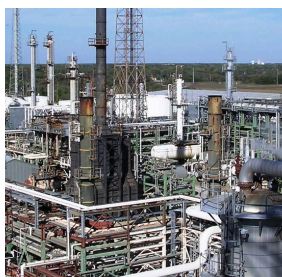




RAJIV GANDHI
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Status and Prospects of Employment Generation and Wage Enhancement in Madhya Pradesh 2024-2029

March 2024



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T Navin, ILRT

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Rajiv Gandhi Institute for Contemporary Studies (RGICS)

**Rajiv Gandhi Foundation
Jawahar Bhawa
New Delhi**

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Contents

1 Context of unemployment problem in Madhya Pradesh.....	6
1.1 Aspirations of various socio-economic segments.....	8
1.2 Development challenges and livelihoods situation of socio-economic segments and vulnerable groups.....	10
2 Highlights of Labour and Employment Status in Madhya Pradesh.....	12
2.1 Labour Force Participation Rate (LFPR) and Worker Population Ratio (WPR) across various categories.....	12
2.2 Employment by Sectors.....	14
2.3 Status of Employment.....	15
2.4 Wages.....	16
2.5 Unemployment.....	16
3 State, Private sector and voluntary initiatives for employment promotion.....	18
3.1 Initiatives by the state.....	18
3.2 Private sector initiatives towards employment promotion.....	19
3.3 Voluntary sector initiatives towards employment promotion.....	19
4 Policy Recommendations.....	21
4.1 Addressing employment challenges – an alternative strategy.....	21
4.2 Changing approach from Inter-sectoral shifting to intra-sectoral proficiency enhancement.....	23
4.3 Intra-sectoral proficiency enhancement in various sub-sectors.....	25
5 New approaches for employment promotion.....	30
5.1 One district, one product (ODOP) products Strategy.....	30
5.2 District Export hubs as centers for reaching external markets.....	32
5.3 DISC approach for Employment promotion Investments.....	35
6 Sectoral challenges in Madhya Pradesh and suggestions for addressing these.....	39
6.1 Agriculture.....	39
6.2 Horticulture.....	40
6.3 Animal Husbandry.....	41
6.4 Fisheries.....	42

6.5 Forestry.....	43
6.6 Industry.....	44
6.7 Services.....	45
7 Investments needed to address unemployment and wage enhancement.....	46
7.1 Investment needed.....	46
7.2 Sources of Investment.....	48
8 Conclusion.....	49



1 Context of unemployment problem in Madhya Pradesh

Madhya Pradesh is the second largest state in India. Its population is 7.26 crores. The sex ratio is 931. The population of scheduled caste (SC) and scheduled tribe (ST) is 15.6% and 21.1%. Literacy rate is 72.98%. The state has 53 districts, 333 blocks and 54,903 villages. The rural population is 72.4% and urban population 27.6%.

The **Gross State Domestic Product** (GSDP) of Madhya Pradesh for 2023-24 (at current prices) is Rs 13,87,117 crore. The contribution of primary, secondary and tertiary sector to GSDP was 47%, 19% and 34%, respectively. The per capita income during 2021-22 was Rs. 1,37,339. Madhya Pradesh is one of the poorest states in India as per the Multi Poverty Index. Sectoral, spatial and segmental inequalities along with unemployment continues to be one of the challenges in Madhya Pradesh.

Unemployment among youth was found to be at 4.4% in 15-29 age category with male and female unemployment at 4.6% and 3.9% respectively as per PLFS 2022-23. Within youth, rural unemployment stood at 2.3% and urban unemployment at 13.1%. Within the working age population 15-59, the unemployment rate was 1.7% with male and female employment at 1.9% and 1.3% respectively. Educated youth unemployment is an emerging problem. While different sectors of the economy are getting a boost, particularly the primary and tertiary sector, it has not been adequately creating employment opportunities.



[Source: Image](#)

Recruitments in public employment are limited by vacancies available and possibilities for recruitment, though it continues to be the preferred choice. Private sector employment is only providing employment to a limited segment at middle or higher levels of the pyramid with higher level technical skills. The social and psychological stress created by unemployment in the state results in mental health issues.

The problem of unemployment is faced more by marginal segments of society such as SC, ST and OBC. Given this scenario, there is a need to assess the unemployment situation in Madhya Pradesh and identify potential solutions. A study was conducted in Madhya Pradesh to assess the scenario of various socio-economic segments and occupational groups related to their employment & unemployment status and wage income status.

The scope of the study was four-fold. The first was to conduct a macro-analysis of developmental challenges including in livelihood and unemployment status among the socio-economic segments and occupational groups.

Secondly, to conduct micro-analysis of developmental challenges including in aspects of employment and livelihoods as witnessed in rural and urban settings by the socio-economic segments and occupational groups.

Thirdly, to understand the gaps in the current programs and policies which does not necessarily address the current deficits.

Fourthly, to recommend suggestions which address development deficits among socio-economic segments and occupational groups including in livelihoods and employment and improve their overall development status.

The field study was conducted in Chhindwara, Mandla, Sagar and Shivpuri districts of MP.



[Source: Image](#)

1.1 Aspirations of various socio-economic segments

The current endowments and livelihood aspirations of the socio-economic and occupational segments are as follows: -

Social and Occupational Segment	Current Endowments	Aspiration for development and livelihoods in Madhya Pradesh
Scheduled Caste	<ul style="list-style-type: none"> • Constitutional provisions for SC protection • Affirmative Action in public services • Welfare and Empowerment schemes • Livelihood Skills • Growing educational levels • SC Sub-Plan, Finance corporation 	<ul style="list-style-type: none"> • Access to quality education • Eradication of Caste discrimination • Land ownership. • Safe, secure, and sustainable livelihoods • Effective implementation of affirmative action policies • Higher and more effective representation in politics and higher public offices
Scheduled Tribes	<ul style="list-style-type: none"> • FRA guarantees land ownership and pattas. • Tribal sub-plans with provisions for dedicated funds • Scope for participation in local governance through PESA • Assets – Land • Livelihood skills • Growing access to education 	<ul style="list-style-type: none"> • Protection of traditional lands and resources • Effective implementation of forest rights act • Access to healthcare and educational facilities in tribal areas. • Sustainable livelihood options. • Increased participation in decision making process. • Assured benefits under PESA for tribal areas
Minority	<ul style="list-style-type: none"> • Minority institutions – Minority finance corporation, Waqf Boards, Minority commission and welfare departments • Growing levels of education • Livelihood skills in non-farm sector 	<ul style="list-style-type: none"> • Equal access to opportunities • Nondiscrimination in day to day lives. • Representation in government and public institutions • Access to education • Access to quality employment opportunities
Youth	<ul style="list-style-type: none"> • Growing levels of education • Availability of opportunities for enhancing skilling by state skill development program • Availability of opportunities for mentorship in entrepreneurship – training R-SETI-, DIC, finance support MFIs 	<ul style="list-style-type: none"> • Access to quality education and skill development • Access to employment opportunities • Support for enterprise – financial, legal, business guidance and mentoring. • Meaningful participation in public life and decision making. • Increased voice and representation on public issues
Women	<ul style="list-style-type: none"> • Growth of SHG movement contributing to widening access to finance, social capital and livelihood skills • Growing educational levels of women and families more open to girl child education • Increased opportunities for accessing skill programs and finance. • Increased representation in local governance • Availability of institutions such as R-SETI for entrepreneurship training 	<ul style="list-style-type: none"> • Gender equality and freedom from discrimination • Access to quality education and healthcare • Economic empowerment and secure livelihoods • Safe and secure employment • Higher voice and representation

Social and Occupational Segment	Current Endowments	Aspiration for development and livelihoods in Madhya Pradesh
Small and Marginal farmers	<ul style="list-style-type: none"> • Programs for input assistance, irrigation, credit access such as KCC, procurement programs through MSP • Availability of institutions to support farmers in extension – KVKs, ATMA • Traditional farming skills of the farmers • Emergence of collectives – FPOs 	<ul style="list-style-type: none"> • Improved productivity from land • Improved irrigation infrastructure and access to water • Financial assistance and access to credit • Adoption of modern farming techniques and crop diversification • Assured price for produce
Agricultural workers	<ul style="list-style-type: none"> • Programs of livelihood security – MGNREGA contributing to increased wage income • Scope for taking up cultivation through land leasing and land ownership. • Availability of alternative livelihood options 	<ul style="list-style-type: none"> • Improved wage incomes • Opportunities for land ownership • Diversification of livelihood opportunities • Protection for agricultural workers
Informal sector workers (manufacturing and service)	<ul style="list-style-type: none"> • Legal provisions for worker welfare – minimum wages, inter-state migrant workers act, social security welfare boards • Availability of institutions to assist in labor rights – Trade Unions, India labor line, occupation specific worker collectives 	<ul style="list-style-type: none"> • Improved livelihood and social security • Access to rights of workers • Access to skill development programs • Access to financial services for setting enterprise • Community ownership of enterprises



