



IASBABA'S YK GIST

**HOUSING FOR ALL
SKILL INDIA**

SEPTEMBER 2017

Preface

This is our 30th edition of Yojana Gist and 21st edition of Kurukshetra Gist, released for the month of September, 2017. It is increasingly finding a place in the questions of both UPSC Prelims and Mains and therefore, we've come up with this initiative to equip you with knowledge that'll help you in your preparation for the CSE.

Every Issue deals with a single topic comprehensively sharing views from a wide spectrum ranging from academicians to policy makers to scholars. The magazine is essential to build an in-depth understanding of various socio-economic issues.

From the exam point of view, however, not all articles are important. Some go into scholarly depths and others discuss agendas that are not relevant for your preparation. Added to this is the difficulty of going through a large volume of information, facts and analysis to finally extract their essence that may be useful for the exam.

We are not discouraging from reading the magazine itself. So, do not take this as a document which you take read, remember and reproduce in the examination. Its only purpose is to equip you with the right understanding. But, if you do not have enough time to go through the magazines, you can rely on the content provided here for it sums up the most essential points from all the articles.

You need not put hours and hours in reading and making its notes in pages. We believe, a smart study, rather than hard study, can improve your preparation levels.

Think, learn, practice and keep improving! You know that's your success mantra 😊

Abode for Everyone

A roof over one's head is a dream that every human being aspires for. Affordable housing, at present, has become one of the biggest challenges. Skyrocketing prices of land and real estate in urban areas have made houses an expensive affair. Right from government regulations to the financing front, to infrastructure and usage of green technology – all of it plays an important role.

Though, housing earlier was never an issue in the Indian context. The joint family system meant that there was one house for the entire family and all the family members lived in the family home. The issue began with migration to cities for better jobs, leading to an advent of the trend of the nuclear family system. This has also led to an increase in the number of people living in slums and squatter settlements in the city.

“Affordable housing refers to any housing that meets some form of affordability criterion, which could be income level of the family, size of the dwelling unit or affordability in terms of EMI size or ratio of house price to annual income”

Affordable housing has multiple linkages to other aspects of the individual's well-being. Affordable housing has led to better access to health care, to education, and to perceived control and life-satisfaction. It also serves to reduce crime and has significant wealth effects on the residents due to employment stability. It also has a direct and favourable correlation with the nation's economy, as well as most other real estate segments. Housing for lower-income wage earners increases the economic strength of any city or region, as it attracts inward migration which creates a bigger manpower pool.

This, in turn, boosts the viability of opening up industries and businesses in the region, translating into more demand for commercial real estate spaces. Formal and informal retail is also attracted to residential catchments, translating into consummate demand for retail spaces in and around such catchments. Finally, affordable housing in India coexists quite benevolently and beneficially with mid-income housing, as the middle class invariably depends on the services of lower-income earners to keep its show going, so to speak.

New Urban Agenda of Habitat III, 2016: Create a mutually reinforcing relationship between urbanization and development, making them parallel vehicles for sustainable development.

Sendai Framework: Sustainable and disaster resilient housing

Paris Agreement on Climate Change: Focused on the low-carbon and energy transition of the Buildings and Construction sector through fostering the development of appropriate policies for sustainable buildings and energy efficiency in buildings, and allowing a concrete value-chain transformation of the sector.

Goal 11 of Sustainable Development Goals: Aims to make cities and human settlements inclusive, safe, resilient and sustainable.

INDIA – Housing Scenario and Challenges

In the country –

- Shortage of 18.78 million housing units – gap being mostly in the economically weaker sections and the low income group (almost 95% of the deficit)
- 10 states contribute to 76% of the urban housing shortage – U.P, Maharashtra, W.B, Andhra Pradesh, T.N, Bihar, Rajasthan, M.P, Karnataka, Gujarat
- India's urban population is estimated to grow to 814 million people by the year 2050

The Technical Group on Urban Housing Shortage for the Twelfth Five Year Plan (2012 – 17) defines housing shortage as comprised of the following components:

- Excess of households over the acceptable housing stock (people living in informal properties)
- Number of extra households needed due to congestion
- Number of extra households needed due to obsolescence
- Number of kutcha households that must be upgraded



Source: KPMG

As the population grows, it may lead to a growth in the number of homeless population as well as short term migrants. The lack of available housing options, combined with limited income and minimal access to home finance for low income borrowers, means that millions of Indian households currently live in cramped, poorly constructed houses/slum areas/shanties. They lack access to a clean and healthy environment, with even basic amenities such as sanitation, clean water, sewage, waste management and electricity often absent. Thus, 'Affordable Housing' is an idea whose time has come, and sooner rather than later, planned sustainable urbanisation will have to be by default and not by choice.

Other challenges –

- Scarcity of developed and encumbrance-free land
- Increased cost of construction
- Lack of private sector participation
- Absence of viable rental market
- Inaccessibility to home loans by poor
- Land owned by sick PSUs
- Scarcity of horizontal space in urban areas, which is a result of the permitted floor space index (FSI) in Indian cities being "extremely low", which ranges between 1-1.5
- Lack of technological innovations in low cost building material and construction practices

- Regulatory constraints such as long and cumbersome approval process, environment clearance, lack of clarity in building by-laws and implementation of master plan

Multiple factors leading to uncertainties and delay in the approval process



Source: Dhanendra Kumar, Streamlining Approval Procedures for Real Estate Projects, November 2012



Government Interventions

In the early years of Independence, flawed policies, unsound planning and fund shortage came in the way of meeting the massive challenge of providing shelter for all. So much so, that a national housing policy was not put in place even four decades after independence.

It was only in the post liberalisation period that housing got a fillip, following introduction of a housing policy in 1988 and formation of the National Housing Board (NHB) and Housing & Urban Development Corporation (HUDCO).

A key policy framework was evolved to involve private players in building homes and a milestone reform was initiated to allow 100 per cent FDI in real estate in 2005. This was supplemented by a flagship mission of JNNURM to provide shelter for the urban poor, which however, did not prove very effective due to deficient guidelines to states about parking and utilisation of funds.

Initiatives such as “Affordable Housing”, “Housing For All by 2022”, “Smart Cities”, softening of lending rates, friendlier REIT norms, etc. are all perceived to be game changers for the industry in the coming years. These are considered to lift both demand as well as supply. Besides these, initiatives such as digitization of land records, change in arbitration norms for construction industry and stricter insolvency laws are incremental catalysts for the good times ahead.

Government has accorded ‘infrastructure status’ to affordable housing – Will make project loans affordable, and in turn reduce prices of homes for buyers. This will go a long way as a critical supply side incentive to bring in private investment in affordable housing sector.

Budget 2016-17 & 2017-18: Provided the platform for creating an enabling environment with fiscal concessions such as –

- Direct tax benefits under Section 80-IBA of the Income Tax Act
- Relaxation in FDI and ECB proposals
- Standardised usage of carpet area definition

Mortgage reforms: By way of a new broad-based Credit Linked Subsidy Scheme (CLSS) under PMAY-U to ensure that its benefits reach beyond the EWS and LIG segments. It has also introduced a Marginal Cost of Funds-based Lending Rate (MCLR) for speedy transmission of RBI rate cuts to home buyers.

Jawaharlal Nehru National Urban Renewal Mission: Aimed to construct 1.5 Million houses for the urban poor in the mission period (2005-2012) in the 65 mission cities. Two policies under JNNURM targeted housing –

- **Integrated Housing and Slum Redevelopment Programme** is a direct housing policy measure
- **Basic Services for the Urban Poor (BSUP)** aims at providing entitlements such as security of tenure, affordable housing, and services such as water, sanitation, health and education and social security to low-income segments

Affordable Housing in Partnership (AHP), 2013: A market solution based approach by involving private players

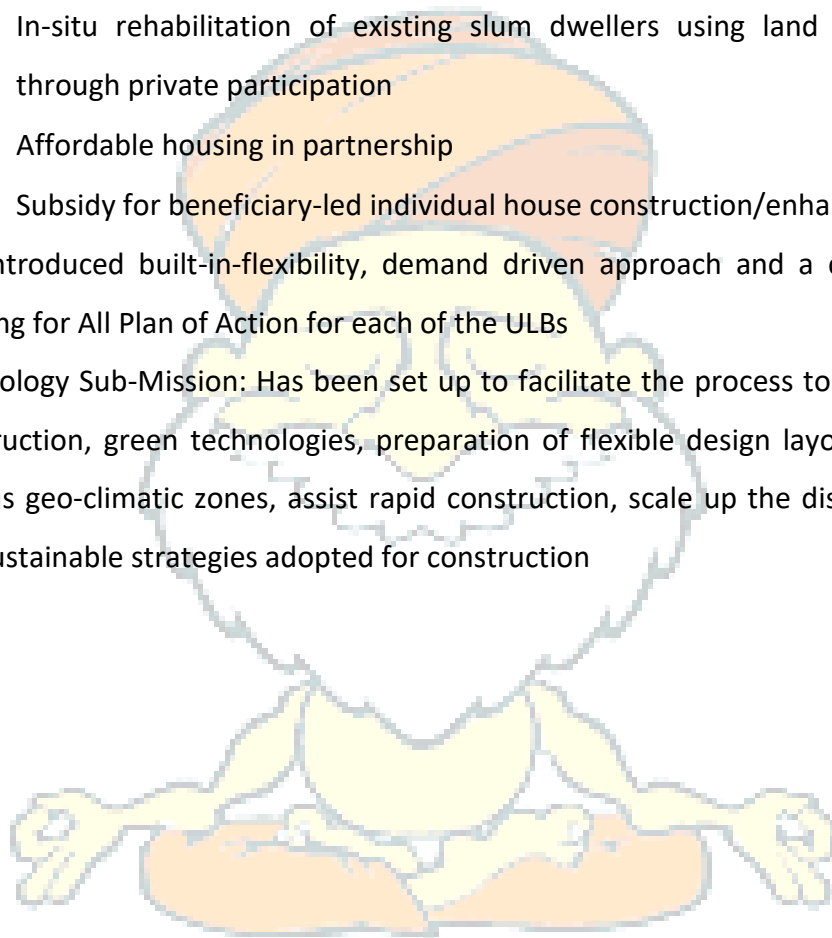
Rajiv Awas Yojana (RAY), 2012: This programme aimed at providing affordable housing to the urban poor; creating a slum free India. On May 2015, Rajiv Awas Yojana (RAY) was rolled over into the Housing for All (HFA) by 2022 policy. The two major objectives of RAY can be summed up as follows:

- Legal recognition of slums and bringing them into the formal system
- Redress the failures of the formal system

Housing for All (HFA): Envisages providing every family with a pucca house with water connection, toilet facilities, 24x7 electricity supply and access

Pradhan Mantri Awas Yojana-Urban (PMAY-U): Aims at constructing more than two crore houses across the length and breadth of the nation within a span of next seven years (i.e by 2022).

- Provides central assistance to Urban Local Bodies (ULBs) and other implementing agencies through State/UTs. States have been given the responsibility to formulate, approve and implement the project.
- The target beneficiaries of the scheme would be poor and people living under Economically Weaker Sections (EWS) and Low Income Categories (LIG) categories in urban establishments of the country.
- The programme has four verticals:
 - Credit linked Subsidy scheme (CLSS)
 - In-situ rehabilitation of existing slum dwellers using land as a resource through private participation
 - Affordable housing in partnership
 - Subsidy for beneficiary-led individual house construction/enhancement
- Has introduced built-in-flexibility, demand driven approach and a comprehensive Housing for All Plan of Action for each of the ULBs
- Technology Sub-Mission: Has been set up to facilitate the process to enable quality construction, green technologies, preparation of flexible design layouts as per the various geo-climatic zones, assist rapid construction, scale up the disaster resistant and sustainable strategies adopted for construction





Atal Mission for Rejuvenation and Urban Transformation (AMRUT): The purpose of the scheme is to

- Ensure that every household has access to a tap with assured supply of water and a sewerage connection;
- Increase the amenity value of cities by developing greenery and well maintained open spaces (parks); and
- Reduce pollution by switching to public transport or constructing facilities for non-motorized transport (e.g. walking and cycling).

