# Skilling for the Future

Skill Gap Assessment & Action Plan for Tamil Nadu

# District Skill Development Plan for Theni District

November 2019

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# *List of Abbreviations*

| S.No | Abbreviation | Expanded Form |
|---|---|---|
| 1. | ASI | Annual Survey of Industries |
| 2. | BFSI | Banking, Financial Services and Insurance Sector |
| 3. | DDU-SKY | Deen Dhayal Upadhyaya Grameen Kaushalya Yojana |
| 4. | DISE | District Information System for Education |
| 5. | GDP | Gross Domestic Product |
| 6. | GDDP | Gross District Domestic Product |
| 7. | GoTN | Government of Tamil Nadu |
| 8. | GSDP | Gross State Domestic Product |
| 9. | GVA / GSVA | Gross Value Added / Gross State Value Added |
| 10. | ITI | Industrial Training Institute |
| 11. | IT-ITES | Information Technology and Information Technology Enabled Services |
| 12. | LFPR | Labour Force Participation Rate |
| 13. | Manuf. | Manufacturing |
| 14. | NEET | Not in Education, Employment, or Training |
| 15. | NSDC | National Skill Development Corporation |
| 16. | NSQF | National Skills Qualification Framework |
| 17. | NULM | National Urban Livelihood Mission |
| 18. | PMKVY | Pradhan Mantri Kaushal Vikas Yojana |
| 19. | QP-NOS | Qualification Pack – National Occupational Standards |
| 20. | SIDCO | Small Industries Development Corporations |
| 21. | SIPCOT | State Industries Promotion Corporation of Tamil Nadu |
| 22. | SSC | Sector Skill Council |
| 23. | TNSDC | Tamil Nadu Skill Development Corporation |
| 24. | TNSRLM | Tamil Nadu State Rural Livelihood Mission |
| 25. | Tr. & Tou. | Trade and Tourism Sectors |

# Executive Summary

**Background:** The Vision 2023 of Tamil Nadu envisages shaping its future by empowering the youth in the state, through imparting market relevant skill training; to become responsible and participating citizens who drive a new era of development, growth, and productivity. Tamil Nadu has formulated a State Youth Policy, which aims at reinforcing and accomplishing the broader objectives of 'Vision Tamil Nadu 2023'. The policy focuses on upgrading the human capital of the state by building on the intellectual and creative potential of youth in various fields, thereby transforming Tamil Nadu into the innovation hub and knowledge capital of India. It also aims at enabling Tamil Nadu to collaborate with other States in the country and the rest of the world on multiple dimensions: increasing the flow of workforce and goods/services, enhancing the levels of exchange of ideas and culture, and facilitating the movement of people to and from Tamil Nadu for opportunities. To attain this objective the State envisages training and skilling of 20 million persons by 2023[1].

Tamil Nadu currently has the highest Gross Enrolment Ratio in Higher Education (48.6)[2], among all the states in India. The state faces a mandate of developing and maintaining high quality human resources to deal with the evolving economy and ensuring social justice in the form of decent employment for its educated populace. Thus, it is essential to carefully analyse the industry demand, investment patterns, and youth aspirations and re-align policy/ programmatic initiatives in that direction. Thus, taking youth aspiration and industry growth potential is critical to be able to avoid labour demand-supply mismatch, and support overall development of the State.

**Context for Present Study:** In 2012, The National Skill Development Corporation commissioned a skill gap study for Tamil Nadu. The study covered 13 Districts, based on which an extrapolation was done for the remaining districts. The study adopted a mix of secondary and primary research and relied largely on focus group discussions with various stakeholder groups such as youth, employers, industry associations, government officials, and skill training providers. Skill gaps were estimated for a period of 10 years, up to FY 2022. Given the rapid change in the State's social and economic context, there was a need for a fresh assessment of the state's skill ecosystem. There is also a need to understand the needs of the youth from diverse geographical backgrounds across the State, especially reaching out to economically backward regions. It is expected that a contemporary estimation, using both quantitative and qualitative analysis would reveal more relevant insights and findings related to the demographic profile, socio-economic characteristics of the youth, emerging sectors and job roles, and the skill-sets in demand.

**The Present Study:** The Tamil Nadu Skill Development Corporation (TNSDC) has, through a competitive procurement process, engaged PricewaterhouseCoopers Private Limited (PwC) to carry out "Skill Gap Assessment and Action Plan" for the State. This is the first time such a comprehensive State-wide skill gap study taking into consideration block-level information from each district has been conducted in Tamil Nadu. The study aims at identifying sources for self and wage employment in all 32 districts, estimating the sector-wise current and future labour demand (over the next six years) by industry, and assessing the overall labour supply and estimating the existing and emerging skill gaps.

The Skill Gap study offers insights into: (i) which skills are required to support the State's economic growth, while also catering to the career aspirations of the youth; and (ii) how to design appropriate interventions that will enable active collaboration between various stakeholders for the common good. Workforce demand-projection for the upcoming years, disaggregated as skilled and semi-skilled workforce requirement has been estimated at the district level.

**Methodology for Study:** Mixed-method research design was adopted encompassing a blend of quantitative and qualitative data collection techniques, and desk research on secondary data sources. Structured into two phases, the first phase of the study comprised a comprehensive desk review of the State's demography, economy, labour market, educational and skill development profile. The second phase of the study comprised the following:

1. **Youth aspiration survey:** a quantitative survey covering 360 youth across the following groups – engaged in economic activity (self-employed, wage-employed, entrepreneurs), students in formal education, vocational and skill training institutions (Polytechnics, ITI), and those who fall under the Not in Education, Employment or Training (NEET) category. Six blocks in the district were covered, which include: Chetput, Polur, Pudupalayam, Thurinjapuram, Tiruvannamalai and Vandavasi.
2. **Quantitative employer survey**: covering 46 employers with adequate representation from Large, Medium, Small and Micro Industries across the key sectors defining the district economy.
3. **Focus- Group Discussions (FGD's) and stakeholder consultations** across a wide group of stakeholders including, representatives from Industrial units (with additional focus on MSME sector),

[1] Tamil Nadu Skill Development Corporation [https://www.tnskill.tn.gov.in/index.php/link/abouttnsdc]
[2] All India Survey on Higher Education 2017-18

district-level Industry Associations across priority sectors, officials from various government departments, representatives from various higher education institutions, and training service providers. Focus group discussions have been conducted in the district.

Estimation of labour demand and supply were undertaken based on the analysis of data sourced from the Census of India, the Department of Economics and Statistics of Government of Tamil Nadu, the Reserve Bank of India, the National Sample Survey Organisation and the Bureau of Labour and Employment under the Ministry of Labour and Employment, Government of India. Estimates were further refined based on the data pertaining to the proposed investments (pragmatically rationalised and considered), and the anticipated developments within key sectors; in addition, due consideration is given to the emerging sectors and job roles. The sectors and job roles in demand have been organized into training projects, which are informed by the demand estimations, and validated through quantitative survey findings and qualitative consultations. Budgetary requirements for the training projects have been estimated based on the cost categories as defined within the recent Common Cost Norms published by the Ministry of Skill Development and Entrepreneurship, Government of India.

Key findings of the study are presented hereunder:

| | |
|---|---|
| Demographic Analysis | • At 29 years, the median age of Theni is same as that of the state average. It is estimated to increase further to 36 years by 2026 indicating a much older population. Thus, the district needs to invest in skill development immediately to reap benefits of the demographic dividend. |
| **Economic Analysis** | • Theni is primarily an agriculture dependent district and contributes 2.2% to the state GDP.<br>• The economy of Theni grew at a CAGR of 4% between 2011-12 and 2016-17.<br>• Crop cultivation has not been profitable due to erratic weather conditions in the last decade. It has recorded a very marginal growth of one percent between 2011-12 and 2016-17. However, agriculture has to be revived as 30% of the workforce are dependent on agriculture in the district.<br>• Industrial sector grew at 8% between 2011-12 and 2016-17. Manufacturing and Construction account for 96% of the industrial output.<br>• The key industries include Spinning, weaving and textiles, other textiles, food products were the key Industries as per output and employment of Annual survey of Industries.<br>• Services sector contributes 45% of the GDDP. The sector grew at a CAGR of 3% between 2011-12 and 2016-17. |
| **Labour Market Analysis** | • The district has a higher labour force participation and work participation ratio than the state average owing to the larger share of working age population. Similar pattern is noticed among youth also.<br>• Half of the labour force is in primary sector (Agriculture & allied) followed by transportation, trade and repair services |
| **Education & Skill Development** | • 2.9% of the district population have undergone some kind of vocational training.<br>• Apprenticeship scheme largely focus public sector institutions which does not get converted into long term employment prospects for the youth. |
| **Findings from Primary Survey** | |
| **Youth Profile and Aspirations** | • 47% of Diploma holders and 45% of the graduates were engaged in unskilled work.<br>• Only 16% of the Not in Education Employment or Training (NEET) category respondents wished to work in the future.<br>• Over 20% of the youth aspire for employment in the Public Sector.<br>• Salary (wages) / Income, Job Security and safety were key determinants of selection of work.<br>• Education attainment, relevant work experience, basic soft skills were reported to be the key factors that determine employability and employment.<br>• Female respondents aspired for for food-processing, agro-business and healthcare, while Males aspired for auto and auto components and agro-business sectors.<br>• Strengthening the availability of labour market and counselling services has to be undertaking. |
| **Employer & Other Key Stake** | **Quantitative Survey** |

| | |
|---|---|
| **holder Perspective** | • 77% employers used reference from existing employees or known sources as a mode of recruitment.<br>• High local wages, candidates' disinterest and attitude are the major challenges faced by the employers in the recruitment and retention of workforce.<br>• On an average, 54 |

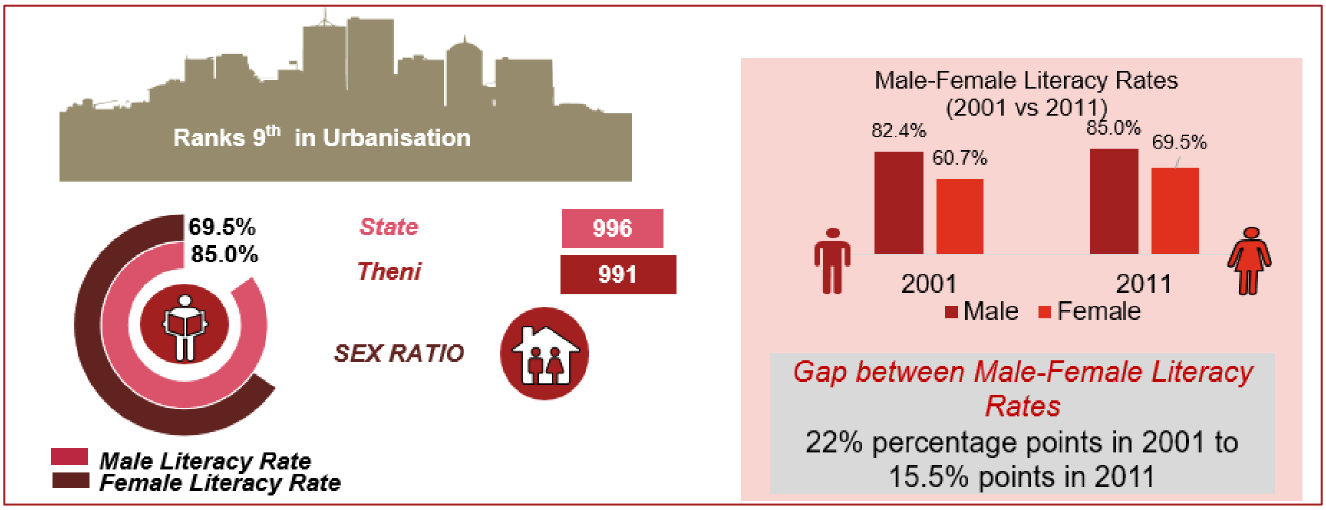
# 1. District Profile

## 1.1. Demographic Profile

The district of Theni is known as the Second Manchester of South India and is located at the foot of Western Ghats. Theni District comprises 5 taluks, 8 Blocks, 6 Municipalities, 28 Town Panchayats and 98 villages. The district is divided into two natural division – a) The hilly areas with good cover of vegetation and perennial streams and b) the Cumbum valley. Theni district is one of the active business hubs in the western side of Tamil Nadu that invites more industrial establishment[3].

*Table 1 Key Demographic Indicators– Theni vs Tamil Nadu[4]*

| SN | Indicator | Theni | Tamil Nadu |
|---|---|---|---|
| 1 | Total population | 12,45,899 | 7,21,47,030 |
| 2 | Female population | 6,20,216 | 36,009,055 |
| 3 | Population Density per sq.km (2011) | 434 | 555 |
| 4 | Urban Population | 53.8% | 48.4% |
| 5 | SC population (as % of total population) | 20.7% | 20.0% |
| 6 | ST population (as % of total population) | 0.7% | 1.1% |
| 7 | Differently abled population (as % of total population) | 1.7% | 1.6% |
| 8 | Population in age group 15-34 years (as % of total population) | 35.0% | 34.8% |
| 9 | SC population aged 15-34 years (as % of SC population) | 37.1% | 36.6% |
| 10 | ST population aged 15-34 years (as % of ST population) | 33.9% | 35.0% |
| 11 | Literacy rate | 77.3% | 80.3% |



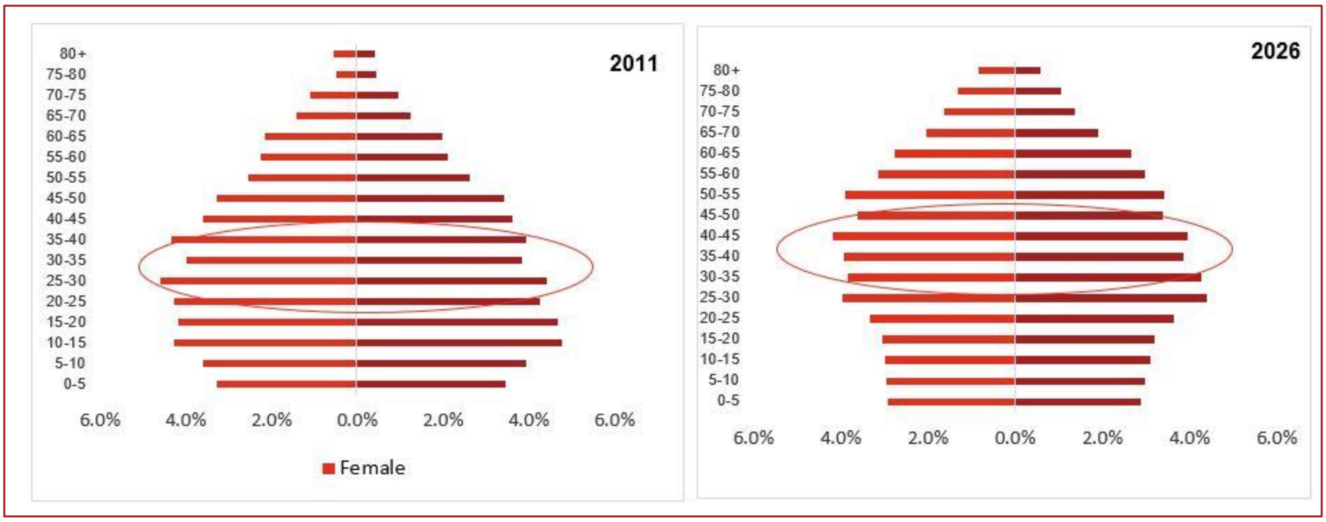

**Key Highlights from the analysis of Census Data:**

- **Population Growth and Urbanization:** The Decadal growth rate **of the population in the district** was **13.7%** between 2001 and 2011, compared to **15.6%** at state level. The growth in rural population was 15% while in urban it was 13% due to many villages treated as urban in 2011.
- **Literacy:** The district had a female literacy rate of 69.5%% while the male literacy rate of 85%; lower than the corresponding literacy rates at the state level. The literacy rates among males increased by only 3% while among females it increased by 14%, reducing the gap between them from a 22% in 2001 to 15.5% in 2011. The reducing gap between the male and female literacy rates indicates increase in participation of females in education and also higher level of education attainment among them.