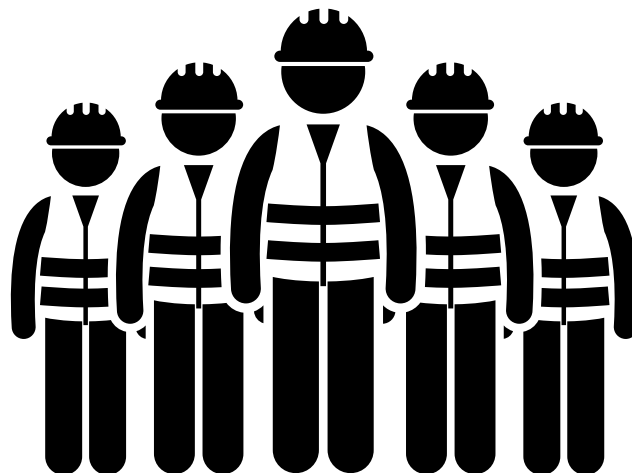
Source: Image

1.2 Development challenges and livelihoods situation of socio-economic segments and vulnerable groups

The development and livelihood challenges of socio-economic segments and occupational groups are as follows: –

Social Segment	Development Challenges	Livelihood challenges
Scheduled Caste	<ul style="list-style-type: none"> • Social discrimination in access to basic amenities and services • Persistence of untouchability in varied forms • Low education and high dropout rates • Poorer access to healthcare services leads to high mortality, morbidity. • Exposure to hazardous living conditions • Low political representation 	<ul style="list-style-type: none"> • Inequitable land ownership patterns • Wage discrimination in labour market • Disproportionately represented in low paying, informal sector jobs • Limited access to credit, markets and government schemes hindering ability to start business. • Limited access to skill development and employment opportunities • Lack of affirmative action in private sector and low absorption in private sector employment • Benefits under SC sub-plans and SC finance corporation not forthcoming as expected
Scheduled Tribes	<ul style="list-style-type: none"> • Displacement due to development projects, mining and protected area creation leading to livelihood loss. • Skill upgradation limited to opting for non-forestry based livelihood occupations. • High illiteracy particularly for the girl child • Cultural barriers and geographical remotes limit access to healthcare. • Malnutrition, higher morbidity and mortality • Land alienation and loss of traditional resources. • Threats to tribal culture, customs traditions • Poor infrastructure in tribal villages – roads, electricity, sanitation facilities, drinking water. • Social discrimination and exclusion 	<ul style="list-style-type: none"> • High dependence on traditional livelihoods • Depletion of forests by commercial interests threatening tribals • Ineffective implementation of forest rights act (FRA) • Limited access to skill development and employment opportunities • Exploitation by middlemen and debt bondage • Low market access and difficulty in marketing tribal produce • Benefits under ST sub-plans and ST finance corporation not forthcoming as expected
Minority	<ul style="list-style-type: none"> • Low level of education and reliance on traditional / religious education • Lower access to quality health care • Low political representation leads to low articulation for redressing grievances. • Lack of comprehensive programs for socio-economic development of Minority population 	<ul style="list-style-type: none"> • Discrimination and prejudice restrict access to formal employment opportunities, promotions and fair wages. • Inadequate access to skill development opportunities • Lack of access to financial capital hindering entrepreneurship and business opportunities • Benefits through Minority finance development corporation not upto required limit
Youth	<ul style="list-style-type: none"> • High level of unemployment particularly among educated youth. • Skill mismatch between evolving job market needs and skills possessed. • Unequal access to quality vocational / skill education • Limited opportunities in non-traditional livelihood occupations 	<ul style="list-style-type: none"> • High focus on government employment • Predominant employment in informal jobs • Limited access to vocational training and career guidance • Lack of entrepreneurship support to access finance, mentoring and incubation facilities • Limited opportunities for income enhancement • Rural Urban migration in search of employment opportunities

Social Segment	Development Challenges	Livelihood challenges
Women	<ul style="list-style-type: none"> • High female illiteracy rate • Limited access to quality education • Gender stereotyping leading to restriction of employment choices for women. • Low access to health care – reproductive health issues • Domestic violence and Gender based discrimination • Lack of land ownership and inheritance rights • Limited role in household and livelihood decision making 	<ul style="list-style-type: none"> • Low female labour force participation rates (LFPR) • Wage gap and gender discrimination • Limited employment opportunities for women due to low growth of sectors with potential for women employment • Inadequate skill development trainings focused on exclusive women centric livelihood skills. • Challenges related to women in informal sector related to work, income and working conditions – beedi workers, domestic workers, workers in handicraft sector
Small and Marginal farmers	<ul style="list-style-type: none"> • Limited land holdings limit scope for investing in farm improvements. • Limited access to irrigation limits crop productivity • High input costs • Inadequate access to credit and high cost of credit • Lack of access to quality seeds and fertilizers • Limited access to extension services • Inadequate benefits from weather insurance schemes 	<ul style="list-style-type: none"> • Low and insufficient income • Predominance of subsistence farming • Low crop diversification • Vulnerability to climate changes • Low bargaining power of farmers to determine prices and limited scope of minimum support price (MSP) mechanism. • Inadequate post-harvest infrastructure leading to post harvest losses. • Inadequate loss compensation through fasal Bheema yojana • Minimum support price (MSP) limited to few crops
Agricultural workers	<ul style="list-style-type: none"> • Low wages and informality of work • Threat of mechanization leading to job losses • Limited opportunities for wage enhancement • Lack of adequate employment opportunities • Dependence on middlemen for finding work particularly outside the state 	<ul style="list-style-type: none"> • Seasonal unemployment and underemployment • Irregularity of work and income • Landlessness • Low livelihood diversification • Lack of alternative livelihood options • Lack of schemes for income enhancement of agricultural workers
Informal sector workers (manufacturing and service)	<ul style="list-style-type: none"> • Lack of livelihood and social security • Unstable and unpredictable income • Limited access to opportunities for education, skilling, and training • Vulnerability to shocks and crises • Lack of formal recognition and voice • Occupational hazards and lack of protection from risks 	<ul style="list-style-type: none"> • Informal employment relations • No work contract, paid leave, social security • Low wages • Poor working conditions • Limited opportunities for wage enhancement • Lack of access to capital hinders investment in starting a business



2 Highlights of Labour and Employment Status in Madhya Pradesh

2.1 Labour Force Participation Rate (LFPR) and Worker Population Ratio (WPR) across various categories



[Source: Image](#)

In case of more disadvantaged Scheduled Tribes, it was 49.2%, followed by Scheduled Castes 41.2%, other backward castes 40.7% and others 39.4%.

Similar thing is found with WPR, where it was Scheduled Tribes 48.0%, Scheduled Caste 39.4%, Other backward castes 39.1% and other 37.5%.

While higher LFPR and WPR among disadvantaged groups indicates a positive trend, it is also a result of lower returns on labour work undertaken. The lower returns from labour activities forces a greater number of household members to engage in labour work.

Similarly, in socially advantaged households, as there are economic advancement members from households particularly females are made to withdraw from labour engagement.

LFPR and WPR among the upper decile groups was higher than the overall state LFPR and WPR rates and the unemployment rates. In case of Madhya Pradesh, while LFPR was 38.4%, for last decile category it was 43.8%. Similarly, while WPR was 36.5% for the last decile group, it was 39.8%.

Similar pattern is found in relation to unemployment rate where among the top two decile groups it was more than the state average. Hence with increased economic status, while there is higher LFPR and WPR, there is also greater unemployment rate as more labour is available for work to accept higher paying employment.

2.1.1 Gender factors lead to low female labour participation rates

Gender patterns reveal that LFPR in India was low among females with LFPR at 24.8% and male LFPR at 57.3%. A similar pattern can be seen across Madhya Pradesh.

Comparative LFPR between male and female in Madhya Pradesh were 59.6% and 19.3%. High differentials in male and female LFPR despite the increasing female education access only indicates the lower absorption of women into the economy.

LFPR of Youth (15-29) age group was much below that of whole working age group (15-59) indicating lower youth absorption in labour force for youth in Madhya Pradesh at 47.6%. This was much below that for whole working age group, which was Madhya Pradesh 65.3%.

This trend indicates that there is a growing joblessness of youth with not enough jobs getting created for youth in proportion to their availability for work.



[Source: Image](#)

2.1.2 WPR of youth below the state average for all age groups

WPR of youth at both national and state level was below the national and state average. At national level, while the WPR for population 15 and above was 39.6%, for the 15-29 age group it was 36.8%. Similarly, the WPR for youth was 44.7%. This was below the overall WPR of 60.7% for population 15 and above. This indicates lower absorption of youth taking place in employment.

2.1.3 WPR is slightly higher for graduates and above than the average state WPR

Educational progress brought slight improvements in WPRs. In Madhya Pradesh, while overall WPR was 62.0%, among graduates and post-graduates it was 64.5% each. This indicates that higher education unlike anything below higher educational level has potential to absorb youth into better paying employment.

