

Executive Summary

Skill Development and Employment Situation in Karnataka

Skill development assumes great importance in the Indian context because of the demographic dividend. In the coming decade, India is going to become one of the youngest countries of the world with an average age of 29 years as against the average age of 37 years in China and US and 45 years in the Western Europe. According to a report of World Bank, only 2.3 per cent of the total work force in India has formal skills training (World Bank, 2017). The India Skills Report 2018 reveals that only 47% of the individuals passing out of educational institutions are employable.

With the significant portion of Karnataka's population in the age group of 20 to 59 years and expected incremental demand for people to work (8.47 million skilled persons by 2022) state has both the advantage and the need to undertake the skill development programs more aggressively. As said 'demography provides potential and is not destiny', hence, skilling the people is critical for the state to reap the benefit of demographic dividend.

As for as the unemployment situation, the unemployment rate among males is better (2.9%) in Karnataka compared to the national figures (6.1%). However female participation in labour force is less compared to male in the state. Interestingly the unemployment rate is less (0.8%) among those not undergone vocational training compared to the trained ones (1.7%) as per the Labour Bureau data 2015-16. This may be inferred as need for augmenting effectiveness of the skill development programs in the state for enhancing employment rate.

Karnataka has an excellent opportunity of achieving economic growth through favourable demographic dividend. This can be accomplished only by promoting skill development of the working population in general and youth in particular. Skill development is imperative than anything else for Karnataka at the moment while the state is aspiring to be a choice of destination for the skilled human capital.

DDU GKY and its Key Features

The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is a demand-driven, placement-linked skill development intervention by the Ministry of Rural Development, Government of India. The programme aims to skill poor rural youth with the knowledge, attitude and skills required to access jobs in the formal sector. It also aims to provide them with jobs that give them regular monthly wages or wages that are above the minimum wage.

The implementation model and structure of DDU-GKY is as follows:

- i. At the National level, the DDU-GKY National Unit at Ministry of Rural Development (MoRD) makes policy, and provides funding and technical support and facilitation.
- ii. At the State level, the DDU-GKY State Skill Missions embedded within the State Rural Livelihood Missions (SRLMs) oversee implementation.
- iii. The third tier of implementation is the Project Implementation Agencies (PIAs) who provide the skill development training and provide placement services.

Steps to be followed in DDU-GKY for skilling and placement

The guidelines of DDU-GKY scheme lay down eight steps that are to be followed in skilling and placement under the scheme:

- Awareness building within the community on the opportunities
- Identifying rural youth who are poor
- Mobilising rural youth who are interested
- Counselling of youth and parents
- Selection based on aptitude
- Imparting knowledge, industry linked skills and attitude that enhance employability
- Providing jobs that can be verified through methods that can stand up to independent scrutiny, and
- Pays above minimum wages supporting the person so employed for sustainability after placement.

Types of Courses in DDU-GKY

The standard duration of the courses offered by DDU-GKY varies from three months (576 hours) to twelve months (2304 hours). As far as types of courses are concerned, DDU-GKY Scheme Guidelines specifies five main types of training courses. They are:

- a. Training in trade skills, soft skills, English and IT for a minimum of 576 hours duration followed by placement.
- b. Two-part training programme followed by placement. The first part of nine months is for acquisition of NIOS qualification (8th class or 10th class) and the second part is for skills training of minimum 576 hours duration which includes training in trade skills, soft skills, English and IT (computers).
- c. Placement in foreign country preceded by customized training of minimum 576 hours.
- d. On the Job Training (OJT) for persons who are placed after a minimum training duration of 576 hours.
- e. Support to Persons who are placed in jobs with minimum monthly salary of Rs. 10,000/- per month after industry internship of 12 months in entities having turnover of average Rs 100 crores in the previous 3 years.

DDU GKY is a unique scheme in the sense that it emphasizes not only on providing training, but also on finding suitable and sustainable employment for the beneficiaries, with supporting services for one year. The scheme guidelines define placement in terms of ‘continuous work for 3 months with salary slip as evidence’. The scheme guidelines also require post placement tracking, counselling and facilitation for a period of one year. Retention is defined by the scheme guidelines as continuous work over a period of 365 days with a maximum break of 60 days. Keeping with its career advancement focus, the scheme also aims to ‘ease the pain of migration when it is inevitable’ (Government of India, 2016). The scheme requires preparing trainees to take up employment away from home and providing counselling and support services for one year. The scheme guidelines allow funding to State Rural livelihood Missions (SRLMs) for setting up Migration Support Centres.