[3] District Statistic Handbook, Theni, Census 2011
[4] Census 2011 & 2011

- **Youth Demography:** More than **one-third** of the population was between 15-34 years in 2011. The median age during this period was **29 years**, which is same as the median age of the state (29 years in 2011). The population is set to get older with median age in 2026 expected to be around 36 years, increasing the share of dependent population as illustrated in the age-specific population pyramid of the district as seen below.

*Figure 1 Age-wise Population Pyramid of Theni (2011 vs 2026)[5]*

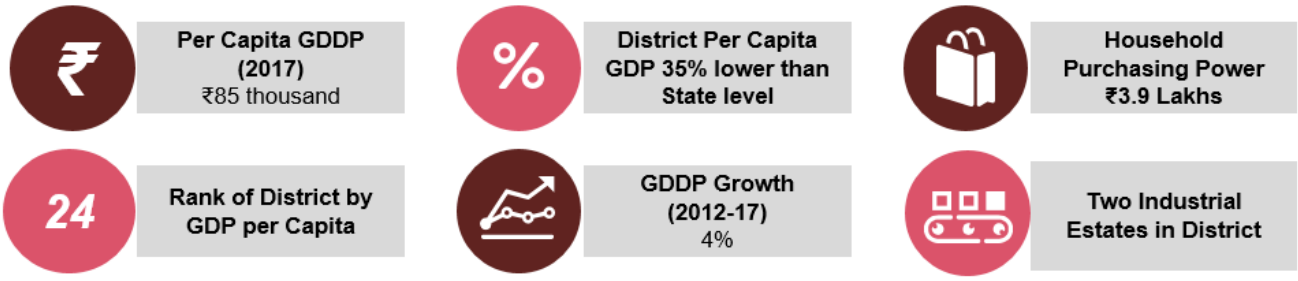



***Theni has younger population currently and has more potential of skilling its youth immediately. The gap in literacy rates amongst females and males have decreased over the year.***

## 1.2. Economic Profile

Theni is famous for its spinning mills, sugar mills, agro industries and cardamom production. It contributes to 2.2% of the State's GSDP.[6,7] The establishment of a spinning mills and agro processing industries enabled the district to grow economically. The geographical location also enabled widespread growth in species industries. The district ranks **24th in terms of Per Capita Income and 16th in terms of Purchasing Power**.[8]

*Figure 2 Key Economic Indicators of Theni District*

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[5] Age wise Population projected for 2026 based on age group wise life expectancy, birth and death rates
[6] D0ES, GoTN
[7] District Industries Profile, DC-MSME, 2015-16
[8] Household disposable income as computed under districtmetrics.com.
Household Purchasing Power is calculated from the total purchasing power (disposable income after savings/ investments) of the district, divided by the projected number of households (savings/ investment data calculated from RBI database on savings).

## 1.2.1. Sector wise Analysis[9]

*Figure 3 Sectoral Snapshot of GVA 2016-17*

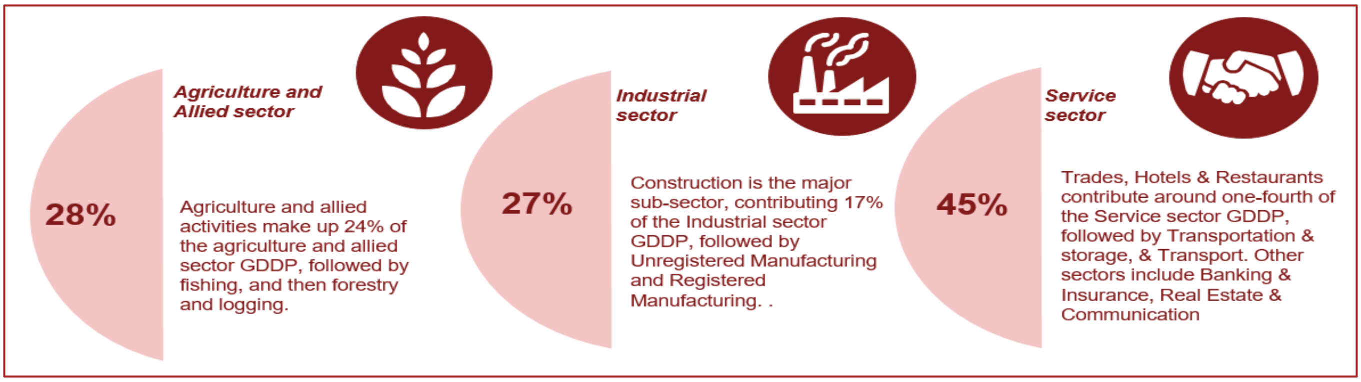
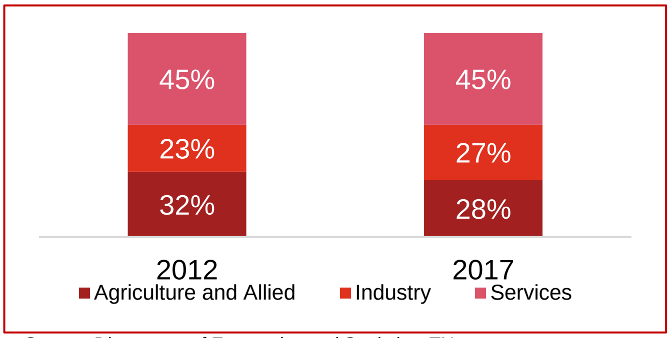



*Figure 4 Sectoral Share of GVA (2011-12 & 2016-17)*



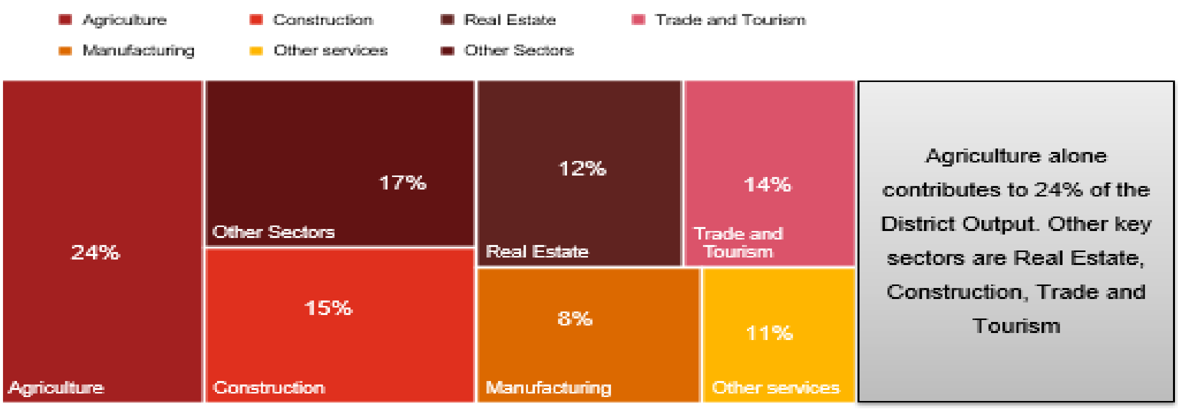

*Source: Directorate of Economics and Statistics, TN*

The Economy of the District is dominated by the service sector, accounting for about 45% of the district output in 2017. Theni is one of the less prosperous districts with a Per Capita GDDP lower than the State Average. This district has seen a decrease in share of agriculture and allied sector since 2012. The Services sector contribution to the District's economy has remained the same at 45% in 2012 and 2017. The share of industry has increased by four percentage points between 2012 and 2017. However, the growth in the industry sector has been erratic due to the impact of demonetisation, GST and other macro issues. Also competition from nearby districts like Dindigul and Tirupur forces the closure of small and marginal industries. At sector level, Agriculture, Manufacturing, Real Estate, Trade & Tourism, Construction & BFSI are the major contributors to the district's economy.

*Table 2 Sector wise- Annual Growth Rate in Theni (Directorate of Economics and Statistics, TN)*

| Sector | 2013 | 2014 | 2015 | 2016 | 2017 | CAGR |
|---|---|---|---|---|---|---|
| Agriculture & Allied | -1% | 1% | -11% | 11% | 4% | 1% |
| Industry | 7% | 10% | 3% | 16% | 2% | 8% |
| Services | 5% | 1% | 6% | 0% | 4% | 3% |

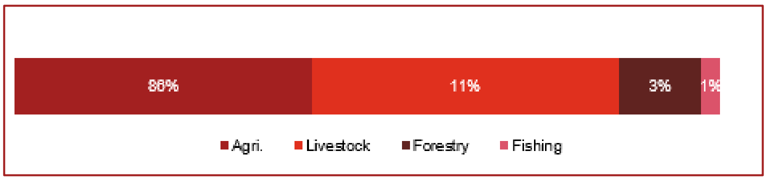
*Figure 5 Share of GVA by Industry of Origin (2016-17)*




Directorate of Economics and Statistics, Tamil Nadu

## Agriculture and Allied Sector

*Figure 6 GVA of Agriculture and Allied Sectors (2016-17)*

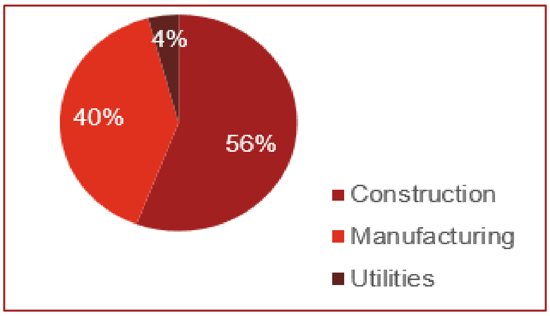



Agriculture continues to be the most major sector of the District economy, as 30 percent of the population is engaged in Agriculture and allied activities for their livelihood. GVA of agriculture is dominant followed by livestock and forestry. Total cultivated area is 1,15,473 hectare, out of which 47% area is irrigated and 53% is under rain fed cultivation. Major agricultural crops cultivated in the district are Paddy, Cumbu, Ragi, Maize, Varagu, Redgram, Blackgram, Greengram, Sugarcane, Groundnut, Gingelly, sunflower and Cotton. Horticulture crops-chillies, onion, grapes and banana, spices like cardamom and plantation crops like coffee and tea. Horticulture extension centres are present in all the blocks in the District. Nearly 90% of the farmers belong to small and marginal category holding 58% of the total area in the district.

The grapes are generally grown in cumbum valley and accounted for 76% share in the state's total production of grape. It is important to note that grapes are harvested throughout the year. The fertile soil and good water provides ample scope for livestock rearing in the district. The district has only inland fisheries done in two reservoirs, namely, Vaigai dam and Manjalar dam. Sericulture is an important agro - based industry in this district.

## Industrial Sector

*Figure 7 Industrial Sector GVA (2016-17)*




*Source: Directorate of Economics and Statistics, TN*

Construction accounts for more than half of the output and manufacturing sectors account for nearly two-fifth of the output. The manufacturing sector experienced a growth of 8% during 2011-17 while construction sector has recorded a CAGR of 17% in the same period. The key manufacturing sectors by output include cotton textiles, wool, silk and synthetic fibre, hosiery and garments and food products. Paper products and printing, electricity and apparatus, transport equipment and parts and spinning mills are other sectors that employ a significant share of the Industrial work.

*Major emerging sectors: Rice Mill, food processing and textile industries.*

Textiles is a traditional industry in Theni district. Cotton being the major crop, there are many cotton spinning mills in the district. In the recent days, there has been a shift from textile industry to readymade units. The coir industry also is not able to tackle the demand from abroad where it is used for road laying, etc. There are a number of processing units, cold storage stations, ripening stations for fruits and vegetables, fertilizer producers and chemical firms, market for horticulture produce, green stations, biotech firm’s nursery and private nurseries in the district.

| ***Key Clusters and Traditional Industries*** | |
|---|---|
| Coir Cluster, **Periyakulam** | Cardamom processing, **Bodinayakanur** |
| Readymade garments, **Cumbum** | Fruit processing, **Theni** |

*Table 3 Profile of Manufacturing Sector from ASI*

| Industry | No. of Units | No. of Employee | Gross Value Added (share in total GVA) | Share of Employment | Average workers per unit |
|---|---|---|---|---|---|
| Spinning, weaving and finishing of textiles | 76 | 4,303 | 34% | 39 | 57 |
| Manufacture of other textiles | 15 | 2,627 | 29% | 24 | 175 |
| Manufacture of food products | 39 | 2,140 | 18% | 20 | 55 |
| Manufacture of wearing apparel, except fur apparel | 3 | 841 | 7% | 8 | 280 |
| Support activities to agriculture and post-harvest crop activities | 57 | 988 | 4% | 9 | 17 |
| **TOTAL** | **190** | **10,899** | **91%** | **100** | **57** |

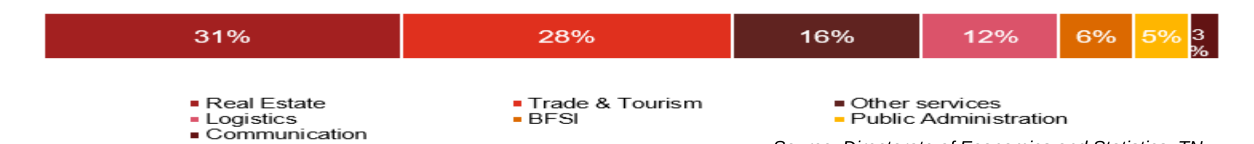
*Source: Annual Survey of Industries 2014-15*

According to the ASI 2014-15, only 290 Industrial units were present in the district, directly employing around 10,000 workers, of which around 190 units contribute 91% of the GVA. **Spinning, weaving and textiles, other textiles, food products were the key Industries as per output and employment.** Average workers per unit are maximum in manufacturing of wearing apparel and manufacture of other textiles. These two sectors tend to employ higher number of women workers.

## Services Sector

The service sector has witnessed an average growth of about 3% between 2011-12 and 2016-17. Hotel industry contribution to the economy is growing as it attracts tourists visiting the nearby hill stations in Kerala and Dindigul. The district serves as a junction for major processing units (cotton, cardamom, fruit, etc.) predominantly serving the markets outside the district. **Real estate, trade and tourism, other services are important areas that drive the services sector economy of the district**.

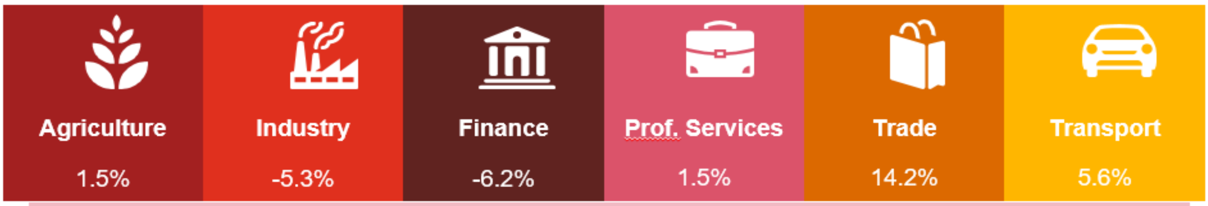
*Figure 8 GVA of Services Sector (2012-17)*




*Source: Directorate of Economics and Statistics, TN*

## 1.2.2. Investments and key economic drivers

*Figure 9 Sector-specific growth of Credit off Take (2013-16) - RBI*




The District has seen recent growth in credit especially in Trade and Transport Services. Credit offtake in Agriculture and Professional services as been low while Industry and Finance saw a decline.