Housing for all by 2022: It aims at

- Slum rehabilitation of slum dwellers with participation of private developers using land as a resource;
- Promotion of affordable housing for weaker section through credit linked subsidy;
- Affordable housing in partnership with Public & Private sectors

- Subsidy for beneficiary-led individual house construction or enhancement

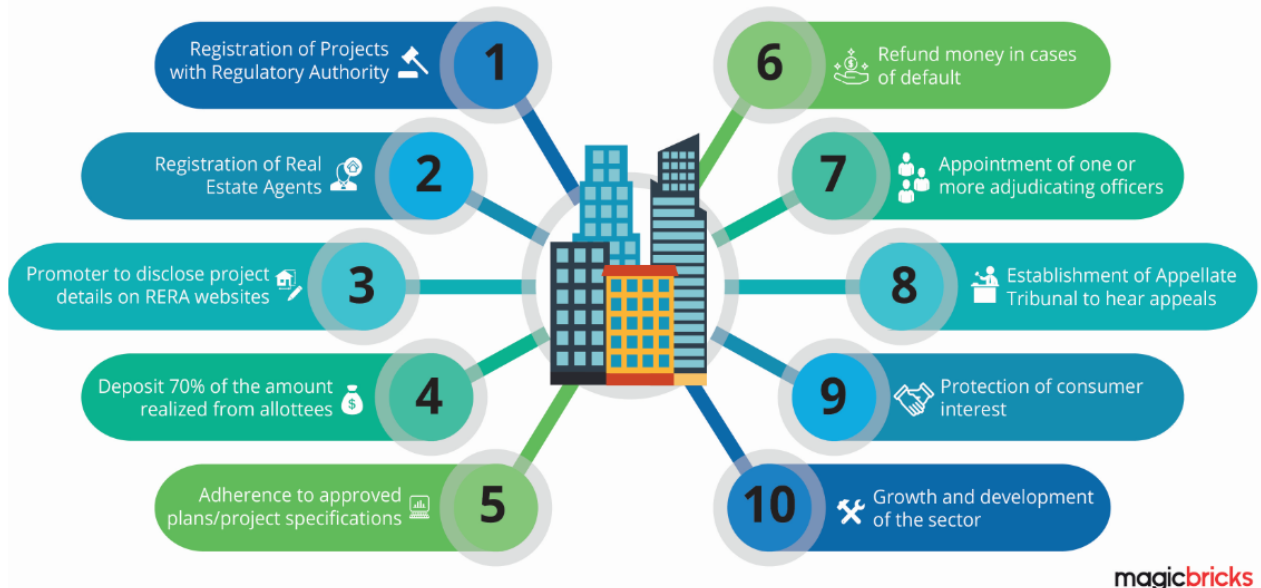
Current state of housing in India	Requirements to achieve the vision by 2022
<ul style="list-style-type: none">• Housing shortage of about six crore units• Level of annual investments in the housing sector is about USD110 to 120 billion.• Average growth of 5 to 6 per cent in the annual real estate sector investments between FY08 and FY14• Prioritised rural growth resulting in uneven distribution of housing development• Both the central and state governments are spending about USD5 to 6 billion annually , which is about three per cent of the current investments in the real estate sector, or one per cent of its annual expenditure.	<ul style="list-style-type: none">• By 2022, India needs to develop about 11 crore housing units• Investments of more than USD2 trillion or about USD250 to 260 billion annual investment until 2022• Investments will need to grow at a CAGR of 12 to 13 per cent (unadjusted for inflation) in 2022• 70 per cent of the housing needs till 2022 should be concentrated in nine states• Urban housing is to account for about 85 to 90 per cent of the total investments; the focus should be on affordable urban houses, which is 70 per cent of the total urban housing requirement• About 1.7 to 2.0 lakh hectare of land is expected to be required to fulfil urban housing need by 2022.

Source: KPMG

Real Estate Regulation Act (RERA): focusses on transparency, accountability and protection of home buyer interests.

- RERA provides for regulatory oversight and puts in place roles and responsibilities around four pillars of the real estate sector: regulators, developers, brokers and consumers.
- RERA has been able to weed out unscrupulous fly-by-night brokers, leaving more room for serious professionals – For the very first time brokers have been recognized as an industry
- Note:
 - Since **land is a state subject**, each state has to promulgate its own Act and establish its regulatory authority
 - Extends to the whole of India except J&K

RERA - Salient Features



PROS & CONS

REAL ESTATE REGULATORY AUTHORITY BILL

POSITIVES

- 'Carpet area' as unit for enticing & selling
- Residential, commercial & industrial projects to come under authority's jurisdiction
- Consent of 2/3rd allottees for change in plan or design
- Builder to rectify structural defects within 2 yrs
- Authority to clear case within 60 days
- Buyers can approach consumer forums
- All ongoing projects to fall under jurisdiction
- Regulation of real estate agents

- Fine & jail for non-registration of projects, cancelation of registration

NEGATIVES

- 50% payment by buyers to be deposited in Escrow account for project against earlier provision of 70%
- Clause on powers of appellate tribunal to punish director, manager, secretary or other officer of a company is deleted
- No check on antecedents of developers while registering projects
- No blacklisting if they defaulted in two earlier projects

Impact of RERA

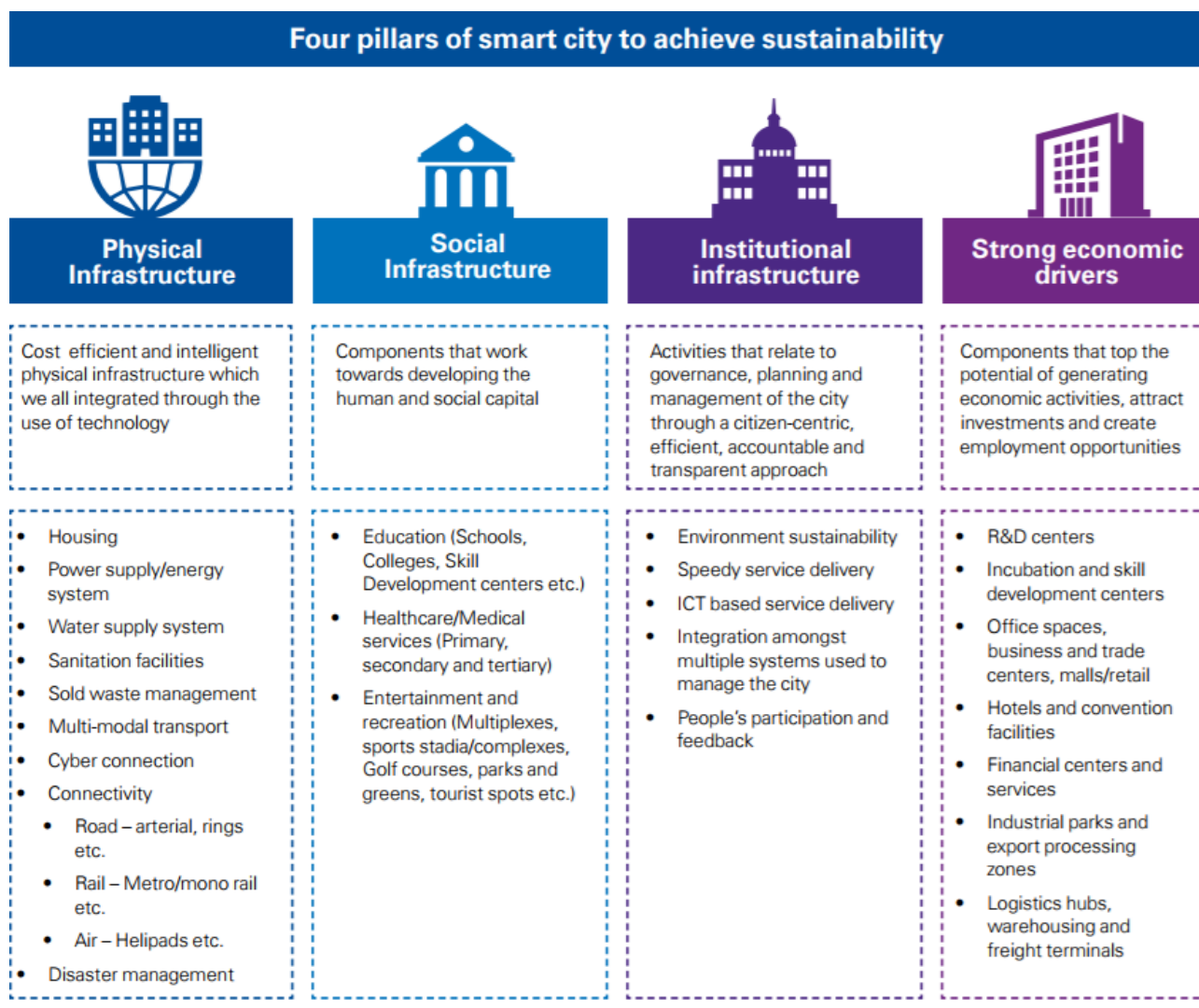


Source: KPMG in India's analysis August 2016

Also read: [Link 1](#)

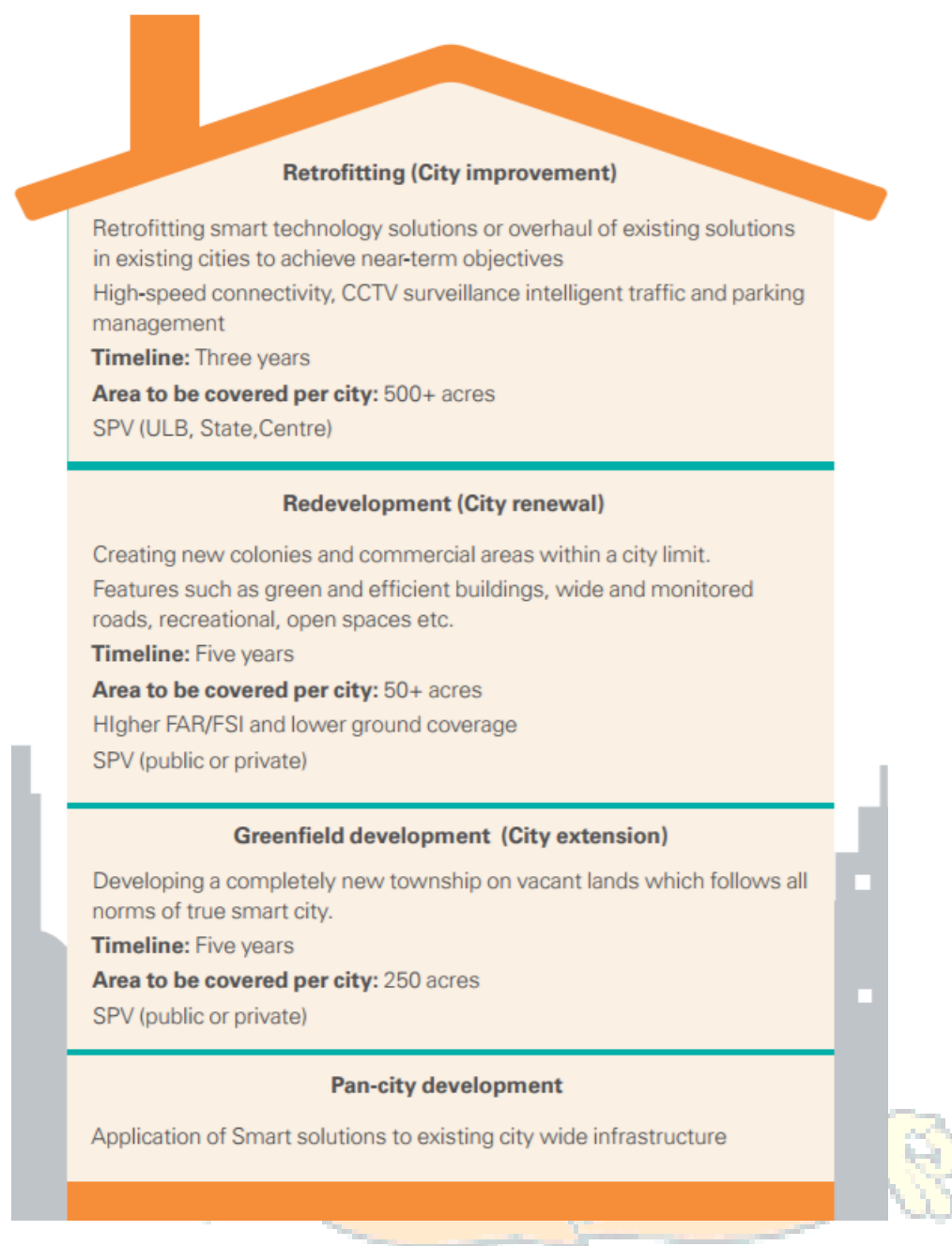


Smart Cities Mission (SCM): A flagship mission of the MoUD that aims to promote cities that provide core infrastructure and give a decent quality of life to its citizens through application of smart solutions – area based development is a key element



Source: Smart Cities Mission, www.smartcities.gov.in, accessed 5 August 2016

Strategic Components of a Smart City



Source: KPMG

Know more about [Smart Cities](#) & Solve [Qn 1](#)

“Benami” Transaction Prohibition (Amendment) Act: Aims at establishing a regulatory mechanism to fight against tax evasion and improve transparency. Will have long-term positive effects, as all of the transactions will be carried out in the name of the real owner which will boost transparency in the residential market and lower risks, which will eventually hike up residential properties transactions

Impact of GST: Aims to dismantle federal tax barriers in order to create a single, unified market with tax transparency and predictability and improving supply chain efficiency. Reduction in compliance to bring in efficiency whereby the credit input for excise duty etc. levied on materials such as cement, steel, etc., is involved.

