7.4% as against the national average of 2.3%. Moreover, contrary to expectations, the overall unemployment rate increases with the level of education. According to a recent survey, the unemployment rate was 6.1% for those who had received only primary education, 12.4% for secondary school graduates, 33.7% for higher secondary school graduates, and 26% for degree holders.<sup>c</sup>

2. **Beneficiaries.** The disadvantaged youth of Kerala, enrolled at the higher secondary and undergraduate levels in government and government-aided schools and colleges, are the target beneficiaries of ASAP.<sup>d</sup>

3. **Impact channels.** The project will bring about the desired changes through the following impact channels: First, it will enable the state government to engage quality private and public vocational training providers under ASAP so that over 310,000 young people, mainly from disadvantaged families, can be exposed to market-relevant vocational training and made employable over the project period. Second, it will support construction of 35 community skills parks and upgrades of around 30 skill development centers so that high-quality training for jobs in services and emerging technology areas can be provided. This will expand the career options and employment opportunities for the youth, especially women. The community skills parks will have gender-friendly design features and provide easy access for differently-abled persons. This will expand the reach of quality vocational training to the remote and backward parts of Kerala. Third, the project will also support a gender-sensitive outreach campaign to raise awareness about the importance of vocational skills and the corresponding opportunities. This will help mobilize the youth for the vocational training programs. Furthermore, ASAP's efforts to recruit program managers and skill development executives (SDEs) will also be supported. The loan will also strengthen Kerala's skills ecosystem by helping ASAP enter into partnerships with sector skills councils and industry associations to design, accredit, and deliver vocational courses.

4. **Other social and poverty issues.** The Local Self Government Department's *Kudumbasree* (meaning prosperity of the family) Mission, which was launched in 1998, assists poor women through community-based action, e.g., provision of microcredit, vocational training, and development of productive livelihoods. It now has 3.9 million members and covers more than 50% of the households in Kerala. It is the largest women's empowerment project of its kind in India, and possibly in the world. In addition to these state initiatives, central government schemes such as the National Rural Livelihood Mission also focus on the poorer segments and on women.

5. **Design features.** See section VI, points 1 and 2 below.

<b>II. PARTICIPATION AND EMPOWERING THE POOR</b>	
<p>1. <b>Participatory approaches and proposed program activities.</b> The primary stakeholders (and beneficiaries) of the program are disadvantaged students in government and government-aided higher secondary schools, and arts and sciences colleges. Secondary stakeholders include the parents of these students, teachers and vocational training providers, potential employers, nongovernment organizations, and the state government. ASAP has been designed in close consultation with these stakeholders.</p> <p>2. <b>Civil society.</b> The ASAP secretariat coordinates with local nongovernment organizations while organizing consultations with students and parents on different career options and suitable vocational training courses.</p> <p>3. <b>Civil society organizations.</b> Civil society organizations will be engaged for spreading awareness about the importance of vocational training and different career options within and outside Kerala.</p> <p>4. <b>Forms of civil society organization participation envisaged during program implementation</b>  <input checked="" type="checkbox"/> Information gathering and sharing (H)   <input checked="" type="checkbox"/> Consultation (H)   <input type="checkbox"/> Collaboration   <input type="checkbox"/> Partnership</p> <p>5. <b>Participation plan.</b>   <input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>ASAP has prepared a communication and participation plan with the help of ADB. ASAP's program managers have already adopted it.</p>	
<b>III. GENDER AND DEVELOPMENT</b>	
<b>Gender mainstreaming category:</b> gender equity	
<p>1. <b>Key issues.</b> 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 2011 Census, there were 1,084 females for every 1,000 males in Kerala, against the national figure of 934.<sup>e</sup> In 2009, Kerala ranked 3rd in the Gender and Development Index and 9th in the Gender Empowerment Measure among all states of India (Ministry of Women and Child Development, 2009). Women's life expectancy is 77 years in Kerala, against India's overall average of 67.7 years. The infant mortality rate at 12 per 1,000 is the lowest in India, while the female literacy rate is the highest at 92%. Even though the education and health indicators for women and men are almost at par, women lag behind significantly in terms of workforce participation (WFP) and employment levels.<sup>f</sup> This is not due to any systematic gender bias but owing to the interplay of several exogenous factors. First, women's enrollment at the school, college, and advanced levels exceeds that of men. This in turn lowers their WFP ratio. Second, Kerala's outdated technical and vocational education and training system continues to provide training in areas such as fitting, welding, carpentry, and plumbing, which are not of much interest to women, especially in Kerala, since they are largely educated and interested in white-collar jobs. Third, rural women belonging to the poorest segments have been hit hard by the rapid decline of agriculture owing to neglect of public investment, decline in productivity, and lack of diversification.<sup>g</sup> Fourth, given Kerala's narrow manufacturing base, a large number of Keralites have been migrating overseas, especially to the Middle East, for jobs. The huge inflow of remittances has distorted the WFP decisions of women, particularly of those living in districts with the most overseas migrant workers. By complementing post-basic education with gender-sensitive career counseling and vocational training focusing on the fast-growing service sector, ASAP will open up many career and job options for Kerala's women within and outside the state.</p> <p>2. <b>Key actions.</b> The ASAP initiative will help solve the problems highlighted above by engaging private training agencies to provide training in the growing service sector (e.g., retail, health and wellness, hospitality, gems and jewelry, media and entertainment, financial services, information technology, and information technology-enabled services). More women will be attracted to these vocations. While Kerala may have a narrow manufacturing base, it has shown good growth in the service sectors. By providing vocational training in the different services, ASAP will open up more jobs for women within Kerala. This will enhance their choices and employment options, since they may be more averse to migrating for work than men. The required gender actions will be prepared during the assessment of ASAP so that they form part of the program action plan or disbursement-linked indicators (DLIs).  <input checked="" type="checkbox"/> Gender actions   <input type="checkbox"/> Other actions or measures   <input type="checkbox"/> No action or measure</p> <p>All targets and results indicators in the design and monitoring framework and the DLIs will be disaggregated by gender. The management information system established by ASAP captures sex-disaggregated data.</p>	
<b>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</b>	
<b>A. Involuntary Resettlement</b>	<b>Safeguard Category:</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C
<p>1. <b>Key impacts.</b> There will be no acquisition of land or displacement of people.</p> <p>2. <b>Strategy to address the impacts.</b> The state government has given assurance that new construction will be undertaken only on vacant and unencumbered land available within premises owned by it. No new land will be acquired, nor will anyone be displaced. This has been verified during visits to nearly 15 sites during project design.</p> <p>3. <b>Actions</b>  <input type="checkbox"/> Program safeguard systems improvements  <input checked="" type="checkbox"/> No action</p>	
<b>B. Indigenous Peoples</b>	<b>Safeguard Category:</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C