In Theni district, key investment is expected in Food processing by setting up Theni Mega Food Park[10] as per the TN GIM (Tamil Nadu Global Investors Meet)[11].

[10] RBI data from Geocrede.com
[11] Capital Expenditure Database, Centre for Monitoring Indian Economy

# *1.3. Labour Market Profile*[12]

The overall labour force participation and worker population ratio are slightly higher at the district level than at the state. Nearly half of the workers in the district are casual labour, higher in proportion than at state level. Youth Unemployment Rate (15-29 years) is lower (7.7%) by 3 percentage points at the district level than at the state level (11.4%).

*Figure 10 Key Labour Market Indicators*[13]

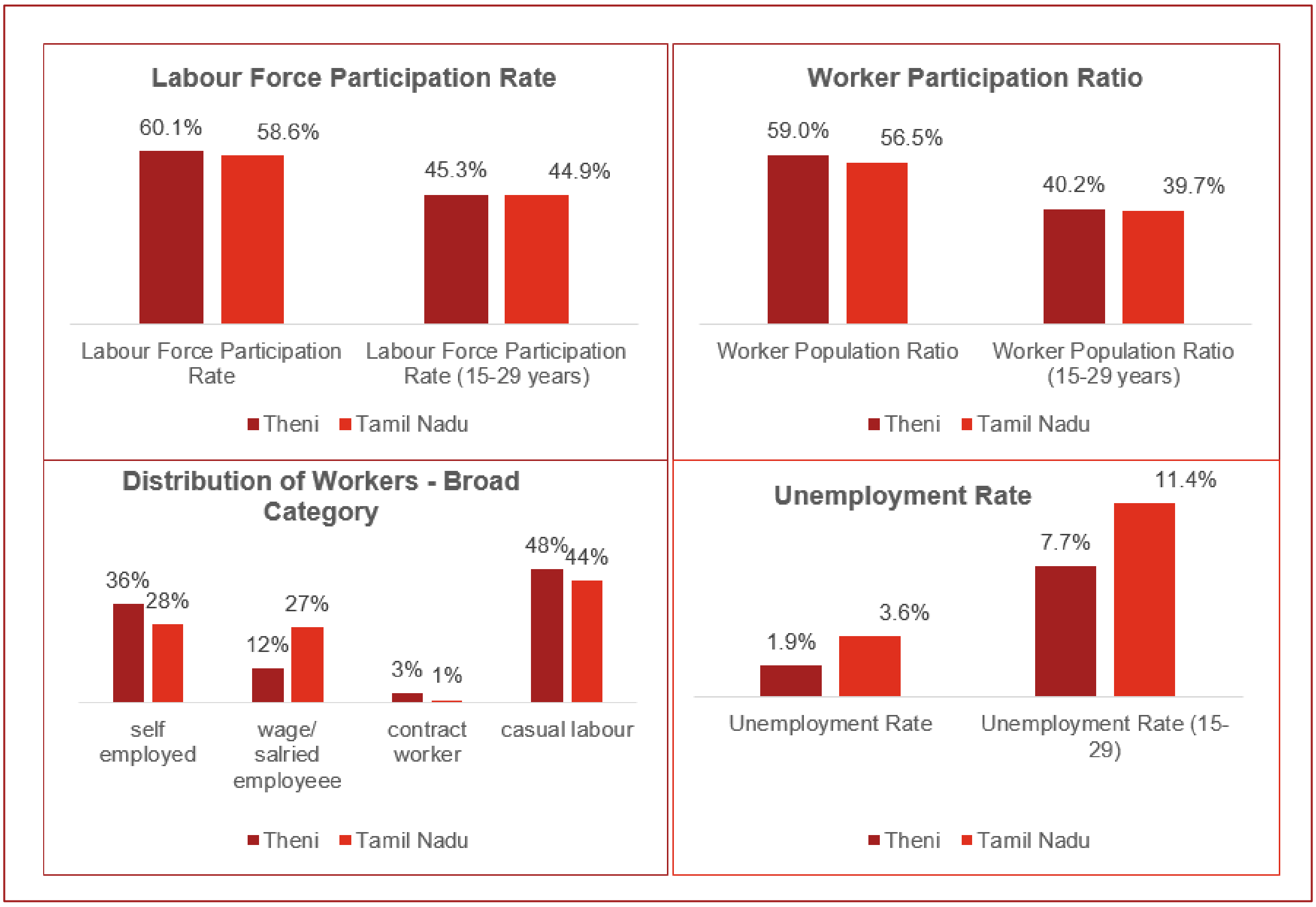
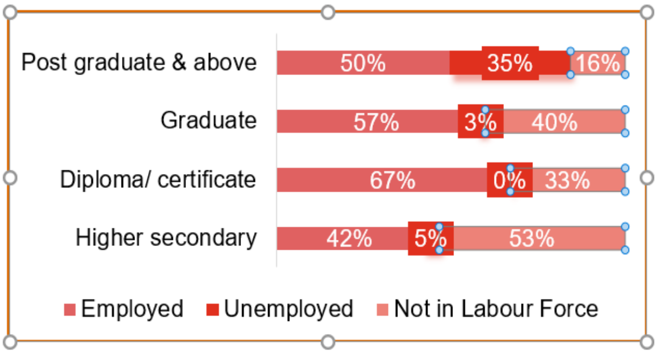



*Figure 11 Distribution of Working status by Qualification: District Level Estimates*




The education-level classification of the district population reveals that the unemployment rate among youth with higher education is strikingly high in the district. One-third population with post graduate and above level of education is unemployed. It is noted that large proportion of graduates, post-graduates and diploma holders are not in labour force, which might be due to their expectation of better wages, work profile and environment. The overall trend suggests positive correlation between unemployment level and level of education, pointing towards mismatch between industry demand and supply from the educational institutions in the district. Skill development programmes may address the gap between industry expectation and supply.

*Table 4IM LFPR and Unemployment Rate by gender & Location*

| | | | LFPR | | Unemployment Rate | |
|---|---|---|---|---|---|---|
| Sex | | | Rural | Urban | Rural | Urban |
| Male | | | 78.0% | 86.4% | 0.2% | 1.6% |

[12] Analysis in this section are based on the District Level Estimates, EUS, 2013-14, Labour Bureau
[13] District Level Estimates, EUS, 2013-14, Labour Bureau

| | | | | | | |
|---|---|---|---|---|---|---|
| Female | | | 50.6% | 26.6% | 0.0% | 10.5% |

Disaggregation by area and sex, it is found that females have rural labour force participation rate 24 percentage points higher than the urban counterpart. The urban unemployment rate for females is 11% while unemployment rate among rural females remains zero. Such a gap is not seen in the figures for males, indicating that urban women face a lack of employment opportunities and there is a scope for training woman in the district. Higher unemployment rate among urban female has increased the overall urban unemployment rate of the district to 3%.

*Figure 12 Sector-wise share of Employment*


*Source: District Level Estimates, EUS, 2013-14, Labour Bureau*

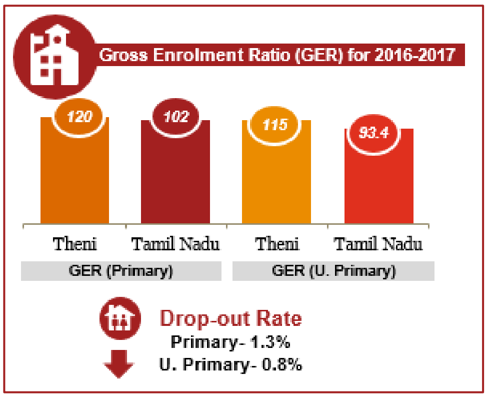
More than three-fifth of the workforce in the district is employed in the agriculture sector and 22% employment in trade and communication but the overall contribution from Industry sector is 27% of the GDDP. This reflects there is an issue of productivity in the industrial sector. Trade and Communication is the second most important sector in terms of employment followed by agriculture. The ratio between agriculture employment and output is relatively high and indicates high productivity of the workforce in the district.

***A large share of the population is employed in agriculture. The productivity of Industry sector contributes to only 27% of the GDDP which is low. In addition, unemployment among youth with higher education is a concern.***

## 1.4. Education Profile

According to District Statistical Handbook 2016-17, there were 920 schools of which 630 are elementary/middle schools, 53 high schools and 93 higher secondary schools in the district. The Private sector dominates both the number of schools and the enrolments.

*Figure 13 GER and Drop-out Rates - DISE*




The Gross Enrolment Ratio at both Primary and Upper Primary are higher than the state averages. The ratio indicates that the number of students in the district outstrip the expected population in the age cohort by a significant margin. One of the reasons is the presence of several schools, catering to students from the neighbouring districts. The drop-out rates are marginal at 1.3% at the primary level and 0.8% at the upper primary level.

Theni has 5 Polytechnic colleges in the district with a total enrolment of 4,363 students. There are 11 General Arts & Sciences Colleges with an enrolment of 14,698 students. There are four women's Arts and Science colleges in the district. Apart from this, the district has two nursing colleges, one medical college, one horticulture college and seven college of education.

*Table 5 Institutions of Higher Education in Theni District*[14]

| S.No | Institution Type | No of Institutions | Students | | |
|---|---|---|---|---|---|
| | | | Males | Females | Total |
| 1. | Engineering Colleges | 3 | 1,799 | 863 | 2,662 |
| 2. | General Arts & Science Colleges | 11 | 4,698 | 10,000 | 14,698 |
| 3. | Polytechnics | 5 | 2,517 | 1,846 | 4,363 |
| 4. | Management college | 1 | 93 | 112 | 205 |
| 5. | College of Education | 7 | 163 | 606 | 769 |
| 6 | Medical Colleges | 1 | 216 | 298 | 514 |
| 7 | Nursing Colleges | 2 | 169 | 223 | 392 |
| 8 | Horticulture college | 1 | 153 | 176 | 329 |
| 9 | Teacher Training Institutions | 8 | 558 | 340 | 898 |

## 1.5. Vocational Education and Skill Development Profile

The skill training infrastructure of the district include skill training centers implementing schemes like TNSDC, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and Deen Dayal Upadhyay Grameen Kaushal Yojana (DDU-GKY).

Under the PMKVY scheme, four training institutes offered courses on sewing machine operator and self-employed tailor. Apparel is the most prominent sector under PMKVY.

*Table 6 Vocational Training under Short Term Skill Development Programs*[15]

| Scheme | Sector | Job Role | No. of Training Centres | Intake |
|---|---|---|---|---|
| **Deen Dayal Upadhyay Grameen Kaushal Yojana** | IT/ITES<br>Apparel<br>Beauty and Wellness<br>Electrical<br>Tourism and Hospitality<br>Security<br>Food Processing and Preservation<br>Apparel Made-up and Home Furnishing<br>Agriculture<br>Logistics | - | 8 | 1,280 |

36 F kwtlev vcvkwkecn cpfd mI xwo hVco kP cf w
37 4239 423 vtclplpi gct tgr two

| | | | | |
|---|---|---|---|---|
| **Pradhan Mantri Kaushal Vikas Yojana** | Apparel | Self Employed Tailor | 1 | 60 |
| | Tourism and Hospitality | Front office Executive | 1 | 60 |
| **Tamil Nadu Skill Development Programs** | Apparel | Sewing Machine Operator | 2 | 40 |
| | | Fashion Designer | 1 | 20 |
| | Banking and Accounting | Accounting | 1 | 20 |
| | Beauty culture and hair dressing | Beauty Therapy and Hair Styling level One | 1 | 150 |
| | BFSI | Accounts Executive | 1 | 50 |
| | Electrical | Electrician Domestic | 1 | 60 |
| | Fabrication | Arc and Gas Welder | 1 | 40 |
| | Garment Making | Tailor | 10 | 700 |
| | | Industrial Sewing Machine | 2 | 100 |
| | | Hand Embroider | 4 | 100 |
| | | Zardosi Work | 2 | 60 |
| | | Garment maker | 1 | 20 |
| | Health care | Operating Theatre Technician | 1 | 20 |
| | | Diet Assistant | 1 | 60 |
| | | General Duty Assistant | 1 | 60 |
| | | Medical Laboratory Technician | 1 | 20 |
| | Printing | Supervisor Book Binding | 1 | 20 |
| | | Book Binder | | 20 |

The long-term skill development programs are predominantly offered through Industrial Training Institutes (ITIs), which offer one and two year programs across various sectors and trades. The **20 ITIs** in the district offer 15 trades, with 4,899 seats, occupied by 3,055 trainees indicating just 62% utilization.

The below table presents the courses offered through ITI, and the number of such institutes offering each trade/ training for job role.

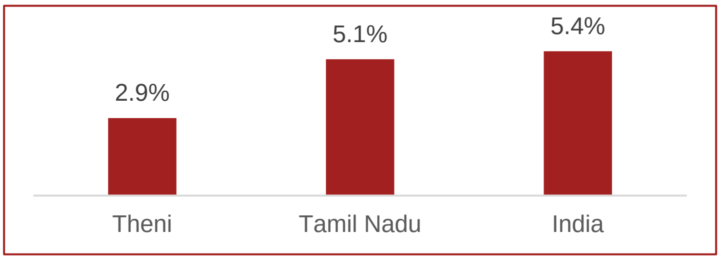
Table 7 Vocational Training under Long Term Skill Development Programs (ITI)

| Scheme | Sector | Job role | Number of Training Centers | Total Capacity | Intake |
|---|---|---|---|---|---|
| **Industrial Training Institutes (Craftsmen Training Scheme)** | Apparel | Fashion Design & Technology | 1 | 21 | 19 |
| | | Sewing Technology | 1 | 42 | 36 |
| | | Textile Mechatronics | 1 | 26 | 6 |
| | Automotive | Mechanic (Motor Vehicle) | 6 | 126 | 97 |
| | | Mechanic (Tractor) | 1 | 42 | 40 |
| | | Mechanic Diesel | 4 | 0 | 0 |
| | Capital Goods | Fitter | 10 | 210 | 135 |
| | | Machinist | 1 | 16 | 15 |
| | | Machinist (Grinder) | 1 | 16 | 16 |
| | | Turner | 1 | 32 | 30 |
| | | Welder | 4 | 126 | 98 |
| | | Wireman | 4 | 63 | 56 |
| | Construction | Draughtsman (Civil) | 1 | 26 | 26 |
| | | Electrician | 10 | 210 | 171 |
| | Electronics | Mechanic (Refrigeration and Air-Conditioning) | 1 | 26 | 26 |
| | | Pump Operator-Cum-Mechanic | 1 | 42 | 32 |
| | IT ITES | Computer Operator and Programming Assistant | 1 | 78 | 63 |
| | | Desk Top Publishing Operator | 3 | 52 | 23 |
| | | Information Communication Technology System Maintenance | 2 | 26 | 19 |

*Sources: NCVT MIS (2016-17), Data collected from TNSDC (2017-18), TNSRLM (2017-18)*

*Figure 14 Proportion Undergone Vocational training 2015-16, MoLE*[16]

With respect to vocational training in the district, 29 persons per 1,000 had received training in the district, when compared to 51 in the state as per Employment and unemployment survey 2015-16. This is lower than the state and country




[38] Employment and Unemployment Survey 2015-16, Ministry of Labour and Employment