2.2 Employment by Sectors

2.2.1 Primary sector in rural areas and tertiary sector in urban areas predominant

In rural areas, the primary sector is the dominant sector of employment in Madhya Pradesh with 71.7% dependent on it. In urban areas, the dominant sector of employment was tertiary sector in Madhya Pradesh with 61.7% dependent on it.

Hence income enhancement efforts should be focused on primary sector for rural areas and largely tertiary services in urban areas. Intra-sectoral income enhancement efforts should be undertaken. Partial intersectoral shifts should be attempted from primary sector in rural areas and service sector in urban areas.

2.2.2 Agriculture in rural areas and Trade, Hotels, Restaurants and Manufacturing were predominant in urban area

While 59% were engaged in agriculture in rural areas, in urban areas the share of trade, hotels and restaurants were 22.8% and the share of manufacturing was 22.2%. In Madhya Pradesh, the share of persons with agriculture employment was 73.6% in rural areas. The share of persons in manufacturing employment in urban areas in Madhya Pradesh 15.91%, Construction 11.69% wholesale and retail trade 22.64%.



[Source: Image](#)

2.3 Status of Employment

2.3.1 Self-employment in rural areas and wage and salaried employment in urban areas

Both at the national level and in the state, self-employment in rural areas and wage and salary employment in urban areas was the dominant form of employment pattern. While about 54% were absorbed in self-employment in rural areas, about 43.2% were absorbed in wage / salary employment in urban areas.

Self-employment in rural areas of Madhya Pradesh was 63.3%. In urban areas, wage and salary employment was 42.1%. Higher self-employment in rural and urban areas is more forced and not opportunity self-employment emerging from desire for pursuing entrepreneurship. The lower share of salaried employment only indicates the level of informality.

2.3.2 In self-employment, a greater proportion of female are helpers

In self-employment, both in rural and urban areas, there is a greater proportion of female engaged as helpers in own account enterprise. For Madhya Pradesh it was 54.6%. This indicates that while most of the enterprise ownership is with male, the engagement of females has been more in form of helpers.

This also means that female tend to be mostly unpaid workers assisting the family self-employment without adequate ownership over the same.



[Source: Image](#)

2.3.3 Informality predominant in employment relations

At the national level, 62% wage / salaried employed did not have written contracts; 49.2% were not eligible for paid leave and 53.0% did not have any social security. Those without written contracts for Madhya Pradesh were 52.5%, those without paid leave similarly 55.7%, those without social security 56.6% and with those none of these 40.4% for Madhya Pradesh. The permeation of informal employment only indicates the quality of employment and thus suggests lacking aspects of decent work.

2.4 Wages

2.4.1 Wages received are less than the stipulated minimum wages

The average wages received by the workers were lesser than the minimum wages. In Madhya Pradesh, while the minimum wages prescribed is Rs. 371 per day and Rs. 9,733 per month, the actual wages were Rs. 246 per day. Even in case of urban male where in other states is found high than stipulated, the actual wages were lesser than the minimum at Rs. 326 per day.

In case of urban male, monthly income were more than the suggested minimum wages which was Rs. 13,447. Hence a need arises to ensure compliance with minimum wage standards in the informal sector both in rural and urban areas.

2.4.2 Gender differentials exist in wages and income

There tends to be differences in wages across males and females in both rural and urban areas. Sometimes it tends to be 1.5 times higher in rural areas and twice high in urban areas. There is a need to reduce this gender differential of wages.

2.5 Unemployment



[Source: Image](#)

2.5.1 Unemployment rate increases with increases in educational levels

Among those educated secondary and above, female unemployment was 12.6% and male unemployment 8.1% which was higher than other educational levels. This indicates that with additional acquisition of education, unemployment too grows as the educated prefer to find jobs relevant to the aspirations. In Madhya Pradesh 11.1% graduates, and 10.6% diploma / certificate holders were unemployed. Hence the challenge of educated unemployment is a crisis that may need to be addressed.

2.5.2 Youth unemployment higher than the average across all age groups

At the national level, unemployment rate for youth was 15% in comparison to overall unemployment across all categories at 8.8%. Similarly, while the figures for overall unemployment in Madhya Pradesh were 4.0%, in the case of youth it was 6.0%. This indicates the intensity of youth joblessness.

2.5.3 Vocational educational levels are very low

Penetration of vocational education indicates that its penetration was more among younger age group 15-29 which was 4.1% in comparison to 3.4% for 15-59 age group. Hence it indicates that there has been slight improvement in accessing vocational education by youth though not adequate.

2.5.4 Unemployment rate increases with more advantageous social position

Unemployment rate increases with more advantageous social position. Unemployment rates for different social categories were Scheduled Caste 2.4%, Scheduled Tribe 4.4%, Other backward castes 3.9% and others 4.9%. Higher unemployment among others seems to be due to higher preference for blue colour jobs among other category but due to its lower availability.

Unemployment rate as per religion shows that for Hindus, Islam, Christians and Sikhs, they were 3.9%, 4.4%, 5.8% and 6.2%, respectively. This shows that with increased minority status, unemployment rate increases.

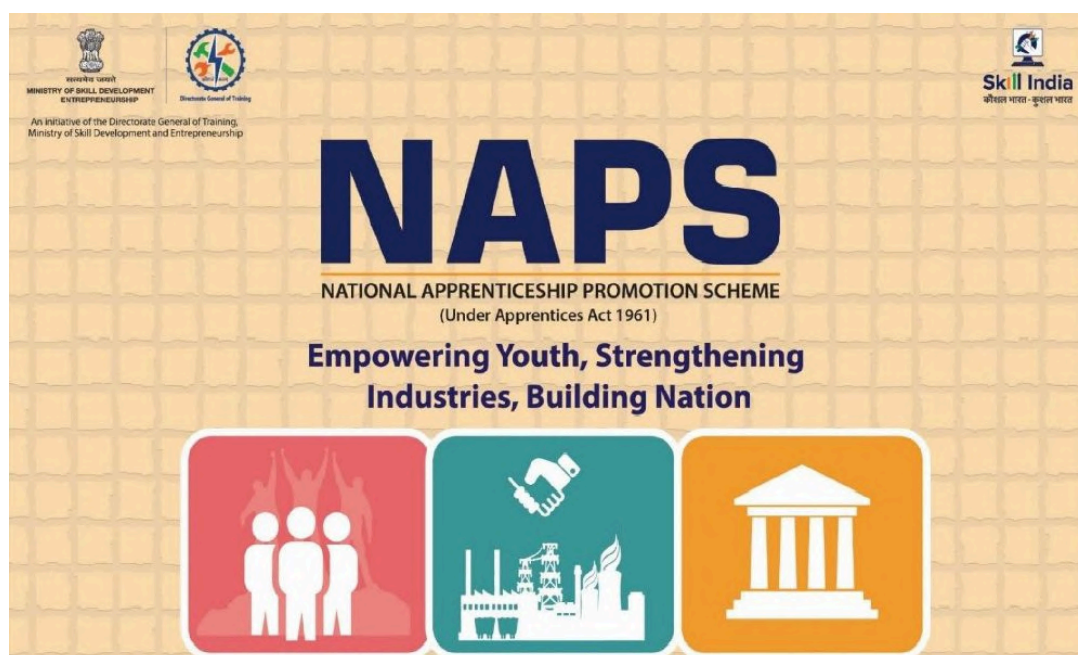


[Source: Image](#)

3 State, Private sector and voluntary initiatives for employment promotion

3.1 Initiatives by the state

Several initiatives have been taken at central and state level. The initiatives being taken by the state to promote employment can be broadly categorised into Skill development and training initiatives, Promotion of Entrepreneurship and Startups, expanding infrastructure development, encouraging formalization of the workforce and supporting rural development and agriculture. These have been taken up at both the central and state level. Some of the national level initiatives include Pradhan Mantri Kaushal Vikas Yojana (PMKVY), National Apprenticeship promotion scheme (NAPS), Skill India Mission. Similarly at the state level, there have been initiatives such as Chief Minister's Kaushal Protsahana Yojana (CMKPY) and Chief Minister's Skill Promotion Scheme aimed at strengthening skills-based ecosystem in the state.



[Source: Image](#)

To strengthen startup, initiatives that have been started at national level include startup India, Atal India Mission (AIM), Make in India, Prime Minister's Employment Guarantee Program (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI). In the state, initiatives such as Madhya Pradesh Startup policy 2022 and MP Global investors summit are aimed at building entrepreneurship ecosystem in the state.

Promotion of roads, highways, road and rail networks, power generation are other means. At the state level, for strengthening infrastructure Madhya Pradesh Road Development Corporation (MPRDC), Madhya Pradesh Metro Rail Corporation Limited (MPMRCL) and Madhya Pradesh Power Management Company Limited (MPMPCL) have taken up initiatives which also promote employment.

Efforts in the direction of formalisation of workers for greater social security is through the role played by Employees Provident Fund Organization (EPFO), General Insurance Corporation (GIC), National Social Security Schemes.