National Urban Housing and Habitat policy, 2007 (Ministry of Housing and Urban Poverty Alleviation, 2007): The policy seeks to promote a symbiotic development of rural and urban areas.

- Provision of “Affordable Housing For All” with special emphasis on vulnerable sections of society such as Scheduled Castes/Scheduled Tribes, Backward Classes, Minorities and the urban poor.
- This Policy takes note of the substantive gap between demand and supply both for housing and basic services, and seeks to assist the poorest of poor who cannot afford to pay the entire price of a house by providing them access to reasonably good housing on rental and ownership basis with suitable subsidization.
- Develop innovative financial instruments like development of Mortgage Backed Securitization Market (RMBS) and Secondary Mortgage Market. It also seeks to attract Foreign Direct Investment (FDI) in areas like integrated development of housing and new township development.
- Draws from innovations in the area of housing and infrastructure in India and elsewhere, and gives a menu of actionable points which inter-alia includes Public-Private-Partnerships, conservation of natural resources and formulation of regulations & bye-laws that are environment friendly, investment-friendly and revenue-generating.

- Aims to promote development of cost-effective, quality approved building materials and technologies with a view to bringing down the cost of EWS/LIG houses
- Aims to complement poverty alleviation and employment generation programmes for achieving the overall objective of “Affordable Housing for All” or “All” with sustainable development
- Lays special emphasis on the development of North-Eastern States on account of the fragile ecology of the North-Eastern Region as well as the need to accelerate the pace of its socio-economic progress.

Swachh Bharat Mission (Urban): Aims to eliminate open defecation, eradicate manual scavenging and incorporate modern and scientific Municipal Solid Waste Management – ensuring provision of basic facilities related to sanitation

Deendayal Antyodaya Yojana-National Urban Livelihood Mission (DAY-NULM): Ensures availability and access of the urban homeless population to permanent shelters including the basic infrastructure, and cater to the needs of especially vulnerable segments of the urban homeless

National Urban Health mission (NUHM): To provide equitable and quality primary health care services to the urban population with special focus on slum and vulnerable population.

Revised Integrated Housing Scheme (RIHS):

- **For:** The workers engaged in Beedi/Iron Ore Mines, Manganese Ore & Chrome Ore Mines (IOMC)/Limestone Ore Mines, Dolomite Ore Mines (LSDM) /Mica Mines and Cine Industries, registered with the Labour Welfare Organisation (LWO).
- Provides housing subsidy of Rs. 1,50,000/- per worker for construction of house to be paid in three installments directly into the bank account of the beneficiaries.

A TWO-IN-ONE STRATEGY

- The Housing for All and Smart Cities missions, through convergence, use the benefits given to each other and also compensate for shortcomings by leveraging their advantages
- While Housing for All concentrates on funding and incentives for developers and buyers, the Smart Cities Mission focuses on leveraging land availability, implementation under single entity SPVs (special purpose vehicles), and strengthening basic infrastructure facilities
- As part of the smart city initiatives, some Indian cities have planned convergence with the Housing for All scheme to address the informal housing sector
- Some of these initiatives would include housing for economically weaker sections or affordable housing, slum redevelopment, rental housing, working women's hostels, shelters for the homeless, etc as part of the smart city plan
- All these would be developed through the PPP model with the involvement of private developers.

Scheme of Development of Particularly Vulnerable Tribal groups (PVTGs): Priority is accorded for their protection and improvement in terms of the social indicators like livelihood, health, nutrition and education, so as to decrease their vulnerability.

- Ministry will provide 100% financial assistance through State Governments for activities including housing, land distribution and land development, agricultural development, animal husbandry, construction of link roads, installation of non-conventional sources of energy or other innovative activity, for the comprehensive socio-economic development of PVTGs
- At present there are 75 tribal groups identified and categorized as Particularly Vulnerable Tribal Groups (PVTGs), (earlier known as Primitive Tribal Groups) located in the States/UT of AP, Bihar, Jharkhand, Gujarat, Karnataka, Kerala, MP, Chhattisgarh, Maharashtra, Manipur, Odisha, Rajasthan, TN, Tripura, UP, Uttarakhand, West-Bengal and Andaman & Nicobar Islands.

Note: The Reserve Bank of India (RBI) regulates commercial banks and partially cooperative banks while National Housing Bank (NHB) regulates housing finance companies.

Social Challenges in Housing Schemes

Challenges of Urban Slums: When, as a result of the growing urbanisation, the poor from the villages are required to shift to the cities, they continue to stay in the slums but this transition gives rise to various challenges. The challenges are as follows:

- Health concerns in urban areas
- Threats and extortion demands by real estate mafia and the corrupt government officials
- Urban slums are usually located at prime spots in the urban areas. Hence, they block revenue which the government could have earned from these locations.

Measure for facing Urbanisation: To tackle problems such as those mentioned above and gear up for the increasing pressure due to urbanisation, various policy measures have been undertaken.

- United Nations focuses on making cities a better place to live on through Sustainable Development Goal 11 which targets to make cities inclusive, safe, resilient and sustainable.
- The year 2016 also saw Habitat III summit in Quito, Ecuador promoting a “New Urban Agenda” of giving slum dwellers upgraded housing with basic services by 2030.
- Recently, Government of India also introduced two new interest-subsidy schemes under the PMAY to make housing finance more affordable.

Why PMAY is being rejected?

Tackling urbanisation, providing low cost housing to all with the ‘Housing for All’ target for the year 2022 have been some of the central focus areas for policy by the Indian government. Irrespective of this emphasis, still a significant percentage of beneficiaries are not responding positively to the scheme. This segment of the population does not avail benefits provided under the scheme. This also leads to low indicators with respect to success of government schemes and policies and social development of the country.

The reasons for such a situation are:

- Lack of affordable housing finance is a limitation for which the government also introduced the above mentioned interest subsidy schemes.
- Stakeholder participation at the time of policy making is very low and as a result they feel unsatisfied with the provisions in the schemes.
- Inefficient subsidy targeting also leads to vacancies in the housing schemes because the subsidy fails to accurately address the problem of affordability.
- The housing schemes involve relocation of the people. As a result of the relocation, they tend to get disconnected from their social ties and relations.

Social Disconnect: Among the reasons mentioned above, it is observed from studies that the feel of disconnect and loss of social connections is a major reason for the beneficiaries to reject the housing provided by the government.

- **Psychological Support:** The relocation under housing schemes leads to a feeling of isolation. Social relations and community provides them a sense of support and comfort in their troubled days. Those residing in slums seek and provide a lot of psychological and material support from each other which the State cannot provide.
- **Financial Comfort:** Slum dwellers rely on each other for their borrowing needs in a regular manner. Moving to new areas also impacts their earning capacity and labour force participation.
- **Socio-Economic Development:** There is a greater need to understand what the individuals moving to a new place will gain or lose and what will be there response to the shift. This is because it is mentioned as a result of studies that benefits give the best results only if the people are made to relocate at an early age. Hence, a targeted approach is very important.

Desirable Framework for Policies on Affordable Housing

Central government

Create an enabling environment



State government

Introduce reforms and delegate responsibility to ULBs



Source: KPMG Report

Entry of Private Players in Affordable Housing

Backed by a strong mandate of the Central Government, whose recent announcement to start building homes for the urban poor across 305 cities and towns is expected to boost the economy, the Affordable Housing segment has the potential to offer a multitude of opportunities to all stakeholders, provided there are concerted and aligned efforts in a common direction.

Since the beginning of the twenty first century, a slew of regulatory reforms such as allowing foreign direct investments, improving access to credit by households, providing tax incentives on housing loans, developing special economic zones and thrust on infrastructure development, coupled with high economic growth, have propelled private sector participation in urban housing development. However, it has largely resulted in the development of Middle Income Group (MIG) and High Income Group (HIG) houses, leading to significant shortage of EWS/LIG or affordable houses.

In this context, the private sector can play a significant role in bridging the current deficit of Affordable Housing. In an ideal PPP scenario, the public sector could look into aggregating land for projects, providing single-window and time bound clearances, redrafting the local development byelaws to suit the requirements of Affordable Housing projects and re-evaluating the taxes and levies from the perspective of reducing cost of home ownership for the target segment; private sector entities can leverage core competencies such as Planning & Design, Project Development, Technology best practices, Project Financing, Human Resources, Sales and Marketing.

An increasingly attractive investment proposition: On the back of the new regulations which the government has deployed to make Indian real estate a more credible and logic-driven market, property investors focusing heavily on affordable housing for the middle and lower income groups, as this is by far the most attractive investment option now. Affordable housing is now a highly profitable long-term proposition for real estate investors, and developers also stand to seriously profit from creating it.

Affordable housing supply in the right cities: The trend of nuclear families driven by young professionals is increasing in the country, especially the metropolitan cities where IT and

other major corporate sectors hold sway. Young professionals are eager to own homes and settle down with their new families, so affordable housing is a major hit in such cities.