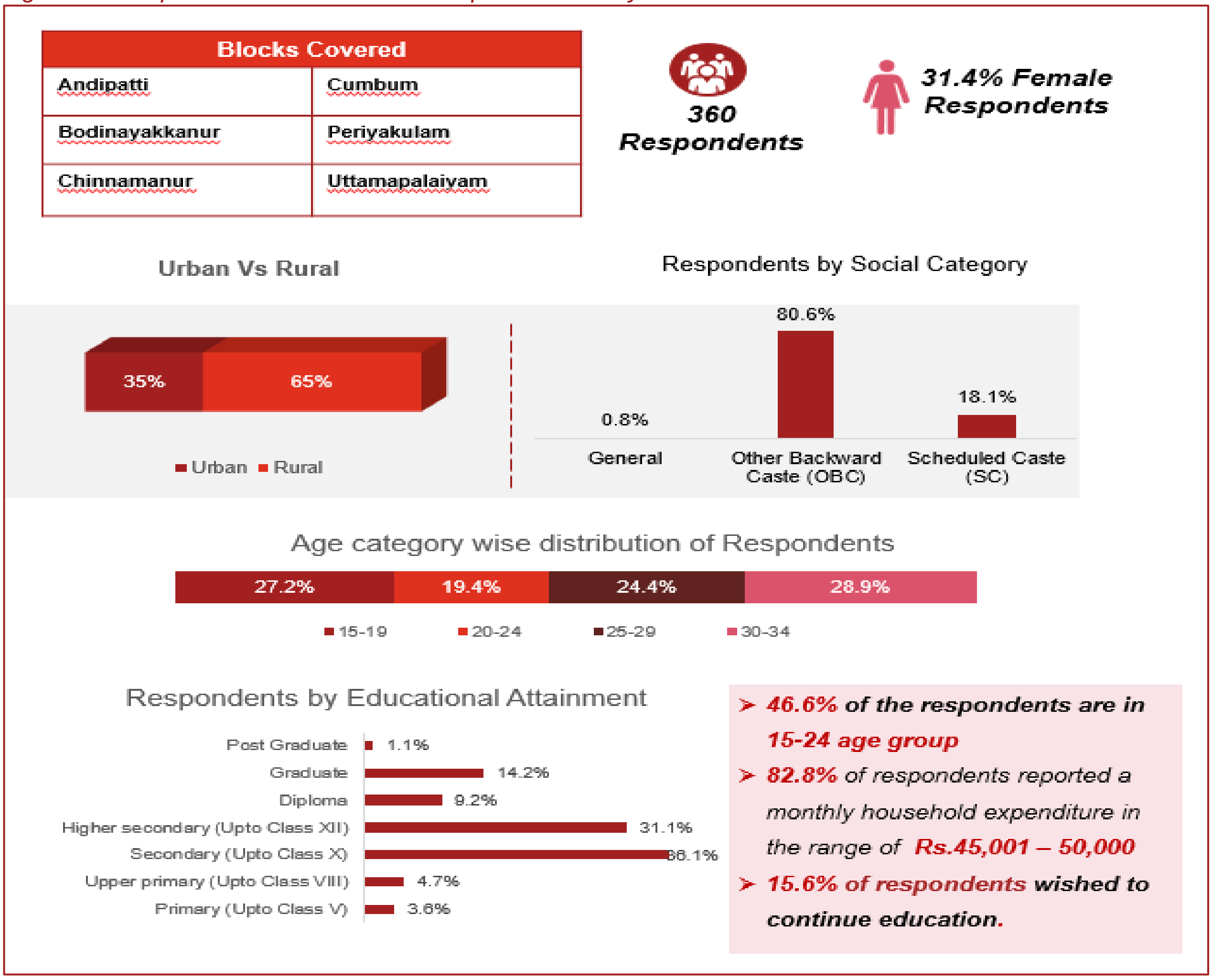
# 2. Youth Perspective

The study covered youth, employers, industrial associations and other key stakeholders to understand the demand and supply side perspectives of skills. The information was collected through both quantitative survey and qualitative approaches including In-Depth interviews and focus group discussions.

## 2.1. Profile of Respondent Youth

The structured household survey tool was administered with the 360 youth (young men and women in the age group of 15-34 years) sampled from six blocks **Andipatti, Bodinayakkanur, Chinnamanur, Cumbum, Periyakulam and Uttamapalaiyam.** Of the total respondents, **31.4%** were **female**. **Majority (almost two-third) of the respondents** were from the rural areas. The sample has balanced representation of various socioeconomic and demographic characteristics of the population.

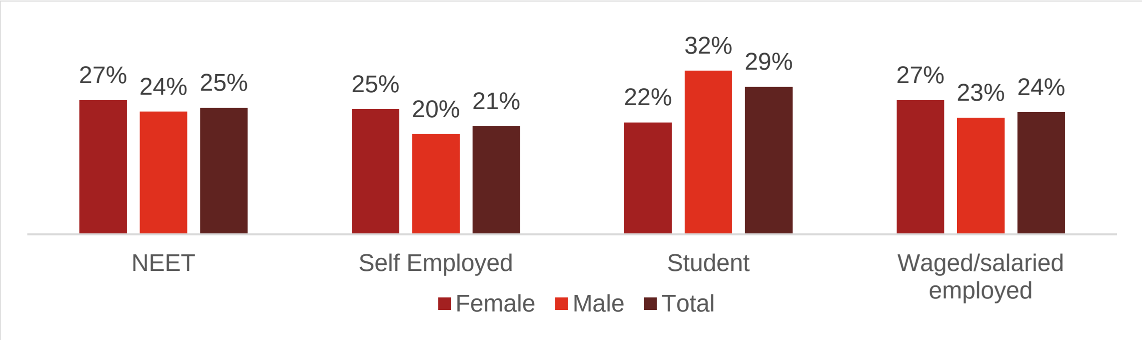
*Figure 15 Respondent Profile of Youth Aspiration Survey*




## 2.2. Respondent's Current Status

The figure below illustrates the gender wise classification (current status) of the respondents interviwed during the household survey.The female respondents were distributed evenly in the Self Employment (24.8%), NEET (26.5%) and wage/salaried employment (26.5%) categories whereas the male respondents were largely distributed in Education system (32.4

*Figure 16 Current Status of Respondent by Sex*




## 2.3. Economic Engagement of Youth

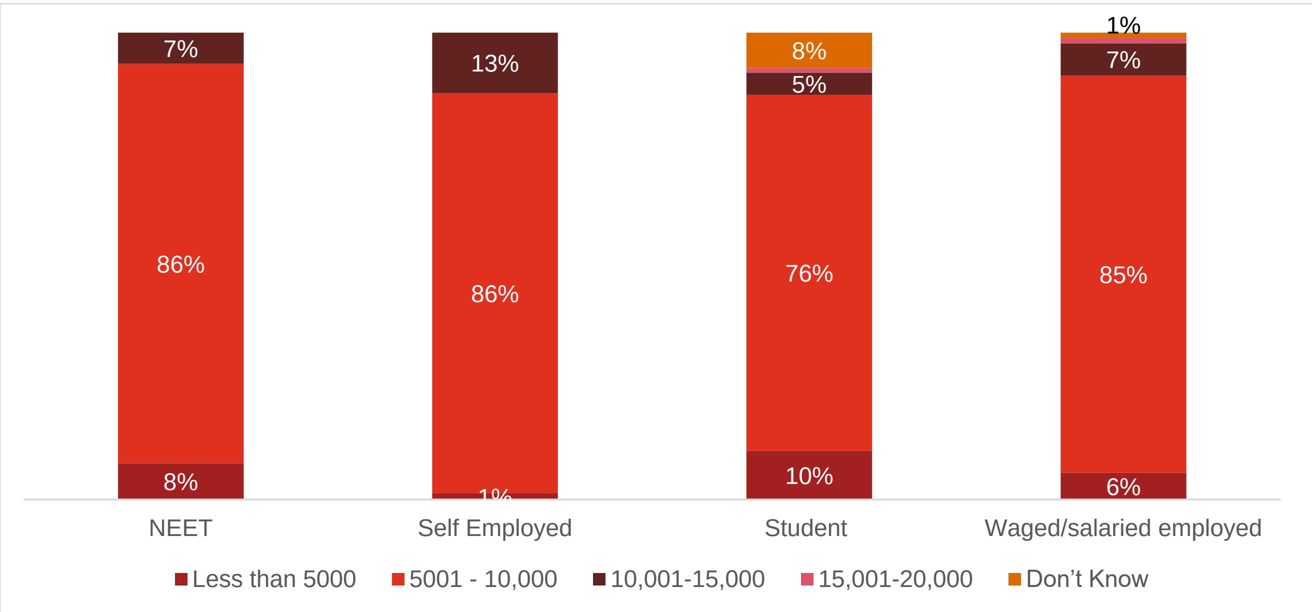
Only one-tenth of the respondents had been engaged in an economic activity of some kind, and 41% of the respondents were presently engaged in one. 89% of the respondents who had ever engaged in an economic activity reported that they were employed in a field related to their education / training. Less than half of the respondents were currently working. Among the NEET respondents only 16% ever worked.

*Table 8 Status of employment of Respondents*

| Status of employment/training | Number of Respondents |
|---|---|
| Currently working (N = 360) | 167 (46%) |
| Ever worked (N= 90) | 14 (16%) |
| Attended work related training (N = 182) | 165 (91%) |

Note: Figures in parentheses are percentages to total respondents in each category.

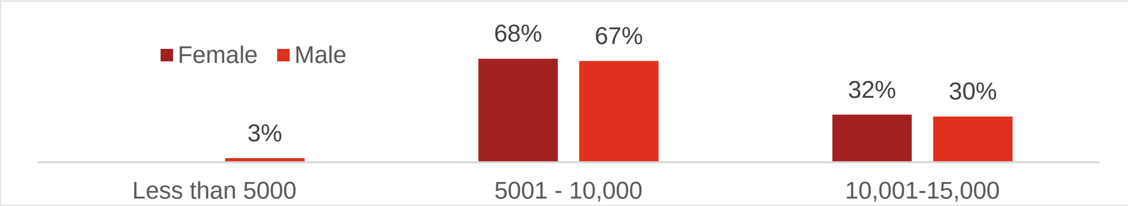
*Figure 17 Aspired monthly salary of respondents by category*




Note: Number of respondents (N) = 360

Across categories most of the respondents' (85%) aspiration for monthly salary ranged from ₹ 5000 to 10,000. Small proportion of the respondents (8%) only aspire for higher monthly salary range of ₹ 10,000 to 15000. More than three-fifth (67% female and 68% male) respondents reported a monthly salary of ₹ 5,000 to 10,000.

*Figure 18 Distribution of Respondents across Monthly Income Category across Sex*




Note: Number of respondents (N) = 182

A large proportion of the respondents ever engaged in economic activity were engaged as a skilled worker. Around half of the respondents who are qualified as diploma (47%) and graduates (45%) are into unskilled employment. It is important to note that, very few respondents are in the salaried sector except of graduates.

*Table 9 Education Qualification of Respondents and Employment Type*

| Employment Type | Primary (Upto Class V) | Upper primary (Upto Class VIII) | Secondary (Upto Class X) | Higher secondary (Upto Class XII) | Diploma | Graduate |
|---|---|---|---|---|---|---|
| Farm Activities | 22% | 31% | 31% | 30% | 0 | 20% |
| Unskilled worker (MNREGA, construction, etc.) | 56% | 31% | 33% | 22% | 47% | 45% |
| Skilled worker (tailor, mason, electrician, plumber etc.) | 11% | 23% | 25% | 18% | 26% | 5% |
| Salaried Employment (teacher, government official, etc.) | 0 | 0 | 3% | 7% | 0 | 20% |
| Petty Business/Trade/ Manufacturing | 11% | 15% | 10% | 13% | 21% | 5% |
| Major Business/Trade/ Manufacturing | 0 | 0 | 0 | 3% | 0 | 5% |
| Others | 0 | 0% | 2% | 10% | 11% | 0% |
| **N** | **9** | **13** | **61** | **60** | **19** | **20** |

## 2.4. Respondent under NEET Category

Around one-fourth of the total respondents were from the NEET category (27% female and 24% male). 72% of the respondents are between the ages 20-29 years. 77% of the male respondents in NEET category have been in it for a period of 6 months to 2 years, while 57% of the female respondents have been in NEET category for the same duration.

Less than one-fifth (16%) of the respondents from the NEET category wish to work in the future largely not able to find suitable jobs in their district. 2% of male respondents and 40% of female respondents wish to work. However, 67% of those female respondents and the one male respondent have been actively seeking work.

*Table 10 NEET Category Respondents*

| Duration in NEET Category | | | |
|---|---|---|---|
| | Female | Male | Total |
| Less than 6 months | 6.7% | 8.3% | 7.8% |
| 6 months- 1 year | 10.0% | 43.3% | 32.2% |
| 1- 2 years | 46.7% | 33.3% | 37.8% |
| 2- 3 years | 33.3% | 13.3% | 20.0% |
| 3-4 years | 3.3% | 0.0% | 1.1% |
| 4 -5 years | 0.0% | 1.7% | 1.1% |

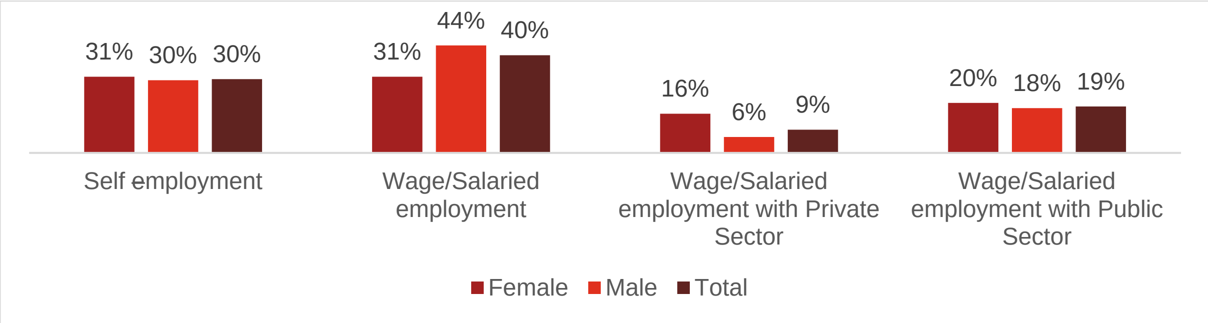
| Wish to Work | | | |
|---|---|---|---|
| | Female | Male | Total |
| Yes | 40% | 2% | 14% |
| Total | 30 | 60 | 90 |
| **Actively Seeking Work** | | | |
| | Female | Male | Total |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| More than 5 years | 6.7% | 8.3% | 7.8% | | Yes | 67% | 100% | 69% |
| Total | 30 | 60 | 90 | | Total | 12 | 1 | 13 |

## 2.5. Youth Career Aspiration

The youth in the district have shown preference for wage/ salaried employment (40%) followed by self-employment. Males have a substantially higher interest for wage employment than females, however, both females and males have shown similar interest for self-employment.

*Figure 19 Career Aspiration of Youth*




The main factors influencing the aspiration of the youth are Salary (wages) / Income (77%) and Job Security (48%). Nearly 40% of the respondents didn't know about their preparedness for jobs. 23% of the youth feel they are moderately or largely prepared for requirements for a job while 9% feel they are unprepared. Nearly 66% of female respondent reported job security as a determining factor while it was 40% among male respondents. 40% of the youth (employed and ever employed together) reported adequately skilled with understanding of Job; 38% felt adequate academic qualification as main reasons for feeling prepared for ideal work. 35% of the youth feel there is a lack of adequate employment opportunities available in the district.