Madhya Pradesh State Social Security Board (MPSSSB) is responsible for implementing various social security schemes for workers in the state.

Efforts in the direction of agriculture and rural development are through schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Pradhan Mantri Krishi Sinchai Yojana (PMKSY).

In Madhya Pradesh, there are schemes such as Krishi vikas yojana and minimum support prices (MSP) which are aimed at improving conditions of the farmers. National Rural Livelihood Mission (NRLM) at national level and Madhya Pradesh State rural livelihood mission (MP-SRLM) at state level have been into promoting self-help groups, building rural development institutions, financial inclusion and micro-enterprise development for addressing the challenge of livelihoods.

3.2 Private sector initiatives towards employment promotion

Private sector has adopted direct and indirect approach towards employment promotion. The direct efforts are through hiring individuals in the company. Start of production and service units creates employment opportunities.

There are large units in Automobiles, Textiles, Food processing and Cement. Other initiatives are through providing skill trainings under industry networks such as that of Confederation of Indian Industry (CII) or through CSR foundations of Industries. Incubation and small business enterprise programs have also been offered.

3.3 Voluntary sector initiatives towards employment promotion

Some of the voluntary sector initiatives for employment promotion have been through Development of Agri and Agri allied sectors through CSOs such as Indian Grameen Services (IGS), PRADAN, BAIF, ASA, etc.

Many of the organizations such as Basix Academy for Building Lifelong Employability (B-ABLE), PRATHAM, Don Bosco Tech, ILFS, Tech Mahindra are offering skill training in a number of sectors.

Organizations such as BASIX, Ujjivan, Bandhan, and SKS either in the past or currently provided microfinance services for enhancing self-employment of women.

Some of the voluntary sector initiatives for creating producer owned enterprises include MP Oilseed Growers' Federation, and Kesla Poultry Cooperatives Federation.

3.3.1 Limitations of employment promotion programs

Despite the efforts made in employment promotion by state, private and voluntary sector, the challenge of unemployment continues. The limitations are summarised below:

Type of efforts	Limitations from employment generation perspective
Skill development programs	Misalignment between Skills and Market needs; Skill programs not sufficient to meet industry standards; Lack of industry involvement in developing skill programs; more focus on supply driven and not demand driven skilling; Weak Industry-Academia collaboration; Inadequate infrastructure of Skill training institutes; Shortage of qualified trainers; Access and awareness barriers among marginal groups – women, rural youth, person with disabilities; Ineffective marketing and outreach; High turnover in placed employment; Employment placement in informal employment with low pay and low social security
Entrepreneurship and start up programs	High failure rates of startup; Limited access to capital for aspiring entrepreneur; Lack of business skills and experience; Inadequate supportive ecosystem for mentoring, incubating and accelerating; Focus on niche markets; Regulatory and compliance challenges; Limited market access;
Infrastructure development programs	Misalignment of infrastructure projects with employment needs; Lack of skill matching and training; Limited employment of local communities in infrastructure development projects; Ineffective employment linkages; short term nature of employment generated;
Formalisation of workforce	High level of informal employment; high challenges in formalising workforce despite potential benefits; social protection gaps; Low awareness on social security; Complex and burdensome regulatory framework; Inadequate functioning of social security / labour welfare boards; Low incentive to formalize among informal enterprises as it may lead to tax burden; Absence of institutions to link workforce with social security
Rural development and Agricultural programs	Misalignment of programs with employment needs; Limited focus on skill development; Inadequate consideration of market dynamics; Limited focus on pro poor value chain development; Infrastructure and Resource constraints; Limited access to technology such as value-added processing; weak infrastructure and logistics; fragmented and overlapping programs and challenges in achieving convergence; weak monitoring and evaluation of programs; exclusion of vulnerable groups such as Adivasis, landless labourers, women;
NRLM / SRLM	Limited scaling up and sustainability of the micro-enterprises; higher focus on financial services and limited focus on building production-marketing-livelihood skills of women; Weak market linkages; Limited capacities at local level; Limited cases of evolution into strongly established SHG federations; Limited cases of CBOs negotiating with government, private agencies and NGOs;
Initiatives by CSOs	Challenges in replicating successful models in different spatial-segmental-sectoral situations; Challenges in attracting state support for long term end to end support for creating, scaling and replicating successful models; CSR focus more towards immediately visible rather than long term beneficial impact for the community
Initiatives by Private sector	Focus on achieving profitability leading to investment in automation and hiring contractual labour works against employment generation goal; Employment generation for high-end technical and managerial jobs are formal whereas for unskilled and low skilled are informal;
Investments by SLBC and Industrial investments	Focus and diversification in limited areas of manufacturing sector; Focus limited in employment potential sectors such as agriculture and manufacturing; Diversification of investment opportunities limited

While the above efforts are aimed at building the economy, which would also lead to employment creation, economic growth has not tended to translate automatically into job creation. As a result, there is a large segment of unemployed youth in Madhya Pradesh. Given the above scenario, there is need for identification of unemployed youth, identify potential sectors with scope for job creation and plan investments for employment promotion in the times to come.

4 Policy Recommendations

4.1 Addressing employment challenges – an alternative strategy

The broader approach adopted for employment promotion is through ensuring intersectoral shifts in the economy. This means that those who were traditionally dependent on primary sector i.e., agri and agri allied sectors gradually shift to manufacturing and service sectors.

However, unlike the western and southeast Asian economies, India is witnessing a trend whereby the movement to manufacturing and service sector has been slow, though there has been a drastic change in the relative share of the sectors to GSDP in the economy.

While in the Madhya Pradesh economy, the share of primary and service sector to GSDP has increased and that of primary sector reduced, this has not been the case when it comes to employment. As seen from the following table, more than two-third of the population is dependent on primary sector though it contributes only less than half to the share of GSDP in the economy.



[Source: Image](#)

Table 1 - Employment Share % by Sector as per PLFS 2021-22 in Madhya Pradesh

Sector	Employment Share % as per PLFS 2021-22 in Madhya Pradesh
Agriculture, forestry and fishing	61.15
Mining and Quarrying	0.49
Manufacturing	6.62
Electricity, gas steam, air condition supply	0.35
Water supply, sewerage, waste management and remediation activities	0.28
Construction	11.24
Wholesale and Retail Trade, Repair of Motorcycles and Motor vehicles	7.77
Transport and Storage;	2.52
Accommodation and food service activities	1.22
Information and Communication	0.47
Financial and Insurance activities	0.42
Real estate activities	0.13
Professional scientific and technical activities	0.40
Administrative and support service activities	0.52
Public administration and defence, compulsory social security	1.45
Education	2.20
Human health and social work activities	1.05
Arts, entertainment and recreation	0.13
Other service activities	1.05
Activities of households as employers, undifferentiated goods and services, produce activities for own use	0.55
Activities of extra territorial organizations and bodies	

Efforts in the direction of radical shift from one to the other sectors comes with its challenges related to skill upgradation to new sector, technological adaptations towards newer sectors of the economy, quicker economic diversification which is beyond the current sectors employed in, need for large scale shifts from rural to urban, need to adopt to new lifestyles of work, breaking away from the current patterns of living, current state of marginalisation of Women, SC, ST, OBCs, Minorities which may take time to address.

Moreover, in the current sectors in the economy where people are already employed, they only draw low incomes. Ensuring wage enhancements within current economic activities and sectors already employed may trigger changes towards sectoral shifts in the long run. Intra-sectoral proficiency enhancement rather inter-sectoral shifting seems to provide with solutions in the shorter to medium run. Based on the momentum that is built, intersectoral shifts can be ensured in the long run. The intersectoral shifts happen as there are changes in demand patterns in the economy.

4.2 Changing approach from Inter-sectoral shifting to intra-sectoral proficiency enhancement

When we speak of employment, we generally focus on two objectives:

- (1) increasing the number of workers employed including self-employed to take care of
 - (a) net addition to the labour force, particularly the youth,
 - (b) those currently in labour force but unemployed and
 - (c) those who may want to move from not being in the labour force to joining it, particularly women.and
- (2) improving wages or income in case of the self-employed, along with social security benefits like PF, ESI and pensions, and improved working conditions.



[Source: Image](#)

For objective (1) the generally suggested strategy is to increase economic growth, on the assumption that it will also generate more jobs. However, the experience of the last decade has been "jobless growth".

We have seen moderate GDP growth between 5 to 7% per annum but low (1-2% per annum) employment growth, that also mostly in the over-crowded agricultural sector and the lower end of jobs in the construction, manufacturing and services sectors. A lot of these jobs are in self-employment as a last resort. If we exclude workers in household enterprises who are unpaid, the growth is almost nil.

As a result there is very little growth in wages and self-employed incomes if one adjusts for inflation. One strategy to counter this has been to try to move people out of the farm work to non-farm sector jobs.

But as saw earlier, inter-sectoral shift is difficult due to the need for workers to move from rural to urban areas. They also have to acquire new skills of working in new activities and living in strange places. Thus, a vast majority of workers who shift out of agriculture, remain in low paid, unskilled manual work on a casual employment basis, with no social security and poor working and living conditions.