Evaluation of DDU GKY

The present evaluation is in a way comprehensive covering the implementation of the scheme and its impact on the beneficiaries and their economic status. This study has employed a mixed methods approach. It has collected and analysed survey data from a sample of 2687 beneficiaries and non-beneficiaries across 12 districts of Karnataka. In addition, qualitative data has been collected from 58 FGDs participated by over 460 persons and IDIs with 60 persons. The interviews consulted a range of stakeholders including government officials at different levels and PIA representatives. The reference period for the study is 2014-15 to 2018-19.

Key Findings

- i. A majority of the beneficiaries covered in the survey are women. Also, the majority of DDU-GKY beneficiaries in Karnataka are women, which attests to the strong participation of women in the scheme. While DDU-GKY is essentially a scheme to benefit less educated youth and those without formal education, the study observed that the largest share of the beneficiaries (39.77%) are graduates. Only 1.64% of the beneficiaries had no formal education. Such a finding can also imply that the scheme is benefitting the educated unemployed. Another positive finding is that a large share of marginal farming families without irrigated land have benefitted from the DDU-GKY.
- ii. As far as inclusion is concerned, the scheme has performed very well in Karnataka on targeting of women, has almost met the target for SC and STs, but notably fallen shorter in terms of meeting the minority and PH/PWD targets.
- iii. At the national level, the programme has shown a steep increase in number of trainees from 2014-15 till 2016-17, to reach a peak of 03,58,931 trainees in 2016-17. On the contrary, in Karnataka, the number of trainees has not shown considerable variation between 2015-16 and 2018-19, which is a matter of concern.
- iv. The study has observed positive responses regarding the quality of training offered by PIAs under DDU-GKY. Dominant shares of beneficiaries were happy with the teaching methods used and the quality of training. Close to 6% course dropout is seen.

- v. Placement and retention are among the most important yardsticks to judge skill development initiatives. This study found that a dominant share of candidates (73.63%) was given at least one placement job offer. Overall, 70.68% of those beneficiaries to whom at least one placement job was offered took up the offer.
- vi. The performance of the scheme in Karnataka in terms of placement rate is poor. Secondary data shows that the average placement rate during the five-year period from 2014-15 to 2018-19 has been 36.68%, which is far below the minimum placement of 70% envisaged by the scheme guidelines and is also below the overall national placement rate. Survey-based insights also point to the less than satisfactory placement performance.
- vii. Survey data shows that less than half the beneficiaries (48.83%) were in continuous employment for three months after training. The “High” performance districts on this parameter were Kodagu, Uttara Kannada, Mandya and Bangalore Urban and the “Low” performance districts were Davangere, Bidar, Yadgir and Bagalkot.
- viii. About 70% of female beneficiaries and 63.42% of male beneficiaries had resigned from the placement/first job. Unsatisfactory salary was the most frequent reason for beneficiaries resigning from placement/first job after training and the second most frequent reason was inconvenient location.
- ix. DDU-GKY scheme guidelines define retention in terms of continuation in employment for a continuous period of one year, with not more than 60 days gap. Overall, only about 42% of the beneficiaries were continuously employed in the first year after training.
- x. This evaluation study therefore finds a story of successive attrition, as far as the employment of candidates is concerned. From 73.63% of beneficiaries being offered a placement job to 48.83% being in continuous employment for three months after training and only 42% beneficiaries being in continuous employment for one year after training, the successive reduction at each level is quite clear.
- xi. One important area of concern in the performance of the scheme is the low salary obtained by beneficiaries in their placement job or first job after training. The average monthly salary of placement job/other first job post training was Rs 8136.45/- per month, which is lower even than the minimum wage for unskilled labour.