Encouraging private sector participation in urban affordable housing development requires a coordinated effort from central and state governments. A key role of the central government in the 'Housing for all by 2022' vision would be that of a **facilitator** by creating an enabling environment through:

- Introducing statutory and regulatory reforms in land acquisition, and a real estate regulator, and review archaic regulations governing the real estate sector
- Streamlining clearances and approval procedures required from central government agencies such as the Ministry of Environment and Forest, and the Ministry of Civil Aviation.
- Channelising higher and long term investments in the sector by providing necessary tax and non-tax incentives

The execution responsibility would lie with States as according to the Indian Constitution; **housing and urban development is a State responsibility**. States should consider the following suggestions to expedite urban affordable housing development:

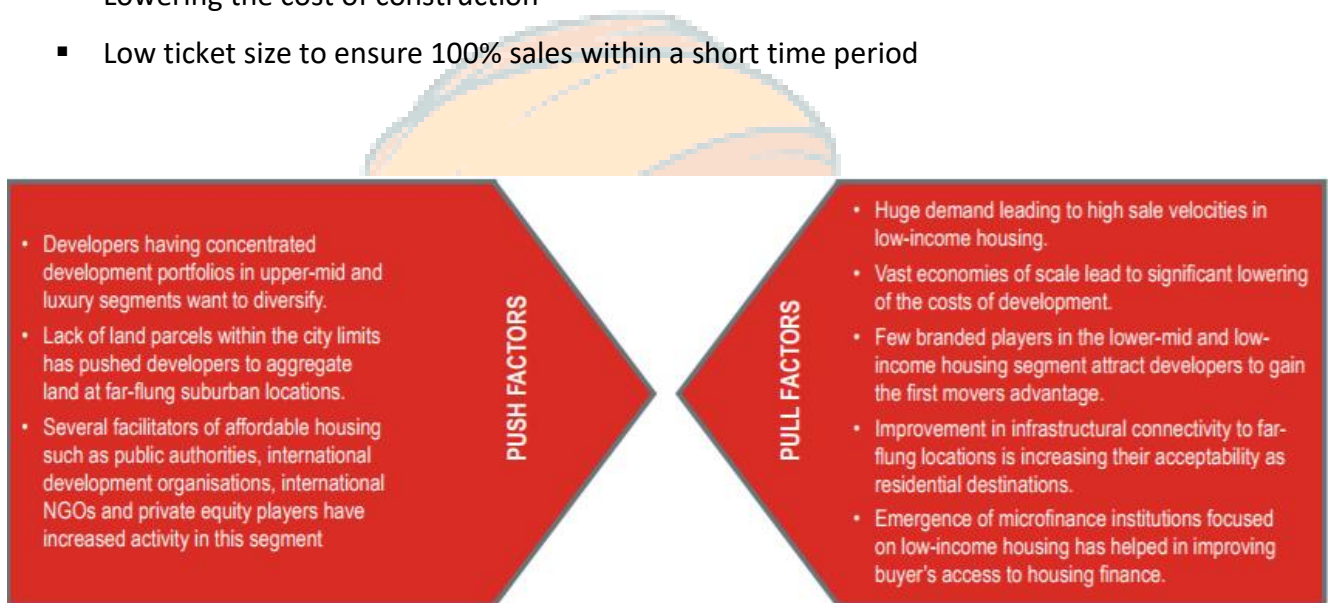
- Decentralise decision making by empowering ULBs
- Streamline the approval process by introducing a single-window clearance mechanism
- Develop PPP framework to encourage private participation
- Rationalise various indirect taxes levied on housing.

Factors restricting private participation in urban affordable housing development

FACTORS			IMPACT
1	Slow urban development	<ul style="list-style-type: none"> 30 per cent of the population occupies only 2.3 per cent of India's geographical area India is witnessing high urban population growth India's per-capita urban infrastructure spending of about USD17 in India is low against a requirement of USD100. 	<ul style="list-style-type: none"> High urban land prices and shortage of basic urban services such as housing, water, sewerage, waste disposal, power, and transport.
2	Rigid urban planning process	<ul style="list-style-type: none"> Unplanned growth of urban regions Master planning lacks integration of spatial planning. 	<ul style="list-style-type: none"> Improper growth of cities Infrastructure sector growth is not integrated with housing.
3	Lengthy and complex approval	<ul style="list-style-type: none"> Currently, 30 to 40 approvals are required which generally takes about two to three years According to the World Bank, 'Doing business 2013' report, India has one of the most cumbersome and lengthy processes. 	<ul style="list-style-type: none"> Increases construction cost by 20 to 30 per cent Duplicity and inefficiency Reduces capital churn as gestation period increases.
4	Lack of adequate funding sources	<ul style="list-style-type: none"> Limited funding channels for developers (especially from banks) Overdependence on households' savings Limited foreign funding sources Underdeveloped equity and debt markets Limited access to credit by EWS/LIG. 	<ul style="list-style-type: none"> Limited and expensive capital tend to increase housing cost Low access to credit by consumers reduces housing affordability.
5	High cost of development	<ul style="list-style-type: none"> Consistent inflation of key input costs Several indirect taxes such as Stamp Duty, VAT, etc. adds up in housing cost It is estimated that these taxes account for about 30 to 35 per cent of the total housing cost. 	<ul style="list-style-type: none"> Increases housing cost making affordable housing projects unviable.
6	Restrictive development norms	<ul style="list-style-type: none"> Low FAR/FSI, density norms, ground coverage, parking provision, etc. are not separately defined for affordable housing (especially EWS housing) Resulted in horizontal development of housing (except in few cities). 	<ul style="list-style-type: none"> The limited urban land is utilised inappropriately Inflates housing price.
7	Cost overrun and project delays	<ul style="list-style-type: none"> Shortage of trained workforce, inefficient cost management, scope creep, etc. affect the financial sustainability of housing projects Inadequate planning, and inadequate usage of technology tends to results in project delays. 	<ul style="list-style-type: none"> 25 per cent of ongoing housing projects are delayed across India.

For the partnership to work, the developer needs to de-risk himself from costs of land acquisition. Higher rate of returns and shorter breakeven period can be achieved in an affordable housing project, by adopting the following measures:

- Entering into a Joint Development Agreement (JDA), Joint Venture (JV) with landlord or Public Private Partnership (PPP) with government authorities for land where approvals are in place
- Shortening the time period for construction
- Lowering the cost of construction
- Low ticket size to ensure 100% sales within a short time period



Source: Jones Lang LaSalle Research

Land Acquisition, Rehabilitation and Resettlement (LARR)

The linkages between LARR and Housing for All assume significance primarily in the context of scarcity of land for planned development and the overwhelming shortage of adequate, affordable housing in India. The historical failure of ensuring land reform in India is also the context within which the fractured politics of rural-urban and land acquisition have played out.

The challenges –

- To be pragmatic about the difficulty in using LARR and instruments of land assembly for affordable rural and urban housing till now and thereby highlight the need to create housing policies that accounts for this gap
- To challenge this historical reluctance to use LARR's provisions for affordable housing

The LARR Act, 2013 is expected to have a major impact on the development of large scale townships and affordable housing projects. For example, a provision states that there should be a fixed compensation for acquired land at high levels, which makes the land acquired for affordable housing expensive.

The provisions of the LARR Act 2013 therefore, should be a tool to achieve the growth in infrastructure and housing. The LARR Act can be used as a legal instrument to provide for affordable housing for the rural landless, but it is just one part of a much larger strategy of how to ensure that affordable housing for all is implemented.

Solve: [Qn 1](#)

Read the [Bill](#)

Green Technologies in Affordable Housing

How will the affordable housing sector contribute to a more energy efficient India?

World's population in 2050 – 9 billion

World's urban population

- **Present:** 50%
- **2050:** 70%

India's urban population

- **2030:** 40.8%
- **2041:** 50%

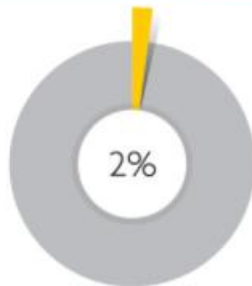
Housing sector - 40% of energy consumption; leading to a huge demand for affordable, green housing.

Energy efficient housing has the following components

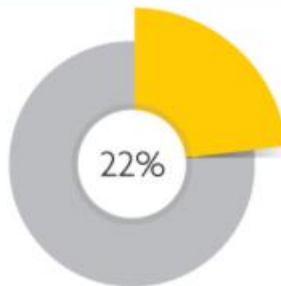
- Lighting
- Space utilization
- Ventilation
- Energy efficient building materials
- Energy efficient equipment
- Alternative and renewable sources of energy

Need for reducing energy demand at source with 'green' and 'intelligent' buildings

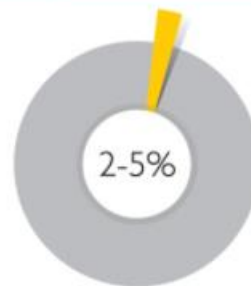
- More sustainable in long run
- Often with little incremental cost




GREEN BUILDING
ONLY 2% OF NEW
CONSTRUCTION
IN INDIA



RESPONSIBLE FOR 22%
OF INDIA'S TOTAL
ANNUAL CARBON
EMISSIONS



LEED CERTIFICATION
COSTS ABOUT 2-5%
OF OVERALL COST OF
A BUILDING



RESPIRATORY PROBLEMS DROP IN GREEN BUILDINGS.

MORE REVENUE FOR DEVELOPER - CAN CHARGE PREMIUM FOR "GREEN BUILDING" CERTIFICATE
MORE REVENUE FOR CONSUMER - HIGHER RESALE VALUE + HIGHER RENTAL YIELDS
MANY STATES INCENTIVES DEVELOPERS BY EXTRA FSI FOR EFFICIENT BUILDINGS FOR NO COST

Source: roofandfloor.com

Advantages of Green Housing

Enhances quality of Life: Leads to higher productivity as well as income generating capabilities

Environment friendly: Saves huge amount of resources like power and water; use of renewable resources for construction; waste efficiency, reuse and recycling, etc.

Increased revenue: For both end user and developer. Added cost of LEED certification is about 2%-5% of overall cost of a building. Developer can charge a premium for "Green Building" certification and the consumer will, in turn, have higher resale value and higher rental yields.

Lower costs: Sustainability implies profitability. Green building saves 30%-40% of the power consumption. Hence reduced electricity bills will bring in huge savings. The additional cost to incorporate green building feature has a pay back of just 2-5 years with substantial reduction in operational costs

Government incentives: Tax and premium rebates for buildings that meet certain minimum conditions under rating programs; many states in India offer incentives to developers by extra FSI for efficient buildings for no cost, increasing value proposition for them

Marketing Tool: Builders can add green building certifications to their list of credentials to attract more customers and investors, as well as draw interest to their projects.

While green and sustainable buildings offer huge advantages, developers and buyers face many challenges –

- Additional construction cost, price constraints, difficulty in sourcing sustainable building materials, technologies and service providers or facilitators in India and a long gestation period makes developers hesitant.
- Design must consider the entire supply chain—from material sourcing, energy modelling, resource reuse, civic amenities and waste disposal
- Buyers not keen to pay a premium for green residential projects. Lack of demand and awareness among buyers also makes developers hesitant to invest in this segment.
- Buyers need to be convinced that total ownership cost, including maintenance, over the life cycle of the property will actually offer significant savings.

Real Estate (Regulation and Development) Bill, 2013

[Link 1](#)

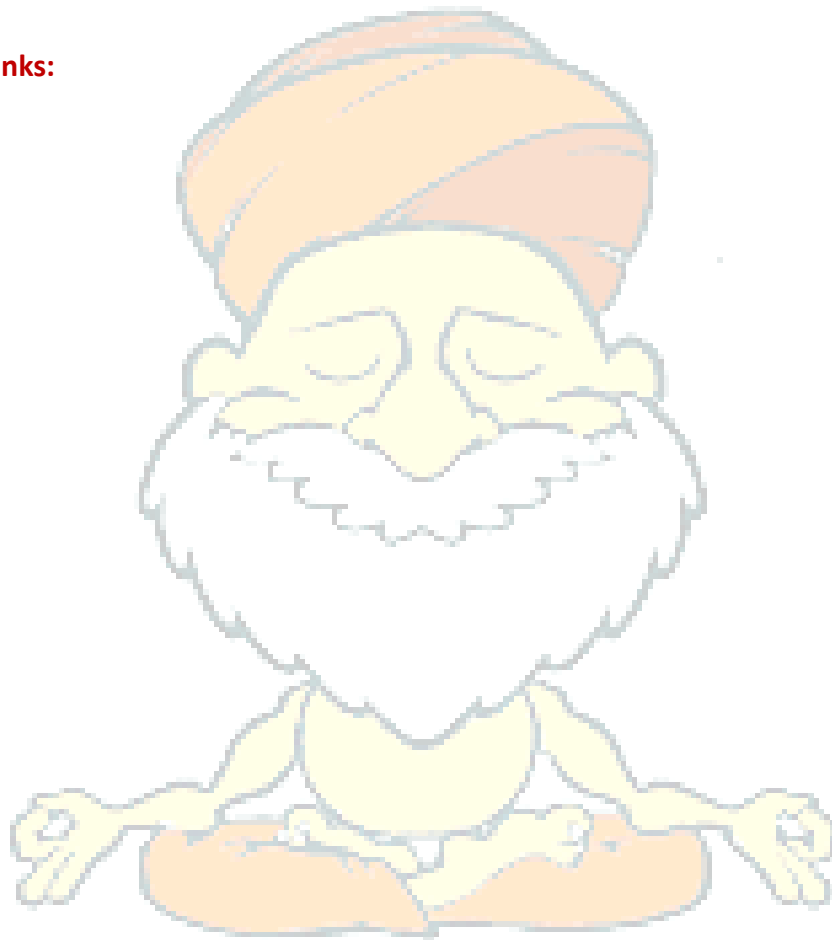
[Link 2](#)