We suggest an alternate strategy for both objectives (1) and (2) above. **Instead of inter-sectoral shifting, policy should encourage intra-sectoral proficiency enhancement.** This means, for example, those in agriculture staying in it, but shifting from cereal crop cultivation to, for example, growing vegetables in the first step, and then growing vegetables off-peak season, using polyhouses, in the next step. This twostep proficiency enhancement could double the farmers' income using the same amount of land and own labour.

Some tentative movements that could be seen in intra-sectoral proficiency enhancement could be as below:

- low end cultivation to higher value agriculture/ horticulture
- crop cultivation to dairy, poultry, fishery, etc.
- agricultural services from soil testing to sorting and packaging of raw produce like vegetables & fruits
- low end manufacturing to higher value items whether made in household enterprises or factories e.g., wooden and metal furniture)
- centralised or non-existent utilities (telecom, power, gas, water, sewage, solid waste, etc) to decentralized, service based enterprises (e.g., solar home systems).
- low-end proximate services to higher value proximate services (e.g. from roadside barbers to salons, or food bandis to sit down eateries)
- low end distant services to higher value distant services (e.g. data entry to application software design)

4.3 Intra-sectoral proficiency enhancement in various sub-sectors

4.3.1 Intra-sectoral proficiency enhancement in Agriculture

Let us see what these two steps do for an agricultural worker in the same village. She would get more days of work in vegetable cultivation and higher wages, due to the need for timely and more careful operations – sowing, planting, watering, weeding, spraying, and harvesting often in multiple lots. Unlike in cereal cultivation, where operations have got mechanised, vegetables require manual workers. Polyhouse vegetable cultivation is even more skill and labour intensive.

Now let us see what happens in the third step of this intra-sectoral proficiency enhancement. Let's say there are many farmers in the village who started growing vegetables and they come together to form an FPO.

To get a better price for their produce, they decide to set up a facility in the village for washing, drying, sorting, grading and packing the vegetables. This not only improves the net income of farmers but generates more wage employment for agricultural workers in the village, within reach of their skill level and their place of stay.



[Source: Image](#)

In Mandla district, for intra-sectoral proficiency enhancement in kodo-kutki there could be adoption of high yielding varieties which can be picked from community seed banks. To prevent post-harvest losses, there could be drying, cleaning, storing, dehulling, grinding and fermentation.

Intrinsic value of the product can be built by appealing to its nutritional value, organic cultivation and local heritage.

Value added products could be produced such as gluten free flour, snacks, bakery product or beverages. Farmers can join producer cooperatives for collective processing, marketing and bargaining power. For production techniques and post-harvest, trainings may be taken from institutions such as Indian Institute of Millets Research.

4.3.2 Intra-sectoral proficiency enhancement in Horticulture

Some of the measures for inter-sectoral proficiency enhancement in Tomato in Sagar and Shivpuri could be choosing high yielding and disease resistant tomato varieties, adopting drip irrigation, integrated pest management, explore options like greenhouses to extend growing season, protect crops from extreme weather and ensure higher quality produce.

For post-harvest handling there could be preservation in cold storage to increase shelf life. Farmers can also consider taking up processing and producing value-added products such as sauce, jam and pickles. Farmers can become part of farmer producer organizations and undertake joint marketing and processing initiatives. Marketing can be undertaken through use of online marketing and digital apps.

Intra-sectoral proficiency enhancement in Potato in Chhindwara can be achieved through choosing high yielding and disease resistant varieties of potato. There could be selection of certified seeds, adoption of drip irrigation, IPM and mulching. To prevent post-harvest losses, potatoes can be stored with facilities for cooling.

Through processing value added products can be produced which could include chips, fries, starch or frozen food. There could be membership in farmer producer organizations for bulk buying of inputs at lower prices, shared storage facilities and collective marketing. There could be direct reach reach-out to consumers through online and farmer markets.



[Source: Image](#)

4.3.3 Intra-sectoral proficiency enhancement in Handlooms / Handicrafts

Handloom weavers who produce items such as sarees, kurta churidar, with the artwork for festive occasions can also accept alternatives such as towels, curtains, bedsheets, blankets, tablecloths, dishcloths, cleaning cloths, handkerchiefs, wall hangings, cushion covers, handwoven bags, phone-cases, scarves and shawls. While the traditional produce can continue, the suggested produce are items of daily use with a large consumer base. The handloom weavers may only need to adopt their skills to produce items of daily use and not necessarily shift to a different sector.

This may help in expanding the market of produce by handloom weavers, reduce risk associated with market demand or market saturation, help in adopting to market trends and expand revenue streams, diversify produce range, utilize existing skills, ensure long term sustainability due to product diversification, explore new design and innovations.

Handloom sector may also alternatively adopt design softwares for creating innovative handloom designs, 3D and 4D technology in creating innovative designs that can be achieved with lesser time, use ecommerce platforms (amazon, meesho, craftsvilla) for marketing and reaching out to consumers. Adoption of newer technologies may necessitate skill upgradation which can be taken up by the younger generation who are more exposed to digital technology. Such change agents can be created in the younger generation through exposing them to newer technologies that can be used in the handloom sector.

Handloom collectives (cooperatives or producer companies) may facilitate the adoption of newer technologies for creating new designs, newer production methods with upgraded machinery, branding, packaging, and digital marketing through online platforms.

Intra-sectoral proficiency enhancement can be achieved in Gondi paintings in Mandla by exploring new styles and themes, experiment with different mediums like textiles, paper. Contemporary themes relevant to social issues, environment and local heritage can be integrated. Images of gond art can be visible on greeting cards, notebooks, souvenirs, wall hangings, T-Shirts. Niche markets can be reached through targeting eco-conscious, culturally sensitive audience.



[Source: Image](#)

4.3.4 Intra-sectoral proficiency enhancement in Food services

In case of traditional food services, the traditional offering of food such as samosa, Jilebi, chat, idly, dosa can be diversified to include a product range that can also cater to global taste (e.g., Korean, Italian, Lebanese cuisine), fusion taste (Hyderabadi pizza, Mexican dosa), healthier options (such as multi millet upma, multi millet idly, salads). This will help in creating a demand and liking for new taste among consumers, attract new consumers, expand the customer base, help stay ahead of the demand curve and boost revenue.

Good practices related to food hygiene can be introduced. This could be related to handwashing, handling food, cleaning utensils, using disinfectants for sanitization, storing food at appropriate temperatures, protecting from dust insect and contaminants, bins for proper waste disposal, well maintained hand washing station can improve the overall ambience thus attracting the customers.

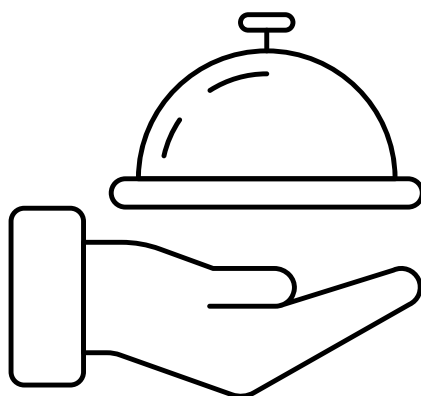
For packaged foods, eco-friendly practices such as biodegradable packaging can be introduced. Food waste can be handled through composting the waste food, donating the surplus food.

Technological upgradation may involve linking with online food delivery services such as Swiggy and Zomato and delivering at doorstep. Digital payments such as through google pay, phone pe may be allowed.

Collectives of roadside food collectives can be explored, whereby the collectives are able to buy food raw material from vegetable or other markets at scale at a bargained price. This may bring down the cost of raw materials in their food outlets. Restaurants owned by food service owners' collectives can be set up at places with high traffic flow, highways, transportation hubs (such as bus stand, railway station, airport), tourist sightseeing locations, commercial locations (such as shopping locations).

These upgradations may help them remain within the sector, adopt skills and new practices according to customer requirements and achieve intra-sectoral proficiency enhancement.

Local cuisine services could be established in places such as Mandla which attracts tourists to Kanha national park. Kodo-Kutki, millet-based recipes could be served through SHG women. Some of these delicacies could include Kodo bread, Kodo chila, Kodo roti, Mandla chivda, Kodo payasam, Kodo halwa, Kodo Laddoos, Panchkaliya payasam, Mandla chutney, Pancua, Mandla thali. There could also be Millet beer and Millet snacks. Local cuisine can be made part of village homestays.



4.3.5 Intra-sectoral proficiency enhancement in construction sector

Construction workers come under the category of unskilled workers. However, with little skill diversification there is scope for enhancement of incomes. Specialized skills required at construction sites can be picked up going beyond their regular roles. The skills training could be acquired for roles such as that of General works supervisor, Highway works supervisor, land surveyor, storekeeper, electrical house wiring, plumbing and sanitation, formwork carpentry, building carpentry, masonry, bar bending, painting and decoration, welding, and architectural assistantship. There could also be skill enhancement through training related to compactor operator, Backhoe loader operator, Transit and self-loading mixer operator, Junior mechanic hydraulic.