*Table 11 Career Aspiration - Factors, Preparedness and Availability of Jobs*

| Factors Determining Aspiration* | Responses |
|---|---|
| Salary (wages) / Income | 77% |
| Job Security | 48% |
| Safety / Security | 13% |
| Traditionally Acquired Skills / Family Business | 11% |
| Closeness to Residence | 6% |
| Flexible work arrangements (location, schedule) | 5% |
| Social Status | 4% |
| Retirement Plans | 4% |
| Opportunities for promotion and career development | 3% |
| Employer provided benefits and perks | 3% |
| Emigration Prospects | 1% |

| Perception of Preparedness for Jobs | Responses |
|---|---|
| No Answer/ Don't Know | 41% |
| Moderately Prepared | 18% |
| Completely Prepared | 17% |
| Somewhat prepared | 11% |
| Not Prepared | 9% |
| Largely Prepared | 5% |

| Availability of Job Opportunities | Responses |
|---|---|
| Neither adequate nor inadequate | 35% |
| Very inadequate | 26% |
| Don't Know | 24% |
| Somewhat inadequate | 9% |
| Somewhat adequate | 4% |
| Very adequate | 2% |

Note: Number of respondents (N) = 360
**For multiple-choice questions, the responses add up to more than 100%*

62% of the respondents had challenges in pursuing the career. Among the challenges the key factor was lack of guidance or information on appropriate job available for skill levels. All other factors like lack of work experience, lack of family support, lack of technical skills were reported by less than 10% of the respondents. Other factors of less importance include lack of jobs locally, lack of sufficient education qualification, low financial strength, unsafe environment at work and pressure related to getting married**.**

*Table 12 Career Aspiration – Challenges in pursuing desired career*

| Challenges | Responses | Challenges | Responses |
|---|---|---|---|
| No Challenge | 62% | Lack of sufficient education qualification | 4% |
| Lack of guidance / information on appropriate job available for skill levels | 40% | Lack of Soft Skills | 4% |
| Lack of work experience | 10% | Inadequate infrastructure to access work-place | 4% |
| Lack of family support / social acceptance of girls being engaged in economic activity | 9% | Low financial strength | 3% |
| Lack of technical / vocational skills | 7% | Lack of jobs locally | 3% |
| Pressure related to getting married | 5% | Others | 1% |
| Unsafe working environment | 4% | | |

Note: Number of respondents (N) = 360

**For multiple-choice questions, the responses add up to more than 100%*

The key factors determining their employability, according to the respondents, were education attainment (36%), years of relevant experience (23%) and basics and soft skills (16%). Clear Communication Skills (44%), team work (39%) and analytical thinking (28%) were identified as key skills specific to their aspired jobs. A**pprenticeship and gathering work experience (50%) and vocational training (45%) were the major steps reported by respondents to meet these requirements.** 16% respondents were looking to continue education while 8% were looking for apprenticeships.

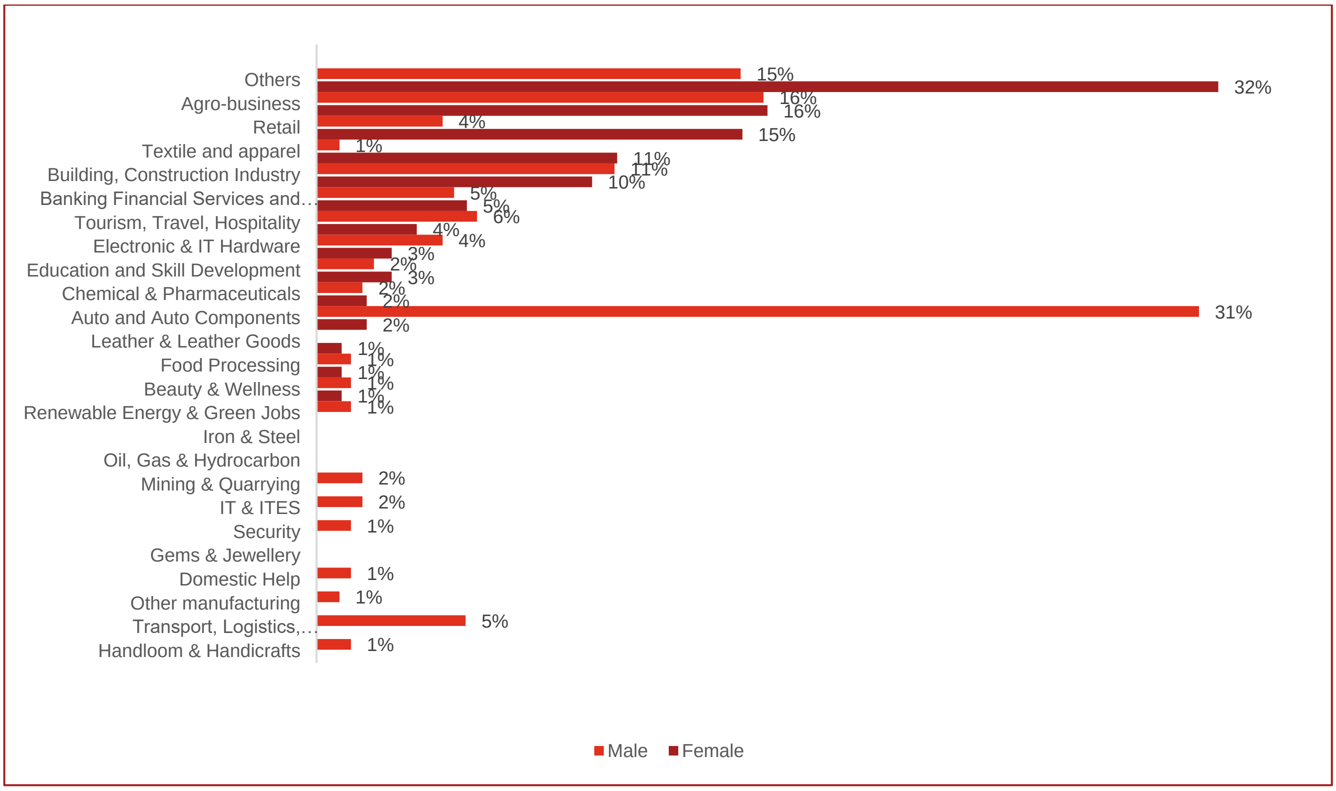
*Table 13 Key Requirements for desired job and steps to achieve aspirations**

| Key Skills Required for desired job | | | |
|---|---|---|---|
| Clear communication | 44% | Time management | 5% |
| Team work | 39% | Active listening | 4% |
| Analytical thinking | 28% | Attention to detail | 4% |
| Creativity, originality and initiative | 13% | Critical thinking and analysis | 3% |
| Complex problem-solving | 6% | Coordination Skills | 3% |
| Leadership | 6% | Others | 1% |
| **New Steps to achieve aspirations** | | | |
| **Steps** | **Responses** | **Steps** | **Responses** |
| Apprenticeship / Gathering Work Experience | 50% | Continuing Education | 16% |
| Vocational/ Skill Training | 45% | Already achieved | 8% |

**For multiple-choice questions, the responses add up to more than 100%*

Auto and auto components and other sectors are the most popular and aspired sectors among the respondents with 22% and 20% youth preferring it respectively. Other Sectors include agro-business, construction, Retail, Tourism, and Banking, Financial Services and Insurance. Female respondents aspired for food-processing, agro-business and healthcare while male aspired for auto and auto components and agro-business sectors.

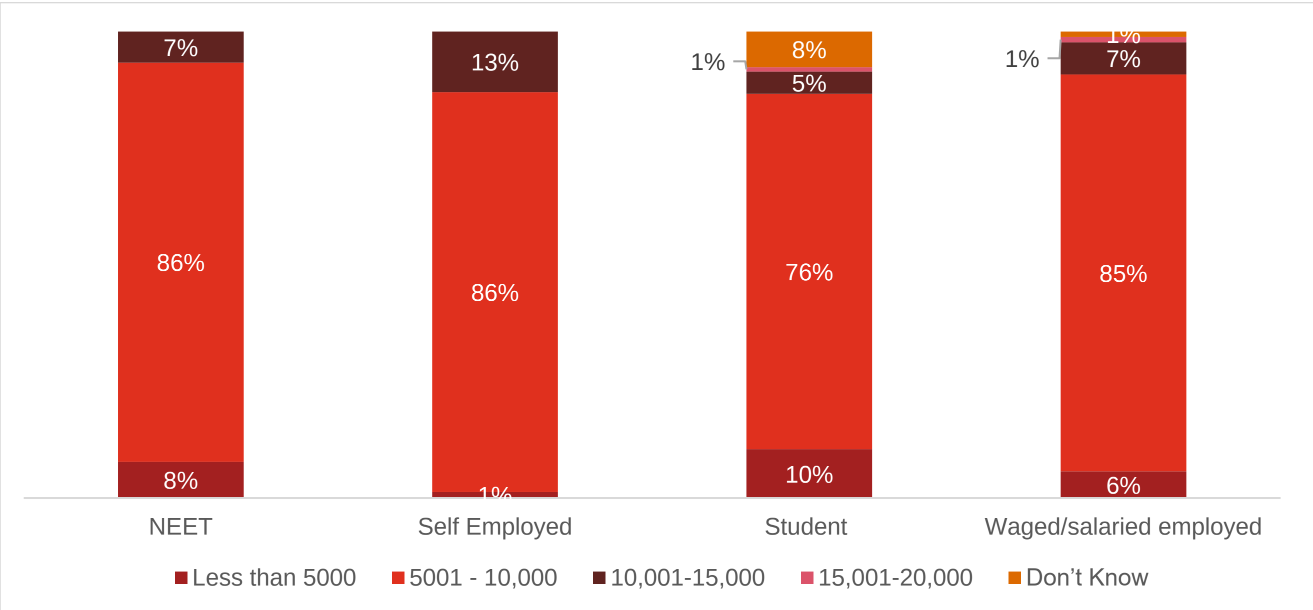
*Figure 20 Sectors aspired by respondents*




Note: Number of respondents (N) = 360

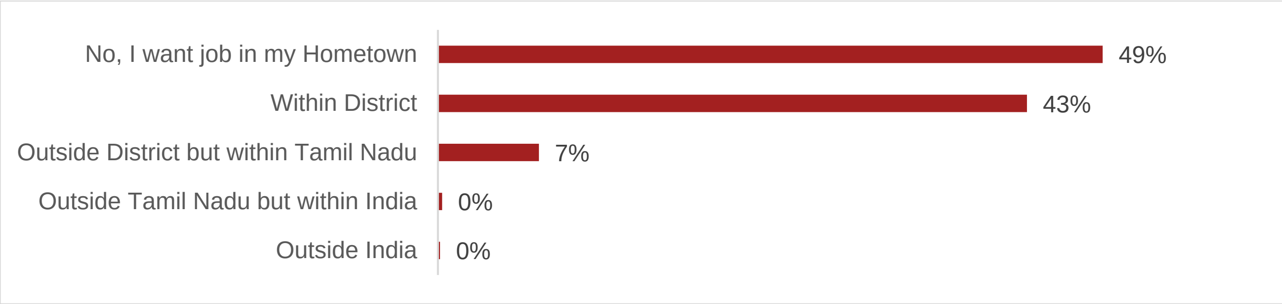
More than four-fifth (83%) of the respondents have expectations of monthly income in the range of ₹ 5,001-₹ 10,000 and another one-third have an expectation of ₹ 10,001-₹ 15,000.

*Figure 21 Aspired monthly salary of respondents*



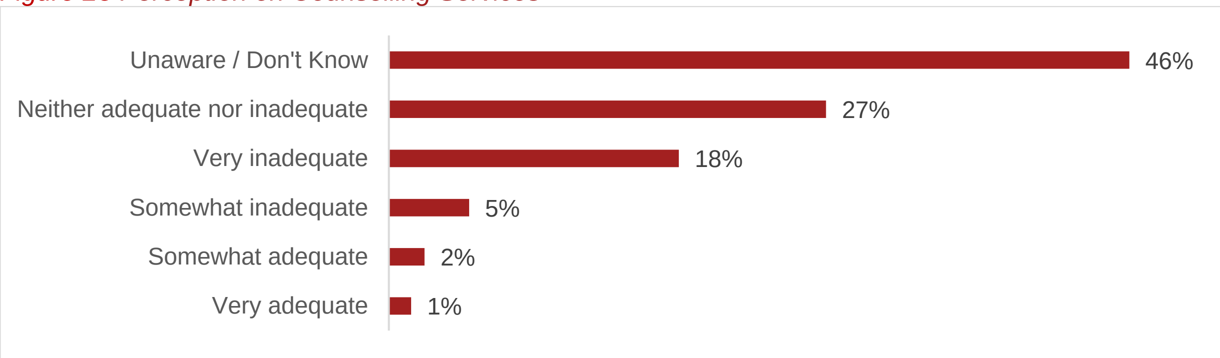

Note: Number of respondents (N) = 360

*Figure 22 Preference for Work Location*[17]



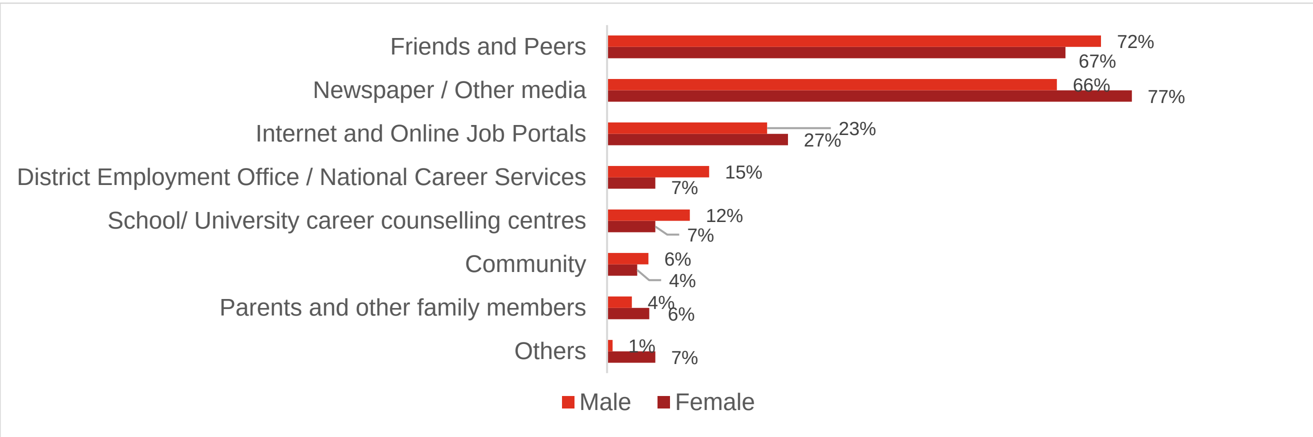

96% of the respondents were interested to work within their hometown and only 4% preferred to consider employment prospects outside the district but within the state. Nearly half of the respondents were not aware of counselling services available for job opportunities which is an issue of concern.

*Figure 23 Perception on Counselling Services*




*Note: Number of respondents (N) = 360*

*Figure 24 Sources for Job Information*

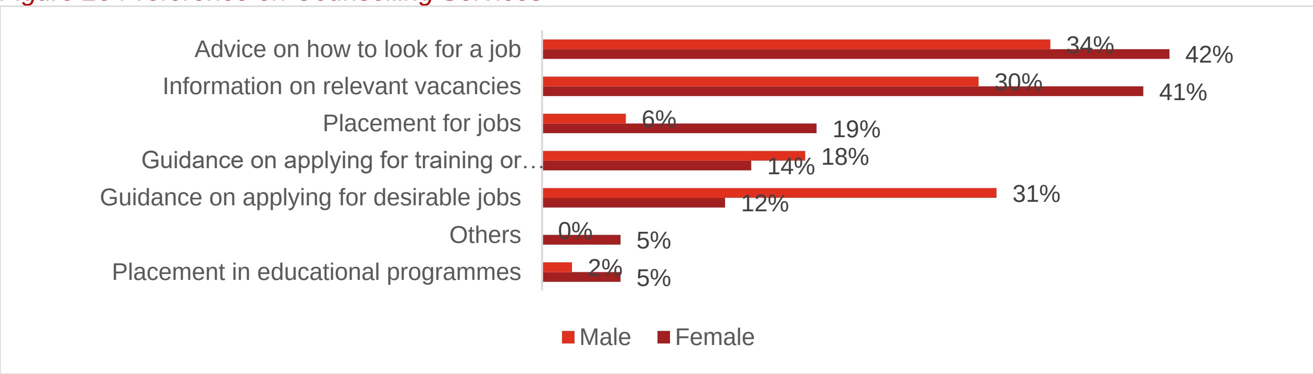



Note: Number of respondents (N) = 360

In general the most important source for Job related information reported by respondents were Friends and peers (71%) and Newspaper/other media (69%), followed by internet and online job portals (24%). The District employment office (13%), school/university counselling centres (11%), parents and family (4%) play a secondary role. 46% of the respondents were unware of the counselling services and 27% of respondents felt that the counselling services were neither adequate nor inadequate. The gender wise preference for source of job information can be seen in the figure 24. The key inputs requested by the respondents from career counselling services include Information on advice on how to look for a job (37%), relevant vacancies (33%), guidance on applying for desirable job (25%) and guidance on applying for training (17%).