[Mindmap](#)

Solve: [Qn 1](#) + [Qn 2](#)

Must Refer Links:

[Mindmap](#)

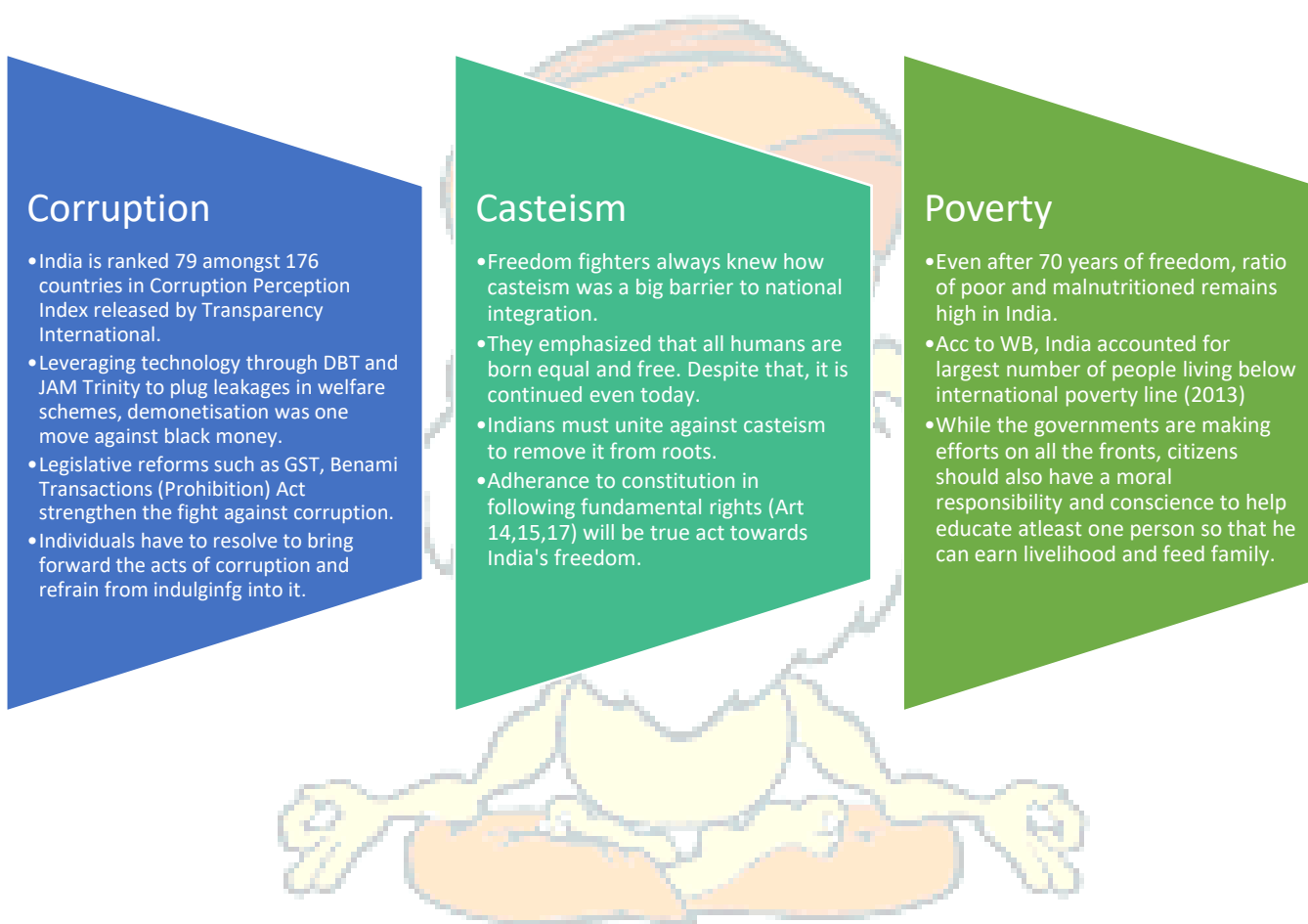


SANKALP SE SIDDHI

Today, India has crossed 70 years of independence and celebrating the diamond jubilee of 'Quit India movement' (1942). This is the **time to reflect and review what roles as an individual** we have in the collective endeavour of nation building.

Drawing an analogy with Quit India movement, the PM said that every Indian should make a resolve for building a new India by 2022.

From 2017 to 2022, there should be a Sankalp (resolve) to attain (siddhi) of following goals



Filth

- A look around us and we find filth of plastic, polythene, blocked sewerage, open defecation etc. Thus, India is becoming a dustbin.
- The reason is that 90% of Indians think that cleanliness is someone else's job.
- Government is promoting Swachh Bharat Abhiyan for open defecation free India. Yet even after constructing the toilets, their usage is a problem.
- One major factor is that many in India think that cleaning of toilets is associated with some particular caste. This attitude needs to now change.

Terrorism

- India is third largest terror target after Iraq and Afghanistan.
- Terrorism in India has many forms- ethno-nationalist, religious, left wing and narco terrorism.
- Security agencies are fighting the menace effectively but citizen participation is must for defeating terrorism completely.
- Alert citizens can help police, not resort to anti-national activities through discrimination.
- Thus, there is need to build a society wherein no community or individual feels discriminated or sidelined. A just and fair society will defeat terrorism.

Communalism

- India's identity is in diversity of languages, religions, costumes, customs and ethnicity.
- This diversity at times create pressures on social fabric often resulting in communal violence. This has a great danger for future of India.
- Solution to it is to promote True Spirit of Unity in Diversity.

Equal opportunities for women

- Though Indian Constitution grants equal rights for men and women. But in reality women is considered second to men.
- Newspaper reports of domestic violence, rapes, molestation, eve teasing is picture of existing male dominating society with patriarchal attitude.
- Initiatives such as Beti Bachao and Beti Padhao should be focused to bring attitudinal changes among masses.

Drug Abuse

- India is considered to be a nation of youth by 2020.
- Youth is considered synonymous with energy and change. But if the same youth is losing life and health due to drug abuse, it creates a problem for society.
- Community participation is paramount to solve this crisis.

Pollution

- Traditional Indian life has always been close to nature. But with raising living standards, lifestyle has changed.
- This has caused environmental degradation.
- NGT has banned polythene bags, 2000cc + SUVs
- Along with government, active support from citizen is a must for protecting the environment.

The above mentioned issues along with ***chalta hai, kuch nahi hoga, its not my job*** is not making India a truly free country. The citizens must resolve and pledge in 2017 to demolish these devils by 2022 and Make a new India.

**SANKALP
SE SIDDDHI**
NEW INDIA MOVEMENT (2017-2022)

NEW INDIA PLEDGE

Let us together pledge for a New India. In 1942, our freedom fighters had taken a pledge of 'Quit India' and in 1947, India achieved independence. Come, let us together pledge for building a New India by 2022.

Let us together pledge towards a **Clean India.**

Let us together pledge towards a **Poverty-free India.**

Let us together pledge towards a **Corruption-free India.**

Let us together pledge towards a **Terrorism-free India.**

Let us together pledge towards a **Communalism-free India.**

Let us together pledge towards a **Casteism-free India.**

tell us your idea of a New India and much more on <http://newindia.in>



SKILL ENTREPRENEURSHIP: EMPOWERING RURAL WOMEN

The progress of civilisation is incomplete without the empowerment of women.

Yet, the women in India lives in common milieu, she owns nothing, not even herself. Without any income or property, they are more marginalised and oppressed than any other sections.

Check the reality- Majority of our population lives in the rural areas (71.2%). The challenge for women in rural India are more severe as compared to their urban counterparts. In rural societies, gender discrimination reduces economic opportunities for girls and young women. Deprivation and bias, cultural norms force many girls from poor families into early marriage and childbearing, where they are extremely vulnerable to HIV, sexual violence and physical exploitation.

The burden of domestic task- such as caring for siblings or the elderly, tending to livestock and collecting water and firewood- also restricts girls' access to educational. Social and economic opportunities. Poverty compels many young women to seek employment in the informal sector, where they find themselves limited to low-skilled jobs with minimal income potential, long hours and unequal power relations that often lead to exploitation.

For lack of education or specific skills, for most of the rural women, manual work is still the easily work available.

What to do? A greater emphasis on early sensitisation of children and youth in schools and institutions of higher learning would help inculcate due respect for the female gender. Now, the issue is no longer of women development but women-led development.

SC said in its verdict that *“ it is now realized that real empowerment would be achieved by women which would lead to their well-being facilitating enjoyment of rights guaranteed to them, only if there is an economic empowerment of women as well Public employment would lead to natural empowerment of women, which is the need of the hour. “*

Skill development:

Women have the capability to accelerate the economic growth of the country, if their participation in the workforce is increased. **Census 2011 data has revealed that there has been a continuing fall in labour force participation rate of women from 33.33% to 26.5% in rural areas.**

The National Policy on Skill Development and Entrepreneurship 2015 focused on improving the productivity of the economy through participation of women in the labour force. The aims and objective of the mission to ensure skill development of women by creating more seats in the vocational training institutions.

Mainstreaming gender roles by skilling women in non-traditional roles and increasing gender sensitivity in the workplace will have a catalytic effect on productivity and will be a smart economic decision.

Deen Dayal Upadhyay Grameen Kaushalya Vikas Yojana

- The DDU-GKY focuses on providing high quality skill training opportunities through Project Implementation Agencies (PIA) to rural poor youth, though there is a special focus on women.
- Ministry of Rural Development administered the DDUGKY which is the skill training and placement programme carried out as a part of National Rural Livelihood Mission.

Support To Training And Employment Programme For Women (STEP)

- The STEP programme is a central sector scheme of Ministry Of Women And Child Development under which training is provided to poor and marginalised women in traditional trades to improve the employability.
- The scheme is intended to benefit women in age group of 16 and above.
- Under this, grants-in aid are provided by the central government to societies, voluntary organisations and cooperatives providing skills on the sectors ranging from agriculture to hospitality.

Pradhan Mantri Mudra Yojana

- The MUDRA loan has the **objective of 'funding the unfunded'** that has twin objective of
 - Seeding new enterprises
 - Expanding existing new units.
- The special focus is on providing financial support to women entrepreneurs, for both financial inclusion and empowerment.

Stand Up India

- This scheme has a special provision for women where each bank branch will provide loan upto Rs. 1 crore to at least two such projects per branch per bank on an average, one for each category of entrepreneur (SC/ST and women)
- The Standup India portal assists the beneficiaries with the information through the network of 17000 help centres across India and collect information of more than 1.25 lakh bank branches.

National Rural Livelihoods Mission

- NRLM is perhaps the largest poverty reduction initiative, the largest programme for women in the world with its goal of reaching nearly 70 million rural households.
- It provides platform to mobilize poor households (women) in SHGs of the poor to provide them with voice space and resources.
- These platforms will partner with local SHGs, public service providers, banks, private sector and other mainstream institutions to facilitate delivery of social and economic services to the poor.

- While agriculture is the critical source of food and income for rural poor, it alone cannot raise most families out of poverty. So SHG members are trained to manage their institutions, linking up with markets, managing their existing livelihoods and enhance their credit absorption capacity.