There could also be specialized skills as that of construction safety health and safety technician. Exposure to LEED (Leadership in energy and design) sustainable energy practices can benefit construction workers professionally as growing environmental consciousness may give rise to green building concept. Exposure to building information modelling (BIM) can help construction workers through visualizing their tasks enabled through digital simulation. It may help in understanding the potential hazards that may occur.

Skilled construction workers either individually or collectively can take up small businesses such as home renovation, modular kitchen works, bathroom remodelling, minor electrical or plumbing work, painting works, roofing and tiling. Services related to assembling furniture, building shelves, gardening, landscaping may also be taken up through a network of skilled personal relevant for homes.

Thus, as can be seen, intra-sectoral proficiency enhancement offers opportunities where the workers are able to upgrade their skills within the sector, adopt to technologies within the sector, enhance income within existing sector, reduce stress that is associated with sectoral shift, reduces chances of moving from rural to urban, offer greater livelihood security etc. This gradually prepares them for sectoral shift in the long run.



[Source: Image](#)

5 New approaches for employment promotion

5.1 One district, one product (ODOP) products Strategy



[Source: Image](#)

ODOP program of the Government could be used for strengthening demand for products, infrastructure and input strengthening, skill building and capital enhancement. ODOP involves identification and formation of production clusters, focused efforts towards infrastructure development, capacity building and skill development, branding and marketing and financial support.

It helps in boosting local economies, preserving traditional skills and crafts, promoting brand recognition and improving export potential.

Under ODOP, the following products are identified and could be promoted in the state.

Table 2 - Products identified district-wise under the One District One Product Scheme

ODOP Product	Districts
Orange / Citrus based Products	Agar Malwa, Rajgarh
Custard Apple based Products	Alirajpur, Dhar
Tomato based Products	Anuppur, Ashoknagar, Damoh, Datia, Jhabua, Katni, Raisen, Sagar, Satna, Shivpuri
Kodo-Kutki	Balaghat, Mandla, Dindora, Gwalior
Ginger based Products	Barwani, Niwari
Mango based Products	Betul
Bajra based Products	Bhind
Guava based Products	Bhopal, Hoshangabad, Sehore

Banana based Products	Burhanpur
Betel vine based Products	Chhatarpur
Potato based Products	Chhindwara, Dewas, Indore
Coriander based Products	Guna, Neemuch
Onion based Products	Harda, Khandwa
Green Pea based Products	Jabalpur
Chilli based Products	Khargone
Garlic based Products	Mandsaur, Ratlam
Mustard Products	Morena
Sugarcane Products	Narsinghpur
Aonla based Products	Panna
Turmeric	Rewa

(Source: Ministry of Food Processing)



[Source: Image](#)

5.2 District Export hubs as centers for reaching external markets

District export hubs could be sources from where exports could be facilitated. These hubs provide services such as market research and information, training and skill development, facilitating and networking. These hubs aim to provide opportunities for benefiting from export markets, attract investment in the district, handholding and support to exports, generating employment and enable in marketing through physical and digital means. Employment opportunities in following export zones could be considered.

Table 3 – Products identified district-wise for exports

District	Products
Agar Malwa	Orange
Alirajpur	Handmade jewellery, corn, Nurjahan Mangoes
Anuppur	Sesame seeds, caustic soda, strawberries
Ashoknagar	Chanderi sarees, jewellery box
Balaghat	Manganese, bauxite,
Barwani	Cotton, chilli, fruits, tourism, Ginger, banana
Betul	Jaggery, Timber, Food Processing, Rice, cotton
Bhind	Mustard, chocolate, LEDs
Bhopal	Pharma Products, Heavy electrical goods & turbines.
Burhanpur	Pomegranate, Banana and banana fiber, oilseeds, foodprocessing, textile
Chhatarpur	Handmade crafts
Chhindwara	Orange
Damoh	Onion, wooden furniture, pulses
Datia	Raw cotton and yarn, black gram, wheat
Dewas	Pharma products, machinery spares
Dhar (Pithampur)	FIBC, Plastic products, automobiles, automobile parts, other Engineering products, garments, Bagh Prints, Sitaphal, Soyabean
Dindori	Iron and bamboo handicrafts, ayurvedic preparations
Guna	Jute bags, minerals or chemical fertilizers

District	Products
Gwalior	Potato, Durries, rubber tyres, transformer components
Harda	Wheat Flour, Teak Wood, Mung Dal, Palm leaf articles. Wheat and related products
Hoshangabad	Clothes, handicraft items
Indore	Onion, Potato, Paper & paper products, Pharma, garment & Engineering, Leather Toys of Indore,
Jabalpur	Readymade Garments & Hosiery, Green Pea & Dal, ITES, agro products, marble products, tourism
Jhabua	Maize floor, baskets made from bamboo, neem, safed. museli (medicinal plants or leaf)
Katni	Bricks, artificial jewellery
Khargone	Pomegranate, cotton raw, chilly. Cotton Bales, Cotton Yarn, Submersible Pump, Chickpeas, PP Bag, Nonwoven bags. Jumbo bags, Food Processing Machinery
Khandwa	Pomegranate
Mandla	Kodo-Kutaki, Dolomite Products, Tourism, Handicrafts, organic products, ecotourism
Mandsaur	Onion, garlic and other vegetables (fresh & chilled)
Morena	Wood based, metal sculptures, edible oil
Narsinghpur	Soya oil, mango, "pital" handicraft, Jaggery (Gur)
Neemuch	Coriander Seeds, Garlic, Ashwagandha, Leather belts, Giloy
Niwari	Glass fibres, Soya-bean oil and its fractions
Panna	Crafts
Raisen	Rice & agro products.
Rajgarh	Dolomite, sisal craft, steel sheets and non-alloy steel
Ratlam	Kabuli chana, Groundnut, Cotton, Soyabean & its products, Strawberry etc. and related agro products, Ratlami Sev, Gold, Garlic
Rewa	Optical fibre cable, Hydroelectric power turbine, cement
Sagar	Onion, Tyres, petrochemicals, eco-tourism
Satna	Footwear, cement, electric capacitor, onion
Sehore	Wheat Flour, Farm Equipment, Paneer, Textile, readymade garments
Seoni	Black Stone, Rice, Khowa, Cotton
Shahdol	Clay, paper products

District	Products
Shajapur	Orange
Sheopur	Injection moulded plastics,honey
Shivpuri	Ironworks, textiles, forest produce, agro produce,peanuts, jackets
Sidhi	Durries, leather belts, arhar pulse, Mahua,Jackfruitprocessing(Kathal) and Mango
Singrauli	Water gel & emulsion explosives
Tikamgarh	Bell Metal Ware of Datia and Tikamgarh, Ceramic articles
Ujjain	Crafts, ceramic idols & sculptures
Umari	Bamboo crafts, soya, ecotourism
Vidisha	Sharbati wheat, gram, handloom fabric, jute

(Source: Directorate General of Foreign Trade)



[Source: Image](#)

5.3 DISC approach for Employment promotion Investments

DISC approach is needed for making capital investment planning for employment promotion. The components are described below: -

D for Demand - for the new product (vegetables) or service (sorting of vegetables). Fortunately, due to rising per capita incomes in the upper quartile of the country, there is rising demand for such products/services.

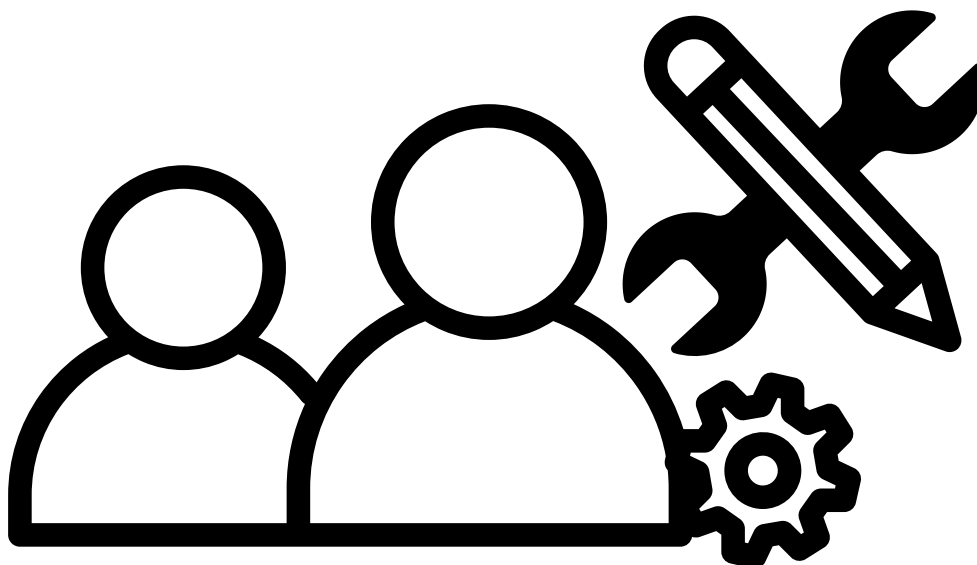
Demand needs to assess across categories of socio-economic segments, customer types, geographies and future trends in demand.