- xii. Making an informed choice of the trade to undergo training program is important. But about 37% of the beneficiaries found to be not undergoing prior counselling. PIAs seem to offer a restrictive selection of courses. The state offers only about one-tenth of the courses offered at the national level.
- xiii. The most common aspiration of beneficiaries is to start own business and doing home based job (25.48%) followed by job stability and satisfactory income (25.05%). This is a surprising finding, given that DDU-GKY does not have self-employment or entrepreneurship component.
- xiv. There is also a mismatch to the considerable extent between sector (trade) Sectors for which skills needed in district and covered by DDU-GKY. There are many skills needed as per NSDC Skill Gap report which are not being offered by the program. Neither it is based on the other labour market survey reports.
- xv. The scheme has not had an effect on raising the incomes of beneficiaries to levels higher than non-beneficiaries. Thus making trained candidates to perceive no difference between them and the untrained peers in the short run.
- xvi. Another major concern is a majority (53.37%) of beneficiaries are currently unemployed. This raises questions on the sustainability of the employment provided under the scheme. Domestic reasons (a variety of household/family related commitments and constraints) explain the major share of unemployment among women.
- xvii. On the positive side, a major share (79.22%) of currently employed beneficiaries are in salaried non-government employment; this is a positive finding, given DDU-GKY's focus of providing stable and formalized employment.
- xviii. Another positive finding in the study is that the successfully trained and employed candidates said they have gained recognition and dignity in the family as well in their society. The scheme has seen social benefits such as change in family attitude and perceived ability to better educate children.

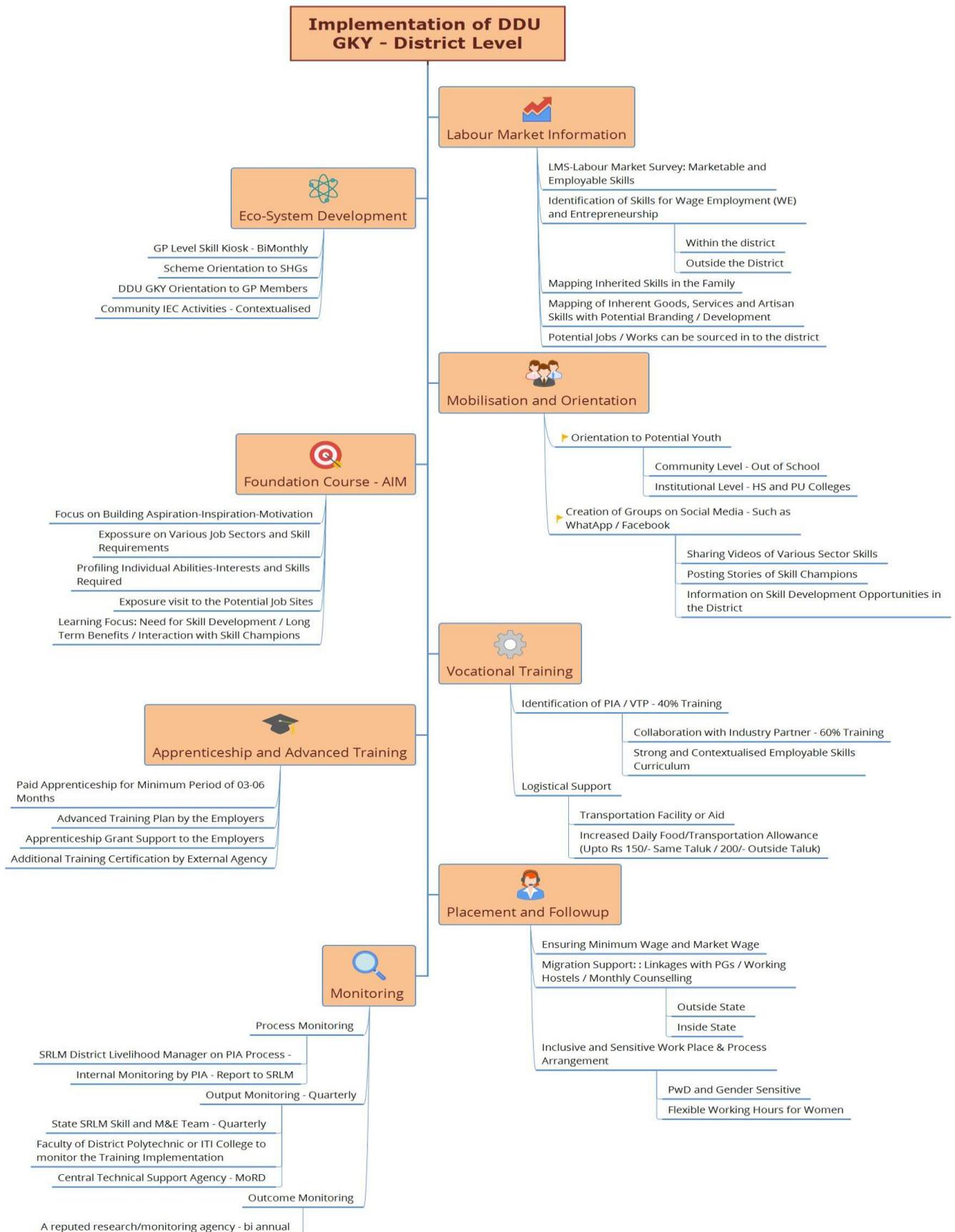
The following table summarizes the comparison of guidelines and field realities/study findings on key parameters:

Dimension	Provisions/Targets as per relevant Guidelines	Findings of Study- Field Realities
CERTIFICATION	DDU-GKY guidelines require mandatory certification of a minimum of 70% of trained candidates.	64.76% trained candidates (beneficiaries) received certificates.
PLACEMENT	DDU-GKY guidelines mandate placement of at least 70% of trainees Placement is defined in terms of continuous employment for 3 months after training.	Less than half i.e. 48.83% of beneficiaries were in continuous employment for three months
MINIMUM WAGES	Minimum wage for semi-skilled labour is Rs 11,888.20-Rs. 13,623.81, and for unskilled labour is Rs. 10,887.20-Rs. 12,465.03 as per the 2017 notification under Karnataka Shops and Commercial Establishments Act.	The average monthly salary of placement job/other first job post training was Rs 8136.45 per month.

Summary of Recommendations

The scheme design of DDU-GKY has a lot of positive features especially a quality assurance framework (highly detailed SoP) that provides great clarity for implementation partners and post placement support for candidates. For further improvement of scheme design and implementation, this study makes a number of recommendations. Following diagram outlines the recommendation on planning, implementation processes, monitoring and evaluation of the program at the district level.

Evaluation of Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) In Karnataka



- i. Select courses to be offered on the basis of District Level Labour Market Survey. Marketable and employable skills need to be identified and offered to the candidates. This is also important to reduce the attrition as candidates need not have to migrate out of the district.
- ii. Provide Foundation Course for candidates to help build A-I-M (Aspiration, Inspiration and Motivation) and help them to choose an appropriate course. This is also important to give a detailed orientation on different skills so that candidates are able to make an informed choice than opting some course.
- iii. Involve industry not only in On the Job Training but also in training and periodic assessments. Also consider more systematic apprenticeships designed with industry collaboration.
- iv. Involvement of local technical institutes such as polytechnics and ITIs in training as a mentor institution would augment the quality of the course and discipline in the implementation.
- v. Ensure that all placements are paying minimum wages as per the Minimum Wage notification of 2017 under the Karnataka Shops and Commercial Establishments Act.
- vi. Provide support system for the migrants and start operating migration support centres in major cities such as Bengaluru. If candidates are able to adjust to the new location and the job in the first six months, attrition may come down significantly. Civil Society Organisations may be roped in for providing this support as they may be able to adopt more sensitive approaches in mentoring youths.
- vii. Enhance retention incentives and monitoring of retention. Retention is as important as training. Six months post training is crucial and hence the agencies should be supported with enhanced incentives. It is also important to define retention targets in DDU-GKY Guidelines, on the lines of placement targets.
- viii. Ensure availability of dedicated officials at district level in all districts to monitor scheme implementation. The monitoring capability of SRLM district level personnel should be enhanced. A third-party monitoring mechanism in the state would add more value to get independent and periodic performance updates and/or variance for course correction.

- ix. Authorities may think of establishing a District Skill Information Centre which can be a source of information and enrolment for various skill development schemes implemented in the district (by the state and central Government). The center should also collate information on private skill development initiatives in the district and facilitate the reach of the benefit to the needed youth. Centre should be active on social media for the effective information dissemination about the schemes. Most importantly, the positive stories of skill champions need to be shared to build an enabling environment and create demand for the skill development initiatives.

DDU GKY is an essential program in the present context and it calls for a good collaboration of different stakeholders. It can accomplish its objectives with the district level planning based on the needs and involvement of stakeholders both from supply and demand side. There is a need to position it as a demand-driven scheme by creating an ecosystem. An effective communication strategy / plan is needed not just to create awareness, but to ‘nudge’ youth to go for skill development in the pursuit of long-term career growth. Mentoring and monitoring at the district level is the key for the successful implementation of the scheme.