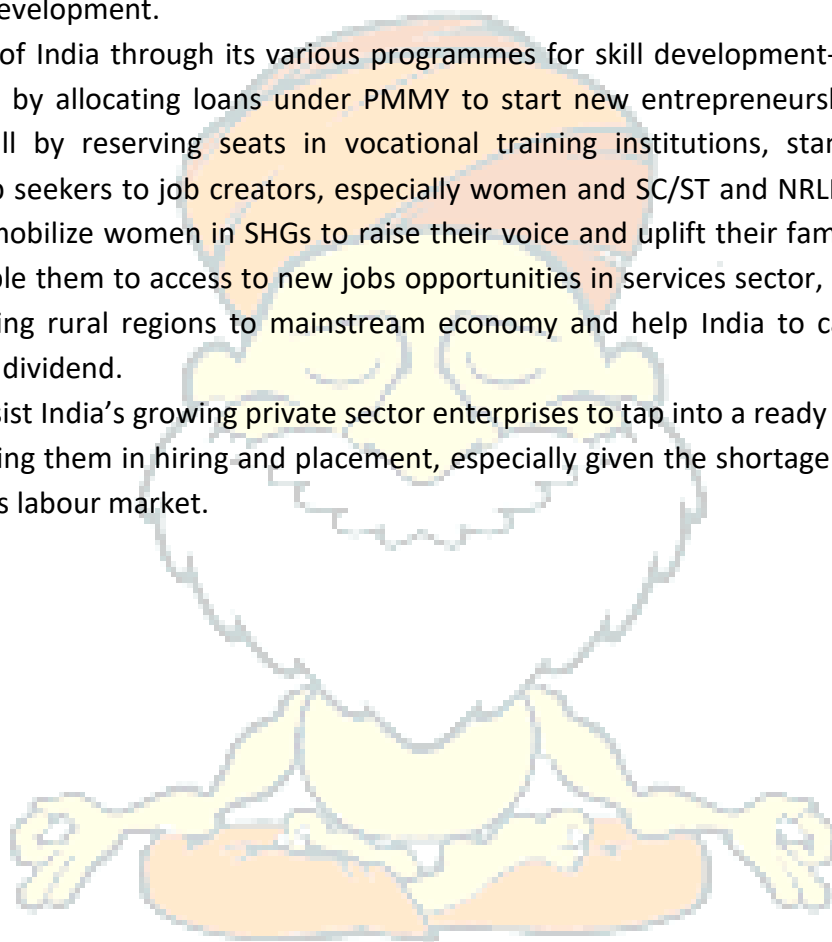
Conclusion

Women's economic empowerment is one of the world's most promising areas of investment, biggest emerging markets, talent pools and demographic dividends to be tapped.

Indeed, gender equality and women's empowerment are integral to the 2030 agenda for sustainable development.

Government of India through its various programmes for skill development- it is providing skill to youth by allocating loans under PMMY to start new entrepreneurship, DDU-GKKY imparting skill by reserving seats in vocational training institutions, stand-up India to transform job seekers to job creators, especially women and SC/ST and NRLM to provide a platform to mobilize women in SHGs to raise their voice and uplift their family on poverty. This will enable them to access to new jobs opportunities in services sector, connecting the hitherto lagging rural regions to mainstream economy and help India to capitalise on its demographic dividend.

It will also assist India's growing private sector enterprises to tap into a ready pool of trained labour, assisting them in hiring and placement, especially given the shortage of appropriate skills in India's labour market.



SKILL INDIA: A BRIEF

Skills are a driver of modern economy. Vocational education and training is aimed at enhancing the employability of an individual, by facilitating the individual's transition into the labour market.

A combination of factors has made the skill development an important policy priority for India.

1. Demographic

- India is at the cusp of reaping demographic dividend. Its population pyramid is expected to bulge in 15-59 age group over next decade.
- By 2020, the average age of Indian population will be 29 years, as against 40 years in USA, 46 years in Europe and 47 years in Japan.
- However, India's training capacity is limited. The current capacity of Industrial Training Institutes (ITIs) is only 25 lakhs per annum.

2. Demand for skill workers

- National Skill Development Corporation (NSDC) suggests that 10.9 crore incremental human resources will be required across 24 high growth sectors by 2022.
- Therefore, while there is a demand for skilled workers in industry, it is vital that training must be of high quality and relevant to industrial requirements.

3. Employability

- One way to ensure employability is to forge links with industry or through large scale apprenticeship programmes.
- With 90% workforce engaged in unorganised sector, it means that formal sector wage employment opportunities are limited and placement are difficult to track.
- Along with equipping youth with marketable skills, the youth must be trained to be self-employed or take up entrepreneurship.

Why skill training is difficult?

- While skills training is being actively promoted by the government and its partners in the private sector and industry, **it is not an aspirational career choice among the youth.**
- It is perceived as a fall back option rather than mainstream career choice.
- Formal education still remains the top choice for young people.
- This bias is seen amongst employers who pay higher salaries to entry level engineers compared to experienced workers who have done vocational training.
- Thus, along with issues of capacity, quality and employability, attitudinal factors about how skills training is perceived by both potential trainees and employers need to be addressed.

- There was an urgent need for policy to resolve diverse challenges (information asymmetry, low skills equilibrium, low private sector investments in skill training and moral hazard), India's first Ministry for Skill Development and Entrepreneurship (MSDE) was established in November 2014.
- The Directorate General of Training was the key vocational training division of Government of India formerly under Ministry of Labour and Employment, has now come under MSDE in 2015. The DGT oversees trainings done through a network of central training institutes and it is.
- Other agencies such as National Skill Development Corporation also became a key implementation arm of the ministry.

Over last 2 and half years, MSDE has taken steps to build robust skills training ecosystem through focused set of policy interventions.

Key policy instruments include

1. National policy for skill development and entrepreneurship 2015- **outlines vision for skill India**
2. National skill development mission 2015- **lays framework for implementation of skill India programme**
3. **Common norms** for skill training
4. Apprentice act 1961- modified to **encourage industry to take on apprentices**

Addressing skill challenges

MSDE's policy interventions address four major skills challenges

Scale

- Overall there has been significant capacity addition for long term trainings in ITI.
- From 10750 in 2014, they have increased to 13353 in 2017.
- Short term fee based trainings through NSDC have scaled up by 85.9% between May 2014 and May 2017.

Quality

- Many interventions have been introduced to enhance quality of training
- Grading- a robust grading system on 43 parameters to differentiate between performing and non-performing ITIs.
 - It includes focus on training outcomes, quality of infrastructure, industry connect etc.
 - Grading system in short term skill training ecosystem will take place through newly established Skill Management and Accreditation of Training Centres (SMART) portal.
- Accreditation and Affiliation norms
 - Comprehensive ITI accreditation and affiliation norms have been created and released for first time.
- Curriculum reforms

- 63 curricula have been upgraded through active consultations with industry.
- 35 new trades have been introduced with a focus on emerging field such as renewable energy, mechatronics, instrumentation, where there is likely demand in future

Employability

- Industrial connect is vital at every stage of skill training cycle to ensure that young people who enrol in skill training programmes become and remain employable.
 - Apprentice reforms
 - Increasing upper limit for apprenticeship to 10%
 - Introducing of optional trade pathway
 - Extending the scope of apprenticeships to service sector
 - Rationalisation of penalties for employers.
 - Launch of national apprenticeship promotion schemes
 - Incentivising employers to on-board apprenticeship
 - Online and transparent system of operations
 - Integration with other skill development programs
 - Better communication and outreach strategy.

Aspirations

- Ministry is working towards making skills training an aspirational career through
 - Addressing the cultural mindset which makes skills training a default option rather than an active choice among youth.
 - Creating a vertical and horizontal progression pathways, between formal and vocational education streams. This will connect the formal and vocational education streams, creating new career pathways for young people.

Way forward

Preparing for workplaces of future industry demand is dynamic. Therefore MSDE's focus is to ensure that young people are not only equipped with skills for today's jobs but also for jobs in future. Industry-particularly the manufacturing sector is on cusp of transformation, leading to industrial paradigm called industry 4.0. The industry 4.0 is intersection and application of IoT (internet of things) to the secondary sector. Certain sectors in manufacturing, particularly the automotive sector has been traditionally on the cutting edge of modernisation, through process of automation, use of methodologies like six sigma and efficiencies driven by supply chain management. New and emerging sectors like textile manufacturing, electronics, aviation are ripe for adoption of such technology.

A key topic of debate in academics-industry-industrial circles pertains to how automation and industrial transformation will impact work and skills in India.

NATIONAL POLICY ON SKILL DEVELOPMENT AND ENTREPRENEURSHIP 2015: AN OVERVIEW

The National Policy on Skill Development and Entrepreneurship 2015 is a renewed version of the earlier national policy on skill development in 2009.

The first National Skill Policy envisioned the launch of a national skill development initiative with the clause that the **policy would be subject to review after five years to align the policy framework with the changing trends in the labour market.**

The need for a national skill policy arises from the fact that India is home to almost one-fifth of world's youth population. The share of youth in 15-34 age group in India's total population was 34.8% in 2011 which is projected to be 31.8% in 2030, i.e. about 490 million. **The onus therefore lies on the country to empower its youth to achieve its livelihood so that India is able to convert its demographic surplus into economic prosperity of the nation.**

The current policy covers skill development of the youth for wage employment, entrepreneurship and also acknowledges Recognition of prior learning.

Objective of the policy

Policy aims at skilling with the scale and speed while retaining the quality of skilling so that it is sustainable.

1. Make vocational training aspirational among youth
2. Ensure vertical and horizontal pathways to skilled workforce for further growth
3. Improve employability of youth through skilling
4. Increase capacity and quality of training infrastructure and trainers.
5. Address manpower industry linkage
6. Establish an IT based information system for aggregating demand and supply of skilled workforce
7. Raise standards in skilling space to international level

Policy strategy

The policy framework on skill development outlines eleven major paradigms to achieve the objective of skilling

1. Aspiration and advocacy
1. Capacity
2. Quality
3. Synergy
4. Mobilisation
5. Promotion of skilling among women
6. Global partnerships
7. Outreach

8. ICT enablement
9. Trainers and assessors
10. Inclusivity

For entrepreneurship to expand, the policy framework rightly mentions that there should be an enabling ecosystem of culture, finance, expertise, infrastructure, skills and business friendly regulation.

Strategy to create enabling environment for entrepreneurship.

- Educate and equip potential and early stage entrepreneurs across India
- Connect entrepreneurs to peers
- Mentors and incubators
- Support entrepreneurs through entrepreneurship hubs E-Hub
- Catalyse a culture shift to encourage entrepreneurship
- Improve ease of doing business
- Improve access to finance.

On the **entrepreneurial front**, the policy addresses to **foster innovation driven and social entrepreneurship** to address the needs to the population at the bottom of the pyramid and broaden the base of entrepreneurial supply by meeting specific needs of both socially and geographically disadvantaged sections of the society.

The policy **advocates that all formal and vocational education will have to align themselves with National Skill Qualification Framework NSQF** by December 2018. The adoption of NSQF facilitates multiple pathways to a prospective trainee/youth to move horizontally or vertically both within the vocational education, vocational training, general education and technical education.

The NSQF also facilitates recognition of prior learning in the unorganised sector and facilitate the movement of unorganised sector workers into the formal sphere of vocational training or education for enhancement of their skills. As per estimates the total need for skilling in the country was estimated to be around 4 crore for 2015-2022, of which 30 crore were to be covered under upskilling and reskilling and the remaining 10 crores requiring skill training were the fresh entrants in labour market.

The **make in India programme is integrated with skill India mission** to meet its requirement of skilled manpower especially in technology intensive sectors like automobiles and auto components, electrical machinery, railways, renewable etc.