I for inputs and infrastructure- In the current example, farmers cannot shift to vegetable cultivation unless right quality seeds and agro chemicals are available. Later polyhouses, and still later vegetable packaging crates are needed. Irrigation and road infrastructure is needed.

Similarly, in handloom / handicrafts to produce new products for the market the existing machinery may not work, and hence new handloom machineries may also need to be integrated.

S for skills - a cereal growing farmer does not automatically know how to grow vegetables, even less so in a polyhouse. Similarly, women who know paddy transplanting or weeding don't automatically know the steps in vegetable cultivation. These skills must be imparted and learned. Similarly, the handloom / handicraft workers who produced goods such as sarees, kurta churidars need to learn to produce goods such as towels, blankets etc.

C for Capital - Intra-sectoral proficiency enhancement needs capital - for new equipment, machinery, processing facilities and more working capital. In the example we are discussing, vegetable cultivation needs more money to buy seeds and agrochemicals. The next step needs capital to install a polyhouse. The third step needs investment in vegetable sorting and grading facility. All stages need capital for investing in skill upgradation.



Measures for demand enhancement

Some of the measures that can be adopted for demand creation are conducting market initiatives such as trade fairs, Innovation grants to promote innovations in products, providing GI tags for specific commodities for quality assurance, promoting e-commerce platforms and mobile apps for market products, setting up export facilitation centres and where needed, imposing tariffs on artificially cheap imports.

Measures for Inputs and infrastructure

Some of the inputs and infrastructure that can be created for strengthening inputs and infrastructure in Agriculture in the state include setting up high quality seed banks, soil testing vans, polyhouse subsidies, irrigation infrastructure; in horticulture there could be setting up of storages and cold chain facilities, in handlooms it could be design innovation centres, machinery modernization programs, expanding raw material access and skill development centres, e-commerce and mobile based platforms for reaching consumers.

Measures for Skill development

Skill development needs to be strengthened in identified sectors in Madhya Pradesh. Currently skill development is being done through Madhya Pradesh State Skill Development and Employment Generation Board. In agriculture, there could be trainings related to precision farming, organic farming, use of advanced technology for agriculture.

There need to be skill trainings in post-harvest technologies, seed development, processing and value-added technologies. In Handloom, there could be trainings on new handloom technologies, courses on design development and innovation etc., In food processing, there could be skill trainings which can be offered by such as NGOs etc.



[Source: Image](#)

5.3.1 Micro-Franchise Model for DISC strategy execution

In private sector, micro-franchisees could be promoted with support of small corporates. Micro-franchise model can be adopted for established chain of brands. For example, in tea brands, it could be MBA Chaiwala, Tea world, Tea trance, Chaiduniya etc. Similarly, there could be franchises for Biryani such as Paradise Biryani, Bawarchi etc. Similarly there could be chaat franchisees such as Chaatkachaska, Agrawala, Gokul etc.

Some franchisees for coffee and tea stalls could include Chayoos and WakeCup Coffee. Ice cream micro-franchisees could include Naturals or Cream Bell. Mobile Phone repair services could include Phone Doctor or Gadget Guard; laundry services could be Wassup laundry or UClean. Salons could include Looks Salon, Naturals, Javid Habib. Mobile accessories could include Poorvika Mobile or The Mobile store. In healthcare, it could be Thyrocare or SRL Labs.

Under franchise, an individual or group of youth can run an enterprise. Some of the benefits of micro-franchisees are that it requires a smaller investment than traditional franchisees. The chances of getting consumers are faster as the brand is already established. There is operational simplicity as it is standardized, flexibility and assures quicker returns on investment. Micro-franchisees get DISC support from small corporates.



[Source: Image](#)

5.3.2 Attention on marginal social segments, rural/small town locations and unskilled or semi-skilled workers

In a socially and economically unequal society, the benefits of DISC approach may not penetrate equally across all socio-economic segments. Skill and capital access becomes much more challenging for social segments such as scheduled castes (SC), scheduled tribes, (ST), de-notified tribes (DNTs), other backward classes (OBCs), Minorities, Women, Youth and Disabled.

There may be a need for more specialised approaches to reach out to these segments. Similarly, attention to skill and capital access need to be based on locations with focus on rural areas and small towns upto district headquarters. Similarly, focus has to be on skilling the unskilled and semi-skilled and capital access to the skilled who are willing to set up their own enterprises.

Through careful policy interventions spanning DISC for various subsectors, we can ensure a lot more employment and wages/income in existing subsectors. This will then reduce pressure to shift workers across sectors, which can then happen at its natural pace.

5.3.3 Targeted investment towards employment promotion and wage enhancement

There is a need for targeted investments towards employment promotion and wage enhancement. As can be seen from analysis of unemployment numbers and investments for wage enhancement, about Rs. 4,70,024 crores need to be invested each year.

Financial resources could be mobilized from Banking sector which could be 50% of the bank funds allocated for farm and non-farm sector under priority sector lending, 15% of the capital expenditure of the state budget, 25% of the overall capital required from private sector and 10% from household contribution of the beneficiaries.



6 Sectoral challenges in Madhya Pradesh and suggestions for addressing these

6.1 Agriculture

The average land holding in Madhya Pradesh is 1.57 hectares and there are about 39.6% small and marginal farmers. The cropping intensity is high at 182%. Due to improved irrigation infrastructure and conversion of fallow land, the gross cropped area is increasing. Paddy and Wheat are the major food crops.

The major pulses grown in the state are tur (Arhar), gram, masoor (lentil) and urad. Mustard, Cotton and Soybean are the major commercial crops. Madhya Pradesh holds the first position in production of pulses, third position in production of oilseeds, second position in production of food grains. The state is known as 'Soyapradesh' as it produces 60% of the national soya production. The distribution of crop production in the state is as follows: -



[Source: Image](#)

Table 4: Crop wise, Season wise production trends in Madhya Pradesh

Crops	Area (in 000 hectares)	Production (in 000 MT)
Paddy	3,441	12,502
Wheat	9,829	35,669
Maize	1,456	4,430
Toor / Arhar	219	286
Gram	2,160	3,590
Urad	1,314	448
Mustard	749	1,307
Soyabean	6,674	3,370
Cotton (bale of 170 kg)	588	877

The major area of cultivable area is under food crops. Wheat and Soya continue to be the two major crops. Some of the challenges of the agricultural sector in Madhya Pradesh are due to erratic rainfall and situations of drought which affect crop productivity.

Monoculture and heavy usage of pesticides results in decline of soil fertility. Access to extension services and technology is limited. Farmers fail to get appropriate prices for farm produce.

Intra-sectoral proficiency enhancement can be taken up through diversification into horticultural crops – fruits and vegetables. Cultivation can be undertaken under polyhouses. High value crops can be taken up such as mango, guava, citrus fruits, berries, spices, baby corn, mushrooms etc.

Farm implements can be utilized through hiring from custom hiring centers. Farmers could become part of farmer collectives and access inputs at lower cost and better markets offering higher prices.

There is a need to ensure timely availability of certified and high yielding variety seeds and fertilizers. Based on soil testing, farmers need to take up crops which are more suitable for the land. The extension system needs to train the farmers on the latest farming practices. Kisan Credit Card (KCC) needs to be provided to the farmers.

Activities like Soya processing offer good opportunities for employment generation and export earnings. Similarly, there could be agro-processing units' wheat, pulses and other oilseeds. Linkage between growers and processing industry may be strengthened and good FPOs may be encouraged to set up processing facilities.

6.2 Horticulture

The area under horticulture production in the state has expanded. It has increased from 11.97 lakh hectares in 2010-11 to 23.91 lakh hectares in 2020-21.

The total vegetable production in the state was 21.9 million tonnes in 2021-22 in an area of 11.36 lakh hectares. Similarly, total fruits production stood at 8.93 million tonnes and spices production at 3.53 million tonnes.

The state ranks first in production of spices, 3rd in production of vegetables and 4th in production of fruits and second in overall horticulture produce. The major fruit crops grown in the state are mango, orange, aonla, guava, banana and papaya.

The average production of Banana, Mango and Orange is 18.33, 5.97 & 16.63 lakh metric tons. The major flowers produced are marigold, rose, tuberose, gladiolus and other flowers.

The major medicinal plants are ashwagandha, white museli, iabgol, coleus and other drugs.

Some of the challenges related to horticulture in Madhya Pradesh are limited awareness on advanced production technologies, lack of access to extension services, lack of access to direct markets resulting in lower price for the produce, lack of cold storage facilities and limited processing and value addition.

Intra-sectoral proficiency enhancement could be possible to diversifying into exotic fruits like dragon fruit, passion fruit, kiwi fruit or producing organic fruits which can provide premium prices. Utilising greenhouses can allow early harvests and year-round production. Utilizing online platforms and digital apps can enable in accessing better paying markets.