[17] Multiple Response, Sum may exceed 100%

*Figure 25 Preference on Counselling Services**

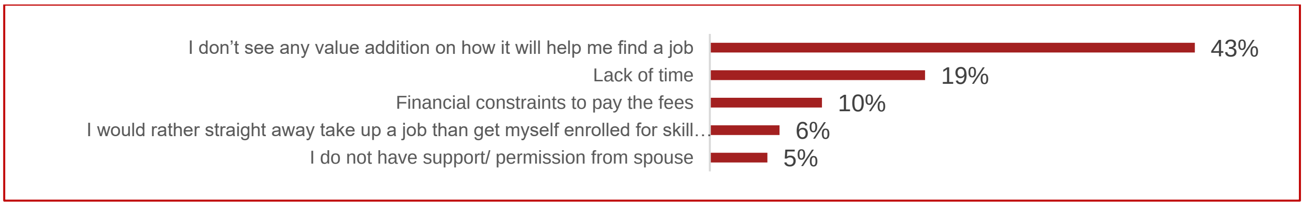



**Multiple response question*

## 2.6. Skill Training Preferences of Youth

Most of the respondents had no awareness of Govt. run vocational programs and none had undergone any vocational training previously. The major reasons stated by respondents for not interested in taking up training include the perception on the training that it is of no value addition for job opportunities, lack of time and financial constraints.

Figure 26 Reasons for not interested in Skill Training




Awareness on government programmes/schemes among the youth is very limited in Theni district and it is important to have focussed skill training to the youth. Strong student counselling should be in place to create awareness of the existing training needs and also to understand their interests and aspirations for employment.

***Auto and auto components, agro-business*, *construction were the most popular and aspired sector amongst male respondents and food processing, agro-business, Banking Financial Services and Insurance and Textile and Apparel amongst female respondents.***

# 3. Employers' and Other stakeholder's Perspective

## 3.1. Quantitative Employer Survey

The study covered employers, industrial associations and other key stakeholders to understand the demand side perspectives of skills. The information was collected through both quantitative survey and qualitative approaches including In-Depth interviews and focus group discussions.

The survey covered 45 Industries from 14 sectors, with highest representations from the food processing, Retail, tourism, travel and hospitality which are some of the highest contributors to the local economy. 21% of the industries were in operations for more than 25 years. 47% of the industries surveyed reported to be in the Small Industries category while 29% were from the Medium Industries category. The selection of the Industries was also based on the labour intensity of the sector.

*Figure 27 Distribution of Industries by Size*

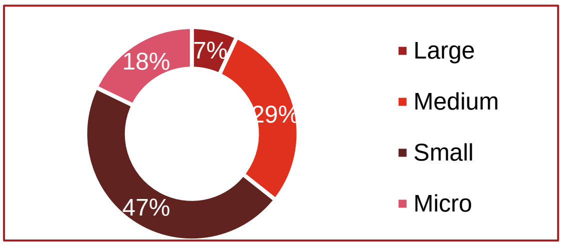



*Table 14 Sector wise coverage of Industries in Employer Survey*

| S.No | Sector | Number of Industries Surveyed | S.No | Sector | Number of Industries Surveyed |
|---|---|---|---|---|---|
| 1 | Food Processing | 10 | 8 | Auto and Auto Components | 2 |
| 2 | Retail | 6 | 9 | Plastics | 2 |
| 3 | Tourism Travel and Hospitality | 6 | 10 | Building Construction Painting Industry | 1 |
| 4 | Chemical & Pharmaceuticals | 5 | 11 | Furniture and Furnishings | 1 |
| 5 | Textile and Apparel | 4 | 12 | Power | 1 |
| 6 | Iron, Steel and Other Metals | 3 | 13 | Rubber | 1 |
| 7 | Agro-business | 2 | 14 | Paper and Paper Products | 1 |

77% employers used reference from existing employees or known sources as a mode of recruitment. Advertisements in newspaper (30%) was the next common source of recruitment process, followed by other modes, local community and web portals. Job *Melas* and Campus recruitment were not seen as a mode of recruitment. The most common challenge they face are candidate disinterest and attitude (89%), followed by high local wages (80%).

*Table 15 Modes and Challenges in Recruitment Process*

| Key Modes of Recruitment | | | Key Challenges faced in Recruitment | | |
|---|---|---|---|---|---|
| S.No | Particulars | % | S.No | Particulars | % |
| 1. | Employee Reference/ Other Referrals | 77% | 1. | Candidate Disinterest and Attitude | 89% |
| 2. | Advertisements in Newspapers | 30% | 2. | High local wages | 80% |
| 3. | Local Community | 14% | 3. | Lack of requisite soft skills | 5% |
| 4. | Web Portals | 7% | 4. | Lack of Prior Experience | 5% |
| 5. | Social Networks | 5% | 5. | Attrition/Uncertainty due to marriage and children | 5% |
| 6. | Campus recruitment in ITIs/Polytechnic | 2% | 6. | None | 5% |
| 7. | Recruitment/ Manpower Agencies | 2% | 7. | Lack of requisite core skills | 2% |
| 8. | Job Melas | 2% | 8. | Lack of social acceptance of girls to work in the Community | 2% |
| | | | 9. | Others | 2% |

*Figure 29 Average distribution of workers by Sex*

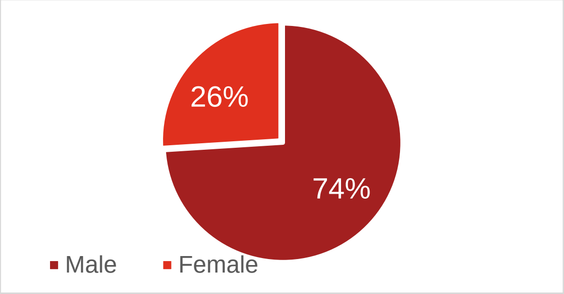
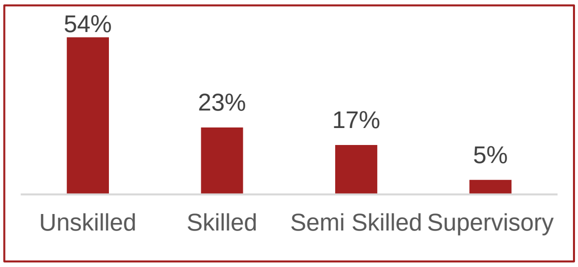
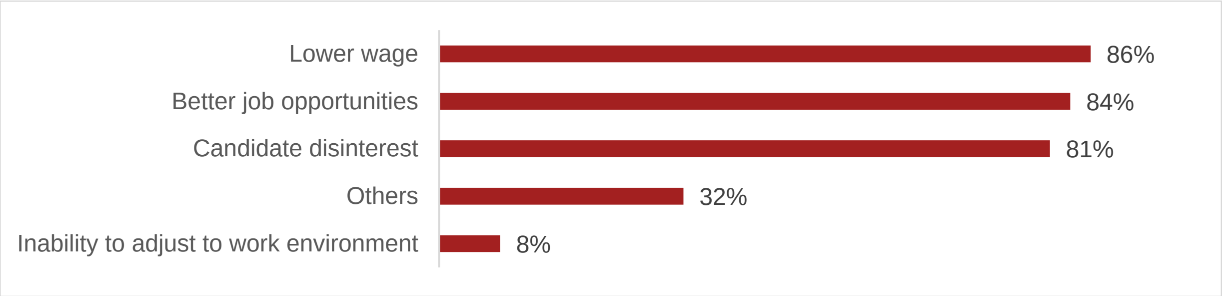



*Figure 28 Distribution of workers by skill level*




The surveyed industries were largely dominated by the male workers. Travel and tourism Industries usually employ a higher proportion of males while textile industries has more of females. More than half of the workers were unskilled followed by skilled workers (23%). 17% were semi-skilled workers and supervisory roles constitute marginal share of the workforce.

*Figure 30 Key causes of Attrition*




The employers[10] estimate 2-3 persons annually from their workforce. Lower wage for the job (86%), availability of better job opportunities (84%) and candidates' disinterest (81%) were stated as the major causes of attrition. 72% of the respondents feel there is medium growth prospects while 70% of the respondents see medium level adoption of technology. Among these only 13% of the respondents have already initiated plans in adoption of technology.

*Table 16 Growth Prospects and prospective adoption of technology*

| Growth Prospects of Industry | % | Level of Technology adoption | % | Plans to adopt Technology | % |
|---|---|---|---|---|---|
| High | 16% | High | 12% | Yes | 13% |
| Medium | 72% | Medium | 70% | | |
| Low | 7% | Low | 19% | No | 87% |

The employers expect an average demand for minimally skilled workers only. There is low demand for skilled and supervisory workers which is reflected clearly in the demand estimates also.

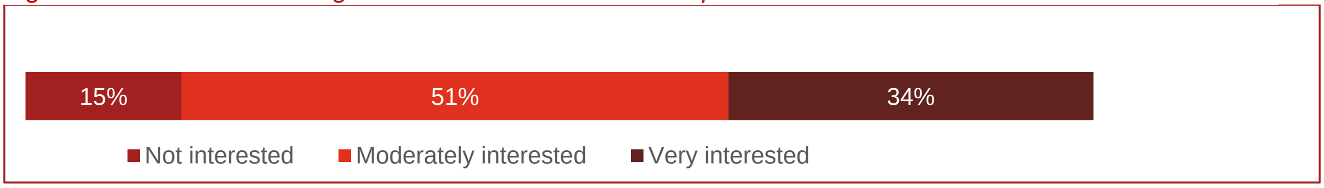
*Table 17 Demand for workers by Skill Level and type of training provided to workers*

| Demand for Workforce in next 5 years | | | |
|---|---|---|---|
| | Minimally Skilled | Skilled | Supervisory |
| High Demand | 7% | 7% | 5% |
| Medium Demand | 28% | 31% | - |
| Low Demand | - | - | 5% |
| None | 65% | 62% | 90% |

**Key Insights on Skill Development / Training**

- Nearly two-fifth of the respondents had Wage/Salaried employment as their career aspiration.
- Nearly half of the respondents are not aware/don't know that they can access counselling services.

*Figure 31 Interest in working with the Govt. on Skill Development*




***Responses indicate that there is medium demand for minimally skilled workers in the next five years. However, counselling youth for taking up employment with required skills is important in the long run which is the major constraint faced by most of the industries. Time Management skills were the requirement for workers.***

## 3.2. Other Stakeholders' Perspective

The study also included in-depth interviews with important stakeholders including other line departments involved in the Skill Development, Livelihood and Employment and Industrial development related activities, Industrial Associations, Vocational Education and Skill Development institutions among others. A focus group discussion was held in March, 2019 and the key highlights of the discussions are listed below:

### *Industrial Growth*

The industrial sector have recovered from the external shocks of demonetization and GST. Investments and expansions are on the anvil, especially in textile industry, cotton mills, oil mill and food processing sectors. Given, the geographical position of the district, there is better scope for diversification of industries. Theni is one of the identified agri-export zone for mangoes. Wind mills for power generation is also an emerging area of interest for investment. Textile industry face the challenge in obtaining raw materials.

### *Labour Supply*

All the major industries (textiles, agro-business) in the district are labour intensive. The seasonality nature of industries in the region and increased cost of labour in the district are major challenges for labour supply. The availability of unskilled labour is thus constrained across all sectors, (especially in the textiles where it is acute) and at all skill levels. Labour from other states like Chhattisgarh and Jharkhand were employed in the industries to manage labour shortage.

### *Women Employment*

Female employment is largely focussed in the textile industry and the retail sector in the services. However, most of the industries prefer female for semi-skilled jobs where they undergo on-the job training as they are regular and responsible at work. There are tailoring units for only women.

### *Youth Aspirations*

The aspirations of the educated youth are largely oriented towards high paid jobs, in any industry. The aspired income at entry level of ₹ 5,000 to ₹ 10,000 which is slightly at a higher level for semi-skilled jobs. Large spinning mills also face the supply constraints due to reluctance of the youth to take up jobs in the factory due to the hostile work environment (time, can't roam around, etc.). The industries perceive that youth prefer jobs in the services sector, especially in retail, food delivery and cab services over a fixed employment in manufacturing sector due to the flexi nature of job.

### *Awareness and Training Needs*

The awareness about Skill Development programs was not satisfactory. There is lower awareness about other short term skilling programs. Training infrastructure has been identified as an important lacunae in the district. While long term courses in ITIs meet the requirements for the job roles in demand, the students would require greater exposure to work like environment, upgraded equipment and curriculum. The short-term vocational programs are largely focused on select sectors like BFSI, and Apparel & Made ups and do not cater to the requirements of the local economy such as food processing. Though Industries have expressed willingness to tie up with the Skill Development programs, they are severely constrained (especially small scale industries) by some of the program guidelines and operational issues. It was felt that trainer's capacity need to be strengthened.

### *Technology*

Though technological upgradation is seen across sectors, labour saving automation is slowly entering the major industries like textiles, coir, etc. Being dominated by small-scale industries, the scope for automation is lesser in the next 3-5 years. The labour intensity will continue to remain. In food processing industry reach of technology is still limited.

### *Skill Gaps*

Soft Skills especially communication skills, professionalism, flexibility and interpersonal skills were found to be wanting by most of the stakeholders. Skills to handle GST and taxes is very much felt requirement by all industries.

### *Specific Skill Requirements include*

- Packing roles in the cotton mills, food processing, readymade garments manufacturing to manage entry level skilled workers.

- Front office executives, Cab Drivers among others in the Hospitality sector. There is a requirement to strengthen their communication skills.
- GST Accountants are needed across sectors owing to the recent tax reforms.
- Focussed measures to be taken to ensure that awareness about the schemes on skill development should reaches the last mile.
- Internship programs should be in line with the current industry requirement and technology by revising the curriculum and duration of the course.

# 4. Skill Gap Analysis

## Skill Gap Assessment - Incremental Demand for Skilled & Semi Skilled Workforce

The district of Theni has witnessed steady growth in the industry and service secto₹ However, the rate of growth is not uniform across the secto₹ The incremental demand[3] for skilled workforce in the district, as per the study methodology, presents, manufacturing, other services, trade and repair services and construction as the leading sub sectors for employment, especially semi-skilled. Hotels and restaurants, financial and insurance activities, real estate sectors have comparatively lower demand within the district.