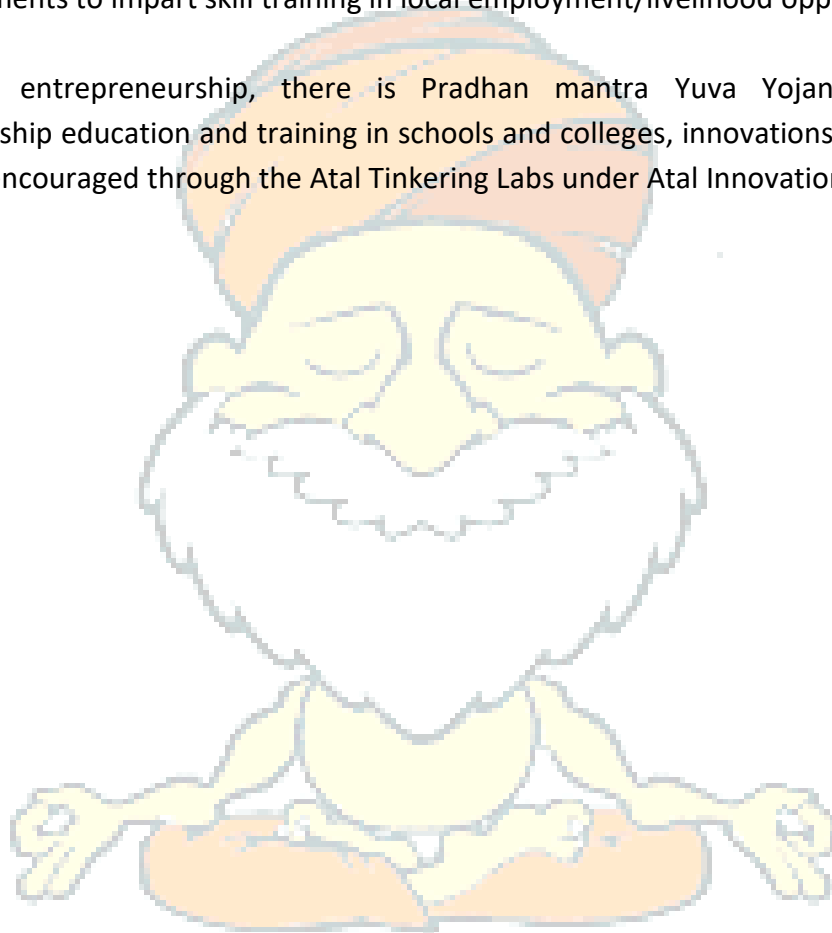
The **programmes aimed at improving the skilling landscape** such as PMVKY, SANKALP, STRIVE, Craftsmen Training apprenticeship training etc. would facilitate in creating an

environment for skilled manpower to meet the demand emerging from make in India services/

To increase skilling scale and speed, it is essential that **supply of skill training is closes to the skill catchment area** extending upto remote parts of the country. To facilitate this, the policy identifies using existing infrastructure/spare space available in schools, institutions of higher learning, post offices, Krishi Vigyan Kendras etc. all of which may be utilised for delivering basic skill education and practical training during the off hours/day.

The policy also mentions **setting up Kaushal Vardhan Kendras** at panchayat level by the state governments to impart skill training in local employment/livelihood opportunities.

To promote entrepreneurship, there is Pradhan mantra Yuva Yojana that offers entrepreneurship education and training in schools and colleges, innovations in schools and colleges are encouraged through the Atal Tinkering Labs under Atal Innovation Mission.



“Mentor India” Campaign launched by NITI Aayog

NITI Aayog will launch the Mentor India Campaign, a strategic nation building initiative to engage leaders who can guide and mentor students at more than 900 Atal Tinkering Labs, established across the country as a part of the Atal Innovation Mission. Atal Tinkering Labs are dedicated works spaces where students from Class 6th to Class 12th learn innovation skills and develop ideas that will go on to transform India. The labs are powered to acquaint students with state-of-the-art equipment such as 3D printers, robotics & electronics development tools, Internet of things & sensors etc.

Mentor India is aimed at maximizing the impact of Atal Tinkering Labs, possibly the biggest disruption in formal education globally. The idea is to engage leaders who will nurture and guide students. These labs are non-prescriptive by nature, and mentors are expected to be enablers rather than instructors. NITI Aayog is looking for leaders who can spend anywhere between one to two hours every week in one or more such labs to enable students experience, learn and practice future skills such as design and computational thinking.

NITI Aayog’s Atal Innovation Mission is among one of the flagship programs of the Government of India to promote innovation and entrepreneurship in the country to set up the Atal Tinkering Labs across the country. The Mission has is in the process of setting up 900+ such labs across India and aims to have 2,000 such labs by end of 2017.

Challenges in the skill sphere

- The perception about skill development still remains as skills to be imbibed by school/college drop-outs or those pursuing blue collar jobs

- While convergence of skill development scheme to common norms is achieved, issues still persist on convergence of generic skill programmes across central ministries.
- Timeline for the implementation of the national skill qualification framework is December 2018 but multiple certifying bodies still continue to lag behind.
- Shortage of trained/experience trainers
- Mismatch exist between the aspirations of the skilled trainees and the requirement of the industry
- Apprenticeship training yet to catch up in a big way with the industry especially the MSME units
- In rural areas where there is a shift towards non-farm employment, skill training more in the form of on-the job training
- In the fading handicrafts and handloom sectors the skills of rural weavers and artisans need to be upgraded and their skills need to be certified under RPL for up-skilling
- Skill training/education in entrepreneurship in rural areas in abysmal
- Information dissemination on placement of skilled trainees across the skill ecosystem is lacking/.

Way forward

With the advent of automation, robotics and cloud computing, job profiles keep changing frequently, hence reskilling and up skilling need to be given grater weightage in the overall skill programme as majority of work force in the prime group age.

NSQF compliance must be speeded up to facilitate the large proportion of the workforce in the unorganised sector to get recognition of prior learning and upgrade their skills.

Industry compliance in updating ITI curriculum, in upscaling technical knowhow for apprenticeship training, in making available the shop floor for apprentice training must be strengthened and extended to cover even the service sector apart from manufacturing.

ROLE OF NGOs AND PRIVATE SECTOR IN SILLING

According to economic survey, though **63% of the populations is economically active (15-59) years, only two per cent of the country's total population makes up its skilled workforce.**

In the coming years, 11-13 million people will aspire for employment opportunities each year.

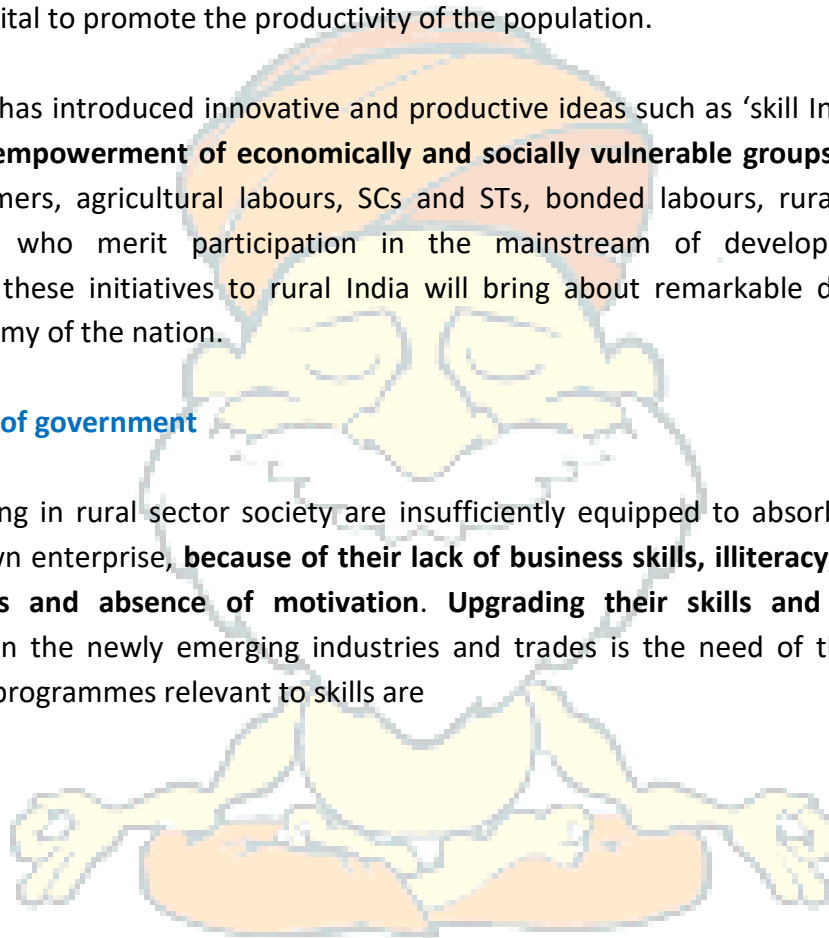
Sadly, for this large number of people the employability continues to be a major concern.

Young population is a boon if they are properly employed, otherwise they may become a liability. For enjoying the fruits of demographic dividend, it is important to raise investment in human capital to promote the productivity of the population.

Government has introduced innovative and productive ideas such as 'skill India' and 'make in India' for **empowerment of economically and socially vulnerable groups** like small and marginal farmers, agricultural labours, SCs and STs, bonded labours, rural artisan, rural women etc. who merit participation in the mainstream of development process. Channelizing these initiatives to rural India will bring about remarkable development in overall economy of the nation.

Programmes of government

People residing in rural sector society are insufficiently equipped to absorb credit and to start their own enterprise, **because of their lack of business skills, illiteracy, their inability to take risks and absence of motivation. Upgrading their skills and making them employable** in the newly emerging industries and trades is the need of the hour. Some government programmes relevant to skills are



National Rural Livelihoods Mission

- Training to unemployed youths under BPL category on various skills to facilitate their employment

Integrated Rural Development Programme

- Enable selected families to rise above the poverty line in a given timeframe with help of self-employment in different activities like agriculture, animal husbandry, horticulture, handicrafts, services and business activities.

Training Rural Youths for Self Employment

- Provide technical skill to rural youth (18-35 years) to enable them to seek employment in fields of agriculture, industry, services and business activities.

National Rural Employment Scheme

- Create additional employment opportunities in rural areas with the help of surplus food grains.

MGNREGA

- Enhance livelihood security of rural people by guaranteeing hundred days of wage employment.

Government is supreme but its programmes have limitations and they alone cannot mobilise all the resources needed for skill upgradation of rural people. Stakeholders like private organisations, NGOs, corporate social responsibility, diaspora, SHG, social workers, informal community based organisations and the family members also contribute to skill development of rural people. The role of other stakeholders in skilling rural India is

Non
Governmental
Organisations
(NGOs)

- They are voluntary, autonomous, non-profit units set up to address various problems and disadvantages in society.
- In the past, NGOs have helped government's agenda of development.
- Five Year Plans attached due importance to the role of NGOs in the development of rural sector.
- NGOs are flexible in their response to local needs.
- They have worked in less explored areas where government agencies have limited access.
- They have encouraged participation, boosted up democratic institutions and enhanced access to skill development.
- Government has formed different institutions to provide funds to NGOs- Khadi and Village industries, National Wasteland Development Board, Central Social Welfare Board and CAPART are few examples.
- For integrated development of rural areas, they generate awareness and prepare training modules for vocational training to the candidates.
- NGOs work in association with government skill initiatives like PMKVY, NSDC, ESDM

The role of NGOs in supplementing governmental effort is not questionable, still its involvement in the mainstream of skill development process is a subject matter of debate.

Corporate
Social
Responsibility
(CSR)

- CSR is also referred to as Corporate Citizenship.
- There may be short term costs that may not be financially beneficial to the company, but instead promote positive social and environmental change.
- Unaware of the available opportunities, most of the young people in the rural areas lack aspirations. Here the CSR steps in to align their training programme with the industry .
- Poor accessibility, problems of migration and need to mobilise the youth are some of the challenges faced by CSR.

It should be our efforts our efforts to kindle **aspiration among the youth for acquiring a skill as against a degree**, because skilling and role it plays in people's life has now assumed a social dimension.

Private
Partners

- Promotion of skill development by creating large, quality, for-profit vocational institutions is the gesture of private people.
- These private players provide support in setting up institutes for training of trainers to ensure quality across all training programmes to train rural youths.
- However, they face inadequate response as
 - aspirants lack motivation to enrol in fee based programmes and government programmes are free
 - Target groups reluctant to improve livelihoods as they fear missing out on government subsidies.
 - Finding good quality trainers is not easy.

Private players have to constantly find new foothold in the skill market to ensure the youth of gaining of critical skills and then necessary livelihood means thereof.