1. **Key impacts.** The proportion of indigenous people is negligible (around 1%) in Kerala's population. The construction and upgrading work will take place within existing premises owned by the state government. This will not have any adverse effects on indigenous people.  
Is broad community support triggered?  Yes  No

2. **Strategy to address the impacts.** There will be no adverse effect on indigenous people.

3. Actions  
 Program safeguard systems improvements  
 No action

## V. ADDRESSING OTHER SOCIAL RISKS

### A. Risks in the Labor Market

#### 1. Relevance of the program for the country's or region's or sector's labor market.

unemployment  underemployment  retrenchment  core labor standards

2. **Labor market impact.** ASAP will not have any adverse impact on Kerala's labor market. On the contrary, it will enhance the employability of Kerala's youth by vocationalizing higher secondary and undergraduate education, and by providing vocational training to prepare them for jobs in the fast-growing service sector. This will expand the career options of both women and men.

**B. Affordability.** ASAP has a strong pro-poor and gender focus. It has devised an innovative fee structure to encourage and help needy students while discouraging those who are not serious about obtaining vocational skills. Details are in the Program Soundness Assessment (accessible from the list of linked documents in Appendix 2).

### C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated high (H), medium (M), low (L), or not applicable (NA):

Communicable diseases (NA)  Human trafficking (NA)

Others (please specify)

2. Risks to people in program area. The ASAP initiative will not lead to any social or disease-related risk.

## VI. MONITORING AND EVALUATION

1. **Targets and indicators.** All targets and results indicators in the design and monitoring framework and the DLIs—pertaining to the number of students enrolling for ASAP, completing the level 1 certification (i.e., foundation plus vocational courses), and getting employment within 6 months of entering the labor force—will be disaggregated by gender. The proportion of below-poverty-line students among the beneficiaries will also be tracked.

2. **Required human resources.** The ASAP secretariat has been in operation since July 2012 and has separate divisions focusing on strategy, finance, quality monitoring, training, communication, research, and lifelong learning. It has brought in experienced government officials from other departments (e.g., finance, administration, and education) on deputation, and engaged consultants to implement ASAP. Nearly 101 program managers (55% females) and 1,167 SDEs (67% females) have been recruited to implement ASAP. The secretariat has strong capacity. Additional support for monitoring the poverty and social impacts of the program will be provided through a capacity development technical assistance under which gender experts and monitoring and evaluation experts will be engaged.

3. **Information in program implementation document.** As noted in 1 above, the gender and social dimensions of ASAP will be monitored closely. The process has been laid down in the program implementation document.

4. **Monitoring tools.** The ASAP secretariat has operationalized a good management information system to track the quantitative and qualitative aspects of program implementation on a sex-disaggregated basis. The program managers will supervise the work done by the training providers and SDEs. They will undertake periodic surveys and workshops to capture the feedback of the students, teachers, trainers, and employers. Independent monitoring and evaluation will be supported under the capacity development technical assistance to be provided along with the loan.

<sup>a</sup> ADB. 2013. *India: Country Partnership Strategy, 2013–2017*. Manila.

<sup>b</sup> According to the 2011 Census, Kerala's overall literacy rate was 94% against India's overall average of 73%. Kerala's gender gap in literacy rates was 4% (96% for males and 92% for females), while India's overall gap was 16% (81% for males and 65% for females).

<sup>c</sup> Government of Kerala. 2012. *Kerala State Skill Development Preliminary Report*. Thiruvananthapuram.

<sup>d</sup> Disadvantaged students include those who are below the poverty line and/or from a socioeconomically backward section according to government records.

<sup>e</sup> The sex ratio was 1,078 females to 1,000 males in rural Kerala and 1,091 females to 1,000 males in urban areas.

<sup>f</sup> According to the 66th round of the National Sample Survey, 2009–2010, Kerala's female WFP ratio (per 1,000 persons aged 15–59 years old) was 221, and the male WFP ratio was 677. The all-India figures were 243 (males) and 764 (females).

<sup>g</sup> Between 2004 and 2011, the share of agriculture in the state's gross domestic product fell from 17.9% to 9.5%.