*Table 18 Sector wise Incremental Demand for Skilled and Semi-Skilled Workers between 2019 and 2025*

| Sectors | Short Term Incremental Skilled Workforce Demand | Long Term Incremental Skilled Workforce Demand | Total Skilled Workforce demand | Short Term Incremental Semi-Skilled Workforce Demand | Long Term Incremental Semi-Skilled Workforce Demand | Total Semi-Skilled labour demand | Total incremental demand for Workforce |
|---|---|---|---|---|---|---|---|
| | 2019-21 | 2022-25 | 2019-25 | 2019-21 | 2022-25 | 2019-2025 | 2019-2025 |
| Agriculture | -238 | -315 | -553 | -1,667 | -2,205 | -3,871 | -4,424 |
| Allied Activities | -4 | -5 | -8 | -25 | -34 | -59 | -67 |
| Mining and quarrying | -44 | -42 | -87 | -74 | -71 | -145 | -231 |
| Manufacturing | 2,234 | 3,338 | 5,572 | 4,468 | 6,676 | 11,144 | 16,716 |
| Electricity, gas, water supply and other utility services | -7 | -9 | -17 | -15 | -19 | -33 | -50 |
| Construction | 303 | 464 | 766 | 757 | 1,159 | 1,916 | 2,682 |
| Trade & Repair Services | 191 | 265 | 455 | 660 | 916 | 1,576 | 2,031 |
| Hotels and restaurants | 103 | 142 | 245 | 199 | 276 | 475 | 720 |
| Transportation and storage; | -101 | -131 | -232 | -242 | -315 | -557 | -789 |
| Communication and services related to broadcasting | 182 | 267 | 449 | 91 | 133 | 225 | 674 |
| Financial and insurance activities | 709 | 1,116 | 1,825 | 355 | 558 | 913 | 2,738 |
| Real estate, ownership of dwelling and business services | 87 | 127 | 214 | 218 | 317 | 535 | 749 |
| Public Administration | 45 | 61 | 106 | 36 | 49 | 85 | 191 |
| Education; Human health & Social Work Activities | 716 | 1,024 | 1,740 | 573 | 819 | 1,392 | 3,132 |
| Arts, entertainment and recreation | 239 | 341 | 580 | 191 | 273 | 464 | 1,044 |
| Activities of membership organizations; Repair of computers and personal and household goods & Other personal service activities | 800 | 1,144 | 1,944 | 640 | 915 | 1,555 | 3,500 |
| Other Services | 379 | 542 | 921 | 303 | 434 | 737 | 1,658 |
| Total Demand | 5,987 | 8,831 | 14,818 | 8,490 | 12,526 | 21,016 | 35,834 |
| Total supply | 3,521 | 4,695 | 8,216 | 7,190 | 9,587 | 16,778 | 24,994 |
| Skill Gap | 2,466 | 4,136 | 6,602 | 1,299 | 2,939 | 4,238 | 10,840 |

[18] Incremental Demand estimates the additional stock of workforce that are to be developed given the expected Economic prospects for the referenced period. This may help in estimating requirement for fresh trainings.

# 5. District Skilling Action Plan

## 5.1. District Action Plan

The district level skilling projects detailed hereunder portrays the potential job-roles and sectors for skill development interventions aligned to job opportunities in the immediate future. It identifies the potential job roles mapped with NSQF linked QPs and the potential employment prospects over the next six years with a focus on youth. The job roles have been shortlisted based on the analysis of findings from the skill gap analysis, secondary research, youth aspiration survey, enterprise survey, district level consultations and discussions with industry associations. The below table presents the summary of training projects for Theni:

*Table 18 Summary of Trainings*

| S. No | Sector | Roles | Target (Persons) | Budget (INR) |
|---|---|---|---|---|
| 1. | Textile and Apparel | · Cutting Supervisor<br>· Knitting Machine Operator<br>· Assistant Designer- Home Furnishing<br>· Machine Maintenance Mechanic (Sewing Machine)<br>· Export Assistant<br>· Fabric Checker<br>· Quality Checker | 4,000 | 7.44 crores |
| 2. | Food Processing | · Packaging Technician<br>· Industrial Production Worker – Food Processing<br>· Quality Assurance Manager<br>· Traditional Snack and Savoury Maker<br>· Cold Storage Technician | 2,400 | ₹3.34 Crores |
| 3. | Tourism and Hospitality | · Food & Beverage Steward<br>· Housekeeping Attendant<br>· Chef -de-partie<br>· Billing Executive<br>· Facility Supervisor<br>· Tour escort<br>· Assistant Catering Manager<br>· Front Office Associate<br>· Guest House Caretaker<br>· Guest Relations Manager<br>· Kitchen Steward | 3,500 | ₹5.60 Crores |
| 4. | Construction | · Foreman – Electrical Works (Construction)<br>· Metal Inert Gas/Metal Active Gas/Gas Metal Arc Welder (MIG/MAG/GMAW)<br>· Mason Marble, Granite and Stone<br>· Foreman Wet Finishing and Flooring<br>· Bar Bender and Steel Fixer<br>· Assistant Electrician | 4,500 | ₹14.27 Crores |
| 5. | Domestic appliances repair and services | · Helper Electrician<br>· Plumber (General)<br>· Solar Domestic Water Heater Technician<br>· Field Technician – AC | 400 | ₹0.66 Crores |

| | | | | |
|---|---|---|---|---|
| | | · Field Technician – Refrigerator<br>· Field Technician - Washing Machine<br>· Field Technician - Other Home Appliances | | |
| 6. | BFSI | · GST Accounts Assistant<br>· Export Assistant<br>· Life Insurance Agent<br>· Accounts Executive (Recording, Reporting)<br>· Accounts Assistant<br>· Mutual Fund Agent | 1000 | ₹0.72 Crores |
| **Total** | | | **14,100** | **32.03 crores** |

Note:

1. The intended target groups are different from the eligibility criteria prescribed as part of the Qualification Pack. Target Group refers to the preferred set of youth who stakeholders have identified are most likely to benefit from the training. This could come from the Aspirations expressed in the Quantitative Survey, feedback from Industry and Govt. Stakeholders. For instance, though a training in handicrafts might require only 5th grade as an eligibility- criteria, the target group would be rural women in a cluster. TNSDC and the TSPs can continue to use the minimum criteria as mentioned in the Qualification Pack; however, qualifications that may constrain an interest-group may appropriately considered on a case-to-case basis (as approved by TNSDC).
2. The QP NOS reference numbers and the training hours have been taken as per the latest QP NOS compilation (as on 17th October 2019). However, in the same compilation, some job roles do not have training hours mentioned. **In such cases, we have taken the average training hours for the sector and NSQF level within the sector and applied those as notional hours.** We have also used insights from field consultations to arrive at training hour estimates which we believe are reasonably accurate.
3. An attempt was made to map each proposed job role with a QP NOS reference number. **In the cases where accurate mapping has not been possible, we have mapped the job role with the nearest QP NOS reference number.** In cases where we have proposed new job roles, we have indicated that a QP NOS reference is to be designed for the same.
4. The Cost of Training has been calculated using the following method: Each job role has training hours, training target (persons), and a cost category. The cost category has been determined by the National Skills Qualification Framework (NSQF) with respect to the level of capital expenditure and operational expenditure for imparting the course aligned to that specific job role. Therefore, each cost category corresponds to a particular cost norm calculated per trainee per hour. The calculations have been done as per the Government order (H-22011/2/2014-SDE-III) issued by MSDE on 4th January 2019. The categories are defined as follows:
   - INR 42.40 for Category-I
   - INR 36.30 for Category -II
   - INR 30.30 for Category-III

   The Cost of training in the project shelves represents the calculation of: (training target × training hours × per hour cost) + (training target × number of days of training × INR 100).

   Where:
   Number of days of training = training hours / 8
   Transportation costs per trainee per day = INR 100

   To the figures arising from the above formula, the training and assessment costs (INR 1,000 per trainee × training target for the whole project) has also been added. The total training cost for each project arrived through such a process has been added to the summary table above.

The training projects are described below:

*Table 19 Training Project 1 Textile and Apparel sector*

| **Name of the Project: Training in Apparel and Textile sector** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Key Economic Drivers:** | | | | | | | |
| • As per ASI 2014-15 data, 76 spinning mills at present in the district are employing 4,500 plus persons | | | | | | | |
| • Cumbum cluster houses around 30 small readymade garments making units. | | | | | | | |
| • Manufacturing amounts to 26% of the industrial sector | | | | | | | |
| **Key Partners:** Textile SSC, Theni Cotton yarn production association | | | | | | | |
| **Job Roles:** | **NSQF Level** | **NSQF Code** | **Duration of Training** | **Cost Category** | **Target Group** | **Training Target** | **Cost of Training (Crores)** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Cutting Supervisor | 5 | AMH/Q0610 | 300 | 1 | 10th Class | 1000 | 1.65 Crores |
| Knitting Machine Operator – Circular Knitting | 4 | TSC/Q4101 | 300 | 1 | 5th Pass | 1000 | 1.65 Crores |
| Assistant Designer- Home Furnishing | 4 | AMH/Q1220 | 500 | 1 | 10th class | 500 | 1.48 Crores |
| Machine Maintenance Mechanic (Sewing Machine) | 5 | AMH/Q1901 | 540 | 1 | Primary education | 500 | 0.66 Crores |
| Fabric Checker | 4 | TSC/Q 2301 | 300 | 1 | 10th class | 500 | 0.83 Crores |
| Packing Checker | 4 | TSC/ Q 0501 | 300 | 1 | 10th class | 300 | 0.5 Crores |
| Export Assistant | 4 | AMH/Q1601 | 270 | 2 | 12th class | 200 | 0.26 Crores |
| Total training cost | | | | | | 4000 | 7.03 crores |
| Total Assessment and Certification cost (₹ 1,000 per candidate) | | | | | | | 0.40 crores |
| **Total cost** | | | | | | | 7.44 crores |
| **Key Considerations:** | | | | | | | |
| The locally available labour are hired as migrants to other parts of the state and country. However, a vast majority of these workers are minimally skilled and would require considerable mentorship, monitoring and management. There is a huge demand for woman workers in the readymade garment making units in the district | | | | | | | |

*Table 20 Training Project 2 Food Processing*

| **Name of the Project: Training in Food Processing** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Key Economic Drivers:** | | | | | | | |
| • In Theni district, key investment is expected in Food processing by setting up Theni Mega Food Park as per the TN GIM (Tamil Nadu Global Investors Meet<br>• The decline of agriculture over recent years can lead to an exodus of labour which can be absorbed into the food processing units<br>• Food processing amongst top 3 sectors aspired by youth as per primary survey | | | | | | | |
| **Key Partners:** Rice mills Association, Food processing Sector council | | | | | | | |
| **Job Roles:** | **NSQF Level** | **NSQF Code** | **Duration of Training** | **Cost Category** | **Target Group** | **Training Target (People)** | **Cost of Training (₹)** |
| Food Products Packaging Technician | 5 | FIC/Q7001 | 240 hours | 1 | 12th Class Pass | 1000 | 1.32 Crores |
| Industrial Production Worker – Food Processing | 2 | FIC/Q9005 | 240 hours | 1 | 5th class Pass | 500 | 0.66 Crores |
| Quality Assurance Manager | 6 | FIC/Q7602 | 240 hours | 1 | M.Sc. | 300 | 0.4 Crores |
| Traditional Snack and Savory Maker | 4 | FIC/Q8501 | 240 hours | 1 | 8th Class Pass | 300 | 0.4 Crores |
| Cold Storage Technician | 4 | FIC/Q7004 | 250 hours | 3 | Diploma/ITI | 300 | 0.32 Crores |
| Total training cost | | | | | | 2,400 | 3.09 Crores |
| Total Assessment and Certification cost (₹ 1,000 per candidate) | | | | | | | 0.24 crores |
| Total cost | | | | | | | ₹3.34Crores |
| **Key Considerations:** | | | | | | | |
| The recent decline in the agriculture sector has been twinned with the rise of the allied industries, especially livestock. This sector is most suited to absorb workers shifting out of agriculture. It is also a favorable Industry for the employment of women. | | | | | | | |

*Table 21 Training Project 3 Tourism and Hospitality Sector*

| **Name of the Project: Training for Tourism and Hospitality Sector** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Key Economic Drivers:** | | | | | | | |
| • Tourism is the most prominent sub sector, contributing to 28% of the service sector<br>• Tourism contributes to 14% of the GVA<br>• Number of tourist places in Theni- temples, Meghamalai hills<br>• Gateway to tourist places in Kerala- Thekkady and Munnar | | | | | | | |
| **Key Partners: ITI, Tourism and Hospitality Skill Council, Tourism Department** | | | | | | | |
| **Job Roles:** | **NSQF Level** | **NSQF Code** | **Duration of Training** | **Cost Category** | **Target Group** | **Training Target (People)** | **Cost of Training (₹)** |
| Food & Beverage Service-Steward | 4 | THC/Q0301 | 300 hours | 2 | Class 10th pass | 300 | 0.44 Crores |
| Housekeeping Attendant (Manual Cleaning) | 3 | THC/Q0203 | 240 hours | 2 | Class 8th pass | 1000 | 1.17 Crores |
| Chef-de-partie | 6 | THC/Q0404 | 285 hours | 1 | Class 8th pass | 500 | 0.78 Crores |
| Billing Executive | 4 | THC/Q5801 | 290 hours | 2 | Graduate | 240 | 0.34 Crores |
| Facility Supervisor | 5 | THC/Q5709 | 365 hours | 2 | ITI | 100 | 0.18 Crores |
| Tour escort | 4 | THC/Q4402 | 330 hours | 3 | Class 12th pass | 390 | 0.55 Crores |
| Assistant Catering Manager | 6 | THC/Q5901 | 475 hours | 2 | Class 12th pass | 280 | 0.65 Crores |
| Front Office Associate | 4 | THC/Q0102 | 280 hours | 3 | Class 12th pass | 150 | 0.18 Crores |
| Guest House Caretaker | 5 | THC/Q0501 | 370 hours | 2 | Class 10th pass | 150 | 0.27 Crores |
| Guest Relations Manager | 6 | THC/Q0108 | 440 hours | 2 | Class 12th pass | 150 | 0.32 Crores |
| Kitchen Steward | 3 | THC/Q0401 | 300 hours | 2 | Primary education | 240 | 0.35 Crores |
| Total training cost | | | | | | 3,500 | ~5.25 Crores |
| Total Assessment and Certification cost (₹ 1,000 per candidate) | | | | | | | 0.35 crores |
| Total cost | | | | | | | ₹5.6 Crores |
| **Key Considerations:**<br>Youth, especially woman can employed in the sector. As Theni is the gateway for tourists travelling to Kerala, it houses a number of hotels and restaurants. The hill station amongst Meghamalai hills attracts a number of tourist each year. | | | | | | | |

*Table 22 Training Project 4 Construction Sector*

| Name of the Project: Training in Construction Sector | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Key Economic Drivers:** | | | | | | | |
| • The district's construction sector is a major contributor to GDDP, and shows potential for employment generation | | | | | | | |
| **Key Partners:** ITI, engineering colleges | | | | | | | |
| **Job Roles:** | **NSQF Level** | **NSQF Code** | **Duration of Training (hours)** | **Cost Category** | **Target Group** | **Training Target (People)** | **Cost of Training (₹)** |
| Foreman – Electrical Works (Construction) | 5 | CON/Q0604 | 900 | 1 | Class 10th pass | 1000 | 4.95 Crores |
| Metal Inert Gas/Metal Active Gas/Gas Metal Arc Welder (MIG/MAG/GMAW) | 4 | CSC/Q0209 | 600 | 1 | Class 10th pass | 500 | 1.65 Crores |
| Mason Marble, Granite and Stone | 4 | CON/Q0106 | 600 | 1 | Class 8th pass | 300 | 0.99 Crores |
| Foreman Wet Finishing and Flooring | 5 | CON/Q0109 | 800 | 1 | Class 10th pass | 200 | 0.88 Crores |
| Bar Bender and Steel Fixer | 4 | CON/Q0203 | 400 | 1 | Class 10th pass | 1000 | 2.2 Crores |
| Assistant Electrician | 3 | CON/Q0602 | 400 | 1 | Class 10th pass | 1000 | 2.2 Crores |
| Helper Electrician | 2 | CON/Q0601 | 350 hours | 1 | 10th pass | 500 | 0.96 Crores |
| Total training cost | | | | | | 4500 | 13.81 crores |
| Total Assessment and Certification cost (₹ 1,000 per candidate) | | | | | | | 0.45 crores |
| **Total cost** | | | | | | | ₹14.27 crores |
| **Key Considerations:** | | | | | | | |
| • The trainings should be inclusive of school drop-outs/ young men in NEET category | | | | | | | |
| • Trainings can be accompanied by stipends | | | | | | | |
| • Trainings can focus on sustainable practices | | | | | | | |