Social Workers

- Social work is a profession to empower people to develop their skills and to use available resources to resolve problems.
- They build capacity of rural folks by providing suitable skills and making the community sustain on its own.
- Rural India is nerve centre of known traditional skills such as carpet weaving, leather industry, silk embroidery, glasswork etc.
- It is the ingenuity of social workers to identify these skills and make suitable arrangements for the same.
- They fill in the knowledge gap between government programmes and unemployed youth of rural sector.
- To set up non farm livelihoods, social workers set up skills and vocational centres in rural settings and involve youth in courses such as mobile repairing, tailoring, make up, machine repair etc.

Social workers are agents of social change and can ensure enrolment of maximum number of beneficiaries.

Self Help Groups

- It is an informal association of people, usually composed of 10-12 people with its base in villages
- Voluntary membership, participatory planning, education and training, resource mobilisation, building linkages, ensure monitoring are some of the salient features of SHGs.
- Members of SHG are provided with training programmes so that they are able to develop the skills.
- Initially, they are groomed in reading, writing and speaking followed by computer skills, marketing, communication, maintaining documents etc.

Diaspora

- It is the movement of people away from their established homeland.
- UN report says that India now has the largest diaspora in the world and plays a crucial role in rural development of India.
- For instance, in Punjab, a village helped by diaspora is home to a successful rural polytechnic. The institute gives technical, computer and vocational training to village students.
- This village is an apt casestudy as to how all stakeholders- government, NGOs, diaspora can join hand for the village empowerment.

Conclusion

There are number of vocational opportunities which can change the direction of employment for men and women. The formal education system in India believes in creating learning opportunities for those who have the resources to access it.

The education system does not provide relevant programmes to women who are from lower economic status. However, in India, there are women in families who have inherited traditional skills like making khesh, dari, fulkari from their previous generation and they further extend these to new generations.

These skills are dying because they are not cost effective and hence cannot survive in the competitive market. Since these products are produced at local level, it lacks marketing. If these skills can be linked with the livelihood option then with proper training, packaging and marketing, it can survive and provide these people financial independence in addition to meeting the target of skilling 500 million people by 2022 envisaged by PM of India.

SCIENCE AND TECHNOLOGY FOR SKILL DEVELOPMENT

In today's world of ICT, along with numerous environmental, social, economic challenges, role of right education is the key to know how to handle the surrounding phenomenon.

Logical approach makes a person rational. Theoretically this tendency is called scientific temper. This temperament is required in the present society marked by enormous anomalies. A scientifically tempered person takes rational and informed decisions in daily life.

Innovation, entrepreneurship and skill development are inter-connected to each other.

Developed countries are the best examples that have used a great deal of brain to exercise science and technology for the skill development and their entrepreneurship to achieve their country's development in an innovative manner.

Through the growth of rural India aligned with the rational use of energy and natural resources, a sustainable development can be realised. For this, there is an urgent need for inculcating skills among Indian children and youth.

Government of India is working in this direction. ITIs are spread all over the country and have been proved as agents of change to revolutionise Indian youth to improve their skills. Along with it is, there are Advanced Training Institutes (ATIs) and polytechnics which also provide skills to youth.

Focus on employability and placement of trainees will be also shifted along with skill training. State governments would be encouraged to set up skill development and training centres at panchayat level with the help of SHGs and NGOs for mobilising and imparting skills pertaining to local employment, livelihood opportunities to school dropouts, adolescent girls, housewives and rural youth and encourage innovative approaches that will be adopted to raise the capacity of the system extensively over a limited period.

Today's India is attaining new heights in scientific and technological advancements. Linkages between rural youth and S&T based entrepreneurship will create new history. This is the high time to mobilise rural youth to become entrepreneurs who will shape a new India tomorrow.

Skilling and rationality

As we know, suppression is the child of ignorance and mother of misery. Miracles are illogical as well as impossible. The root cause behind the development of superstitions are lack of education and lack of logical thinking in the society. Superstition also contradicts modern science. Thus, the reason is the light of the mind.

Art 51 (h) of Indian constitution- "to develop the scientific temper, humanism and the spirit of inquiry and reform" as a fundamental duty for every Indian citizen.

To make youth rational, parents, teachers, scientists, science communicators can be the agents to create scientific awareness in the society. Parents play significant role through personal guidance and real life examples. In schools, teachers should encourage healthy discussions in the classroom on logical thinking and its process. Government can also intervene to incorporate the component of scientific temper in the curricula.

Apart from special TV and radio programs, workshops and trainings based on need and prospects of the skill training and development will also be very effective in rural areas.

Doordarshan and AIR, National Council Of Science And Technology, National Institute Of Science And Information Resource, Vigyan Prasaar and National Council Of Science Museum are specifically working as the extended arms of government to create scientific awareness in the country.

STI and entrepreneurship

India is the first country in the world to adopt a national science policy (scientific policy resolution 1958). Then there was S&T policy 2003 and STI policy 2013.

In 21st century, India has put emphasis on innovation along with S&T. It is evident that science, technology and innovation have emerged as major drivers of national development. As India aspires for faster, sustainable and inclusive growth, the Indian STI base with advantage of a larger demographic dividend and the huge youth talent pool will need to play a vital role in achieving the national goals.

One of the key objective of STI is to enhance science, technology and innovation among youth from all social strata.

Skilling through innovation

Innovation plays a crucial role in addressing and solving the pressing challenges of energy and environment, food and nutrition, water and sanitation, health care, skill building etc. Innovation in skill and potential building among rural youth is very significant. However, technological applications are largely restricted urban areas. Rural areas have not reaped enough benefits from them. So, technological benefits have to be penetrated in the hinterlands to bring out true potential of scientific temper.

Way forward

Scientific and technological advancements lead to unemployment- advent of automation lead to risks of losing job in manufacturing and service sector. With aid of innovative approach and rationale mindset, a balance between technological advancements and skill development can be established. This will motivate the rural as well as urban population to contribute to national development. In this process, being key stakeholder, women must also participate to develop her skills. This way they will add to family income and improve their standard of living as well as participate in achieving national goals.

Trade Related Entrepreneurship Development Assistance Scheme (TREAD) women entrepreneurship programme

Trade Related Entrepreneurship Development Assistance Scheme (TREAD) envisages economic empowerment of women. There is a provision of Govt of India Grant upto 30 per cent of Loan/ credit sanctioned subject to maximum ceiling of 30 Lakhs to NGOs as appraised by Lending Institutes/ Banks for undertaking capacity building activities such as Training, counselling, Participation in exhibitions, establishment of new SHGs etc and other components as approved by Bank/Steering Committee.

The focus of the scheme is to promote self-employment and income generation activities for women mostly from SHG groups in non-farm sector. The non-farming activities usually taken up by women include Tailoring, Handicrafts, Embroidery, Toy making, Readymade garments, Candle making, Agarbatti making, paper cup and plate making, Masala powder making, Saree weaving, Coir mat making, Pickles making, Readymade garments, basketry and brooms making, Jute bag making etc.

Government e-Marketplace (GeM)

Public procurement forms a very important part of Government activity and as a reform in Public Procurement, Government e-Marketplace (GeM) was launched with the aim to transform the way in which procurement of goods and services is done by the Government Ministries/Departments, PSUs, autonomous bodies etc.

GeM (<https://gem.gov.in/>) is a completely paperless, cashless and system driven e-market place that enables procurement of common use goods and services with minimal human interface.

Benefits of GeM to the Government, Sellers and the Indian industry and economy

- **Transparency:** Being an open platform, GeM offers no entry barriers to bonafide suppliers who wish to do business with the Government. At every step, SMS and e-Mail notifications are sent to both buyer, his/her head of organization, paying authorities as well as sellers.
- **Efficiency:** Direct purchase on GeM can be done in a matter of minutes and the entire process in online, end to end integrated and with online tools for assessing price reasonability
- **Secure and safe:** GeM is a completely secure platform and all the documents on GeM are e-Signed at various stages by the buyers and sellers. The antecedents of the suppliers are verified online and automatically through MCA21, Aadhar and PAN databases.
- **Potential to support Make in India:** On GeM, the filters for selecting goods which are Preferential Market Access (PMA) compliant and those manufactured by Small Scale Industries (SSI), enables the Government buyers to procure Make in India and SSI goods very easily.
- **Savings to the Government:** The transparency, efficiency and ease of use of the GeM portal has resulted in a substantial reduction in prices on GeM, in comparison to the tender, Rate Contract and direct purchase rates. The average prices on GeM are lower by atleast 15-20 per cent, and in some cases even upto 56 per cent.

Pradhan Mantri YUVA Scheme

The Ministry of Skill Development and Entrepreneurship (SDE) and Wadhvani Operating Foundation (WOF) signed two Agreements for jointly developing and implementing Entrepreneurship and Skill Development initiatives in the country with the Pradhan Mantri YUVA Scheme being the first joint effort in this regard.

Pradhan Mantri YUVA Scheme launched by the Ministry during November, 2016 aims at providing on line Entrepreneurship Education to about 15 lakh students across the country through 3050 Project Institutes consisting of Institutions of Higher Learning; Schools; ITIs and Entrepreneurship Development Centres, both Government and Private. The on-line Entrepreneurship Modules will be duly supplemented by the class room based experiential learning activities and practicums which will be facilitated by specially trained Faculty of the educational institutions. The Ministry would also provide financial assistance to these institutions up to Rs.450 crores.

The five-year Scheme is expected to witness setting up of more than 23,000 enterprises thus resulting into creation of more than 2.30 lakh direct and indirect jobs in the country. The Scheme also envisages delivery of specially developed Social Entrepreneurship Modules to interested students in Institutions of Higher Learning. The WOF, the Knowledge Partner is contributing, free of cost, Software, Content, faculty, field staff training and program consulting services under the Scheme.



SAMPADA (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters)

SAMPADA is an umbrella scheme and a comprehensive package to give a renewed thrust to the food processing sector in the country through ongoing schemes like Mega Food Parks, Integrated Cold Chain and Value Addition Infrastructure, Food Safety and Quality Assurance Infrastructure, etc. and also new schemes like Infrastructure for Agro-processing Clusters, Creation of Backward and Forward Linkages, Creation / Expansion of Food Processing & Preservation Capacities. The objective of SAMPADA is to supplement agriculture, modernize processing and decrease agri-waste. It is for the period 2016-20 coterminous with the 14th Finance Commission cycle.

The implementation of SAMPADA will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet. It will not only provide a big boost to the growth of food processing sector in the country, but also help in providing better prices to farmers and is a big step towards doubling of farmers' income. It will create huge employment opportunities especially in the rural areas. It will also help in reducing wastage of agricultural produce, increasing the processing level, availability of safe and convenient processed foods at affordable price to consumers and enhancing the export of the processed foods.

SAMPADA with an allocation of Rs. 6,000 crore is expected to leverage investment of Rs. 31,400 crore, handling of 334 lakh MT agro-produce valuing Rs. 1,04,125 crore, benefit 20 lakh farmers and generate 5,30,500 direct/ indirect employment in the country by the year 2019-20.

Indian Skill Development Service

The Ministry of Skill Development and Entrepreneurship (MSDE) has set up Indian Skill Development Services (ISDS). The notification in this regard has been issued on 4th January 2017. This service has been created for the Training Directorate of the Ministry of Skill Development and Entrepreneurship. With notification of this service the skill ecosystem is expected to get strengthened and modernised in line with the current scientific and industrial development in the country. The Indian Skill Development Service (ISDS) will have 263 all India posts. The cadre shall comprise of 3 posts at Senior Administrative Grade, 28 posts at Junior Administrative Grade, 120 posts at Senior Time Scale and 112 posts at Junior Time Scale. The Academy for training of the cadre will be National Institute of Skill Development

ISDS will be a Group 'A' service where induction will take place through Indian Engineering Service Examination conducted by UPSC. It is an attempt to attract young and talented administrators for Skill Development. The knowledge acquired by the engineers recruited will give new impetus to the initiative of the government to the skill development and also efficient and effective implementation of the schemes. Skill India Mission is expected to supply huge human resource not only in India, but also internationally. This is a step forward to meet the target of skilling 500 million people by 2022.

**All the Best
IASbaba**