*Table 23 Training Project 5- Domestic appliances repair and services*

| Name of the Project: Training in Electronics and Hardware sector | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Key Economic Drivers:** | | | | | | | |
| • Service sector contributes to 49% of the GDP in the district | | | | | | | |
| • Repair and service of domestic appliances and personal goods has an incremental demand of around 2000 in the district in next three years | | | | | | | |
| **Key Partners: ITI** | | | | | | | |
| **Job Roles:** | **NSQF Level** | **NSQF Code** | **Duration of Training** | **Cost Category** | **Target Group** | **Training Target (People)** | **Cost of Training (₹)** |
| Field Technician – AC | 4 | ELE/Q3102 | 300 hours | 1 | 8th Class+ 2 yrs | 100 | 0.15 Crores |
| Field Technician – Refrigerator | 4 | ELE/Q3103 | 300 hours | 2 | 8th Class+ 2 yrs/10th | 100 | 0.15 Crores |
| Field Technician - Washing Machine | 4 | ELE/Q3106 | 300 hours | 2 | 8th Class+ 2 yrs/10th | 100 | 0.15 Crores |
| Field Technician - Other Home Appliances | 4 | ELE/Q3104 | 360 hours | 2 | 8th Standard passed | 100 | 0.18 Crores |
| Total training cost | | | | | | 400 | ~0.62 crores |
| Total Assessment and Certification cost (₹ 1,000 per candidate) | | | | | | | 0.04 crores |

| | | |
|---|---|---|
| Total cost | | ₹0.66 Crores |
| **Key Considerations:** | | |
| Youth can be trained to provide services for repair of domestic appliances. ITI and Diploma graduates can also be given in this sector. | | |

*Table 24 Training Project 6- Banking, Digital marketing and finance*

| Name of the Project: Training in BFSI Sector | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Key Economic Drivers:** | | | | | | | |
| • The large number of MSME units and have potential for better marketing and financial management of their enterprises | | | | | | | |
| • High credit offtake in BFSI sector | | | | | | | |
| • These skill training programs would also benefit the traditional sector artisans in the district | | | | | | | |
| Key Partners: **BFSI SSC** | | | | | | | |
| **Job Roles:** | **NSQF Level** | **NSQF Code** | **Duration of Training** | **Cost Category** | **Target Group** | **Training Target (People)** | **Cost of Training (₹)** |
| GST Accounts Assistant | 4 | BSC/Q0910 | 100 | 3 | Graduation in commerce or allied subject | 200 | 0.09 Crores |
| Mutual Fund Agent | 4 | BSC/Q3802 | 120 | 3 | Class 12th pass | 200 | 0.1 Crores |
| Life Insurance Agent | 4 | BSC/Q0101 | 225 | 3 | Class 10th pass | 300 | 0.29 Crores |
| Accounts Executive (Recording, Reporting) | 4 | BSC/Q1001 | 100 | 3 | Graduate in Commerce | 300 | 0.13 Crores |
| Total training cost | | | | | | 1,000 | 0.61 Crores |
| Total Assessment and Certification cost (₹ 1,000 per candidate) | | | | | | | 0.10 crores |
| Total cost | | | | | | | ₹0.72 Crores |
| **Key Considerations**: | | | | | | | |
| With the growth in BFSI sector and introduction of GSTs, there is a need to skilled workforce to work in the sector. Youth, especially woman can be trained and provided meaningful employment in this sector. | | | | | | | |

## 5.2. Key Recommendations

1) **Strengthen Industry engagements in skill development:** The training programmes in skill development is not appealing to the youth as they are not aware of the industry needs and opportunities. To create an awareness on the existing demand in the key industries, educational institutions shall collaborate with industries and organise seminars, melas, industrial visit, etc.

Industries shall take into account aspirations of local youth in designing the trainings. The training centres and institutions need to work together with local industries, understand the requirement in the sectors, and accordingly develop the curriculum taking into account the interests of youth also. Practical training by means of industrial visits will provide better exposure to the students and understand the nuances of the industry which will help to refine their aspirations. Government interventions play a crucial role in bridging the gap between the industry requirements, youth aspiration and training institutes capacity. The training institutes and trainers should have the necessary capacity to provide quality training. The educational institutions can colloborate with the big industries in the district and organise regular seminars and industrial visits for students to get better understanding of the employment opportunities. They can also work together with industries and jointly design intership programmes for the students, to enable hands-on training. Training on soft skills enhances the chances for employment for the youth.

**2) Counselling sessions to be organised to address the knowledge, Attitude and Behaviour of local youth:**

Industries across the district felt that youth expect white collar jobs and not aware of the working environment of industries. Career Counselling need to be organised across the district, especially in educational institutions. Students of colleges, polytechnics and training institutions should be exposed to the requirement for skills, options for career progress in a systematic manner through the Dept. of Labour Employment and Training to bring change in their knowledge, attitude and behaviour towards job availability.

3) **Convergence of Government skill programs:** Various opportunities are available for employment through Central and State Government schemes for youth. Government can arrange a single window system to access these schemes by youth which will enable them an option to select the sector of their interest.

The awareness on various schemes and programs can also be done through street plays, wall paintings, etc. in the common places for wider reach. Convergence and coordination is required between various departments of the Government especially between the Training & Employment wings of the Dept. of Labour, Employment and Training, the District industries Centre, other line Departments implementing skill development including the RURBAN Mission which is implementing both the DDU-GKY and the NULM scheme in the state.

6 **Enhance skills in agriculture and allied sectors in the entire value addition:** Given the scope for vegetable and fruit processing in the district as also the presence of Horticulture College, skill development to focus on food processing to produce value added products. The latest technology and knowledge in food processing will provide job opportunities to youth as well as boost the economy.

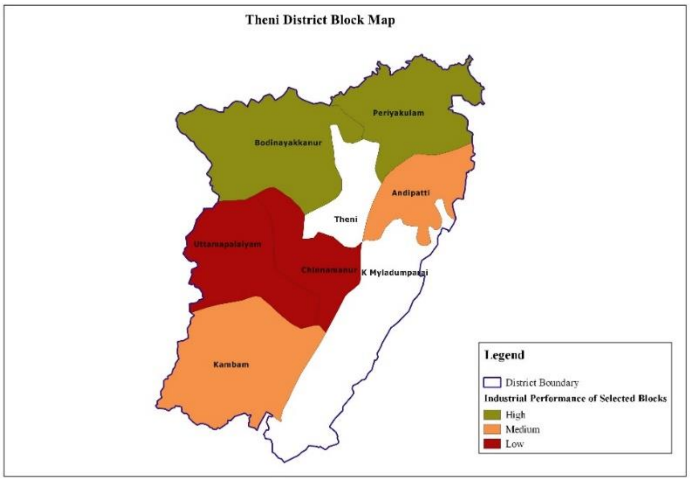
# Appendix

## A.1 Block Selection Methodology for Youth Aspiration survey

### *Sampling Design for Youth Survey*

The block selection methodology involved the identification of blocks by categorizing them into High development, Medium development and Low development. The adjacent picture shows the blocks in Theni selected for the survey. The methodology is explained below:

*Figure 32 Blocks Selected for Survey in Theni*




To categorize blocks, the following data points were used.

1. Count of MSME Clusters (based on DC-MSME Report)
2. Number of SIDCO Industrial Estates
3. Number of SIPCOT Industrial Estates
4. Credit Outstanding, 2017-18 at Centre-level (Annual Data published by the Reserve Bank of India)

The following weights were assigned post award of marks:

1. MSME Cluster – 25%
2. SIDCO Cluster – 25%
3. SIPCOT Industrial Estate – 5%
4. Annual Centre-level Credit Data – 45%

Based on the above weights, the total score of each block was calculated. The total score was capped at 100. To classify the block as High/Medium/Low, the total score was converted into percentile values and categorized into three groups – 0-33.33th percentile values, 33.33 to 66.67 percentile value and 66.67 to 100 percentile values. The percentile values are calculated with respect to each district as the base.
Based on the percentile classification obtained, blocks were classified as follows:

- **0 to 33.33 percentile value: Low**
- **33.33 to 66.67 percentile value: Medium**
- **66.67 to 100 percentile values: High**

After deriving the above values for the blocks, **t**wo blocks are randomly selected from each category.

Following this, two blocks were randomly selected from each of the category, as per the mentioned classification. Based on this, the following blocks were selected in Tirunelveli.

- Low –Chinnamanur, Uttamapalaiyam
- Medium- Andipatti, Kambam
- High- Bodinayakanur, Periyakulam

# *A.2 Methodology for labour demand and supply estimation*

**Demand Estimation:**

We adopted employment elasticity approach to forecast the labour demand. Employment elasticity is the measure of percentage change in employment associated with one percentage change in economic growth. The employment elasticity approach indicates the ability of an economy to generate employment opportunities. We estimated sector specific employment elasticity using historical data and assumed it to remain constant in the near future. If the estimated sector specific elasticities at district level varied significantly with national and state level estimates, we rationalized the estimated elasticities based on national and state level trends. Automation is another factor that is considered before arriving at the final labour demand estimates in different sectors. While some jobs may become obsolete with the technological advancement, new opportunities will arise for professionals who understand technology. Therefore, demand estimates were further revised based on employer consultation. The flowchart below explains the step involved:

Figure 33 Steps for Demand Estimation

E1 = Employment in i-th sector in Year 2000-01
E2 = Employment in i-th sector in Year 2010-11
$\Delta E$ = Annual Growth Rate of Employment in i-th sector
$\Delta E = [(E2/E1) \wedge (1/10)-1] \times 100$

Source: Census 2000-01, 2010-11

G1 = Gross Value Added in i-th sector in Year 2000-01
G2 = Gross Value Added in i-th sector in Year 2010-11
$\Delta G$ = Annual Growth Rate of GVA in i-th sector
$\Delta G = [(G2/G1) \wedge (1/10)-1] \times 100$

Source: Department of Economics & Statistics

e = Employment Elasticity in the i-th sector in the Period 2000-10 = $\Delta E/\Delta G$
$\Delta G^*$ = Projected Annual Gross Value Added growth in i-th sector

$\Delta E^*$ = Projected Annual Growth Rate of Employment in i-th sector.

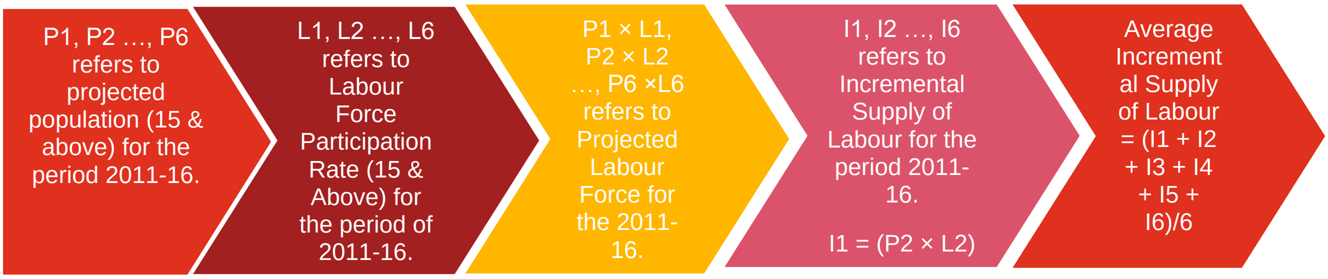
$LD^n$ = Projected Labour Demand in i-th sector, n Years after 2010-11
$LD^n = E2 \times (1+ \Delta E^*) \wedge n$

Labour Demand is estimated for the period 2019-25.

### Supply Estimation

We estimated the average incremental supply of labour for the period 2011-16 and assume it to remain constant for the period of 2019-25. Although the population (15 & above) is increasing, the labour force participation is decreasing in the state[19]. The labour force participation rate may continue to follow the decreasing trend, especially for the age category 15-29 years, primarily because of increasing economic well-being, high educational aspiration and higher salary expectations. The flowchart below explains the step involved in supply estimation:

Figure 34 Steps for Supply Estimation




[19] Report on Employment-Unemployment Survey, 2011-12, 2012-13, 2013-14, 2015-16 & 2017-18.

# A.3 List of Stakeholders Consulted

| S.No | Stakeholder | Category |
|---|---|---|
| 1. | Joint Director Training | Govt. official |
| 2. | Joint Director Employment | Govt. official |
| 3. | District Skill Development Officer | Govt. official |
| 4. | District Employment Officer | Govt. official |
| 5. | District Industries Center General Manager | Govt. official |
| 6. | DDU-GKY Program Officer | Govt. official |
| 7. | Sri Meenakshi vilas lala sweets and bakery | Industry |
| 8. | Nisakar Industries | Industry |
| 9. | GGN Spinning Mill | Industry |
| 10. | Kurinji Construction | Industry |
| 11. | Swathi Seals | Industry |
| 12. | Monarch Industrial Products | Industry |
| 13. | Lashimi Krishna Textiles (p) LTD. | Industry |
| 14. | Sree Chakra Mobile Galaxy | Industry |
| 15. | Murugavilas Nellai Laalaa Sweets | Industry |
| 16. | Kannan Medical Stores | Industry |
| 17. | Sri Balaji Engineering Works | Industry |
| 18. | Vestas Wind Technologies India Private Limited | Industry |
| 19. | Swathi Trading Company | Industry |
| 20. | Rajasundari Industries | Industry |
| 21. | Kishore Rubbers | Industry |
| 22. | KGS Fabrication | Industry |
| 23. | CF Woodz | Industry |
| 24. | Alagumalayan Bottam | Industry |
| 25. | Hari Krishna Coconut | Industry |
| 26. | Land Markgosa Trading Company | Industry |
| 27. | M.Muthuraj Flour Mill | Industry |
| 28. | Joyen Poly Pet | Industry |
| 29. | Sanga Doll Mill | Industry |
| 30. | M.M.Doll Mill | Industry |
| 31. | New Everest Lodge & Restaurant | Industry |
| 32. | Bee Chemicals | Industry |
| 33. | Velankanni Rice Mill | Industry |
| 34. | Dinesh Kumar Body Building and Services | Industry |
| 35. | S.M Packaging | Industry |
| 36. | A.T. Ramaraj Jinning Factory | Industry |
| 37. | Ramsingh Modern Rice Mill | Industry |
| 38. | Anjana Hotels | Industry |
| 39. | Green Kitchen | Industry |
| 40. | Sri Ramakrishna Agencies | Industry |
| 41. | Menaka Mills Private Limited | Industry |
| 42. | Theni International Hotel | Industry |
| 43. | Sri Krishna Doll and Flour Mill | Industry |
| 44. | SRM Press Factory | Industry |
| 45. | Dindigul Thalappakatti | Industry |
| 46. | Vignesh Agencies | Industry |
| 47. | Ram Suzuki | Industry |
| 48. | Arun Motors | Industry |
| 49. | Hotel Western Gatz | Industry |
| 50. | Shri Murugesan TVS | Industry |
| 51. | Green Window | Industry |

# *Building Relationships Creating Value*

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