Green house / Poly house / Shade nets for cultivation of vegetables and flowers need to be popularized. Landless entrepreneurs, who are otherwise interested in undertaking horticulture, can be facilitated to take land on lease to promote horticulture including poly house cultivation. SHGs and JLGs to take up nursery activities on a large scale to increase the availability of planting material.

6.3 Animal Husbandry

Total population of livestock and poultry in the state is about 40.62 million and 16.65 million, respectively. The total milk production in the state was 17.99 million tonnes in 2020-21. The per-capita availability of milk was 563 grams per day. The total egg production in the state was 26,516 lakhs in 2020-21 with per-capita availability of egg at 30 eggs.

The total milk production in the state during 2021 was 116.34 thousand tonnes. The per-capita availability of meat in 2020-21 was 1.40 kg per person per year. The maximum contribution in total meat production is from poultry (41 percent) similarly the contribution of goat is 29 percent.

The total bovine population in the state is 29.06 million. The total buffalo population is 9.78 million. The total sheep population was 3,24,585 and goat population was 11.06 million. The total pig population is 0.16 million.



[Source: Image](#)

Some of the challenges related to Dairy subsector in Madhya Pradesh are low milk yield of animals, inadequate and low-quality fodder, outbreak of diseases such as foot and mouth, lack of cold storage facilities, poor access to markets and limited processing for producing value added produce.

Challenges related to poultry sector are high production costs due to reliance on soya, low access to quality chicks, outbreak of diseases such as avian influenza, Newcastle disease, limited veterinary services, lack of access to markets.

Intra sectoral proficiency enhancement in Dairy can be undertaken through rearing high yielding breeds like jersey or Holstein, processing milk products like cheese, yogurt, paneer or ghee. In poultry, there could be value added products such as frozen chicken, sausages or eggs in various preparations. Marketing channels could be improved through accessing direct to consumer channels both online and offline.

Milk marketing infrastructure of the State may be strengthened by increasing (i) number of milk unions, milk societies and milk routes, (ii) quantity of milk procured, (iii) capacity utilization of existing milk processing infrastructure. There could be establishment of Private Veterinary Clinics with AI facility and Private cattle and buffalo breeding farms in rural areas by providing incentives and financial support to unemployed veterinary graduates.

Due to inadequate availability of quality green fodder, the milk yield of the dairy animals is not to the desired extent. To overcome this problem Govt. should provide & popularize hybrid fodder seeds like NBH (Napier Bajara Hybrid), Berseem & Sorghum etc. amongst the farmers. FPOs may be organized as dairy collectives for development on cluster cum co-operative basis.

In Poultry, private companies can be invited to set up breeding and hatchery farms. Awareness on poultry as an enterprise may be created among farmers through farmer clubs. Backyard poultry on a large scale can be taken up by SHGs, JLGs. Healthcare services through 'Pashu Sakhi' may be provided. Poultry feed mixing plants can be set up in each district. Local breeds such as Kadaknath can be promoted.

6.4 Fisheries

The state has 40,863 water resources with an area of 4.38 lakh hectare water area. Fish production during 2020-21 was 2.93 lakh tonnes. During 2022 13,164 lakh fish seed was produced. The sector provides livelihoods to about 16 million fishers and fish farmers at primary level and almost twice the number along the value chain and enough potential to generate income, employment and growth in subsidiary industries. Besides providing a rich source of cheap and nutritious diet, the sector also provides livelihood for a large section of population. There were 2,523 fishermen cooperative societies with a membership of 1,03,170. There are 49 women societies with membership of 1,652.

Some of the challenges related to fisheries sector in Madhya Pradesh are overexploitation of lakes, river and reservoirs for fishing, lack of tenurial rights over-fishing ponds, lack of access to cold storage facilities, lack of adoption of modern fishing techniques, inadequate access to extension services, dependence on middlemen and lack of access to direct markets.



[Source: Image](#)

Intra sectoral proficiency enhancement can be undertaken through taking cage culture, species diversification to include high value fish, access cold storage facilities, undertake processing such as frozen fillets, fish curries, fish pickles, dry fish and fish snacks. Direct to consumer marketing channels both online and offline can be accessed.

A need for linking fishermen societies to fish processing industries within or outside state may be undertaken. Storage and marketing infrastructure can be strengthened. Farmers may be made aware of modern fish farming practices through training and exposure visits to other states. Fish seeds / fingerlings may be made available to farmers.

6.5 Forestry

A sizeable proportion of the state is dependent on forests for their livelihoods and sustenance. The collection of forest produce is an important part of the survival strategy of the forest dwellers. Generally, the extremely poor and landless families of the society, especially the women, depend on the collection of Non-Timber Forest Produce (NTFP) for employment and food security. There are 1,071 Primary Forest Produce Cooperative Societies at the primary level, 60 District Forest Produce Cooperative Unions at the district level and Madhya Pradesh State Minor Forest Produce (Trade and Development) Cooperative Federation Limited at the apex level. Minimum support price (MSP) has been fixed for 32 MFPs. Ecotourism based livelihoods are generated by 11 national parks and 24 sanctuaries in the state.

Some of the challenges related to NTFP / forestry-based livelihoods are related to overexploitation and lack of sustainable harvesting practices of NTFPs, lack of access rights over NTFPs, exploitation of middlemen leading to unfair prices for NTFPs for collectors and limited livelihood diversification. Intra sectoral proficiency enhancement in NTFPs can be taken up through storing the produce and selling it during off seasons, diversification into value added products such as herbal medicines, accessing direct market channels online and offline, reaching niche markets by highlighting organic methods and sustainable harvesting practices.

6.6 Industry

There are about 2.7 lakh MSME units in the state and it generates about 14.4 lakh jobs. The state has 231 industrial parks, six food parks, eight integrated development centres, one stone park, one greenfield SEZs, four IT SEZs and an apparel park.

One multiple SEZ is proposed. There would be one gems and jewellery park to enhance state's diamond sector. There are also Khadi and village industries. There are 16.30 thousand handlooms which provide employment to 33.10 thousand weavers / artisans.

Some of the challenges of industrial sector in Madhya Pradesh are related to infrastructural challenges like roads, low availability of skilled labor, inadequate access to vocational and skill training, low investments coming in manufacturing sector and competition from states with well-established industrial hubs.

Intra-sectoral proficiency enhancement can be undertaken in the industry sector through accessing vocational and skills-based education in different subsectors. Incentives offered for industry can be utilized for setting up MSMEs.

Skill trainings can be conducted for assembly lines, painting booths and quality control departments in Automobiles; yarn handling, fabric inspection, machine operation in Textiles; Sorting, packaging, quality control in food processing; production, packaging, equipment maintenance in pharmaceuticals; assembling, testing, quality control in Electrical and Electronics.



[Source: Image](#)

6.7 Services

The key segments of service sector in the state are IT and ITES, Tourism and hospitality, Education and healthcare, Retail and trade, Finance and Banking, Logistics and transportation. IT and ITES has started growing in Bhopal and Indore.

With a rich cultural heritage, diverse landscapes and wildlife sanctuaries, the state attracts tourists from India and abroad. The state with network of universities, colleges and healthcare institutions attracts students and patients.

The retail sector is flourishing with modern shopping centres and traditional markets. National and international banks have their presence in the state. The state's location facilitates efficient movement of goods and people.

Some of the challenges related to service sector are related to high level of informal employment, skill gaps between expectations of industry and the actual skill of workers, limited adoption of innovative and technology driven business models, limited female participation in service sector etc.

Intra-sectoral proficiency enhancement can be undertaken in services sector through accessing skills education which reduces the skill gaps and meets the needs of the sector.

In services sectors, skills could be promoted in hospitality, travel and tour operations, wildlife tourism in Tourism sector. In healthcare sector, there could be training of nurses, technicians, therapists and paramedics. In banking operations, it could include for sales, customer service, banking operations.



7 Investments needed to address unemployment and wage enhancement

7.1 Investment needed

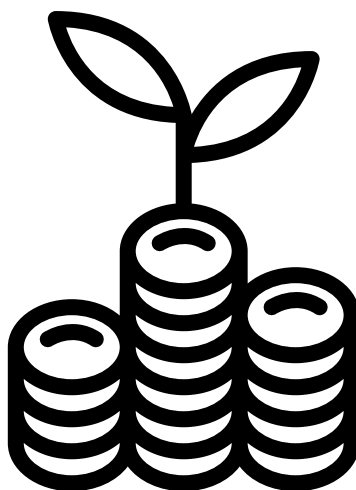
Table 5: Investments needed for new employment generation 2024-29

Income generation of Unemployed	Number / Percentage	Investments (in Rs.)
Madhya Pradesh population @ 2011	7,26,26,809	
Population – 2023	8,50,02,417	
Growth rate per annum between 2011-2023	1.32%	
Population (all ages) LFPR as per PLFS 2022-23	48.4%	
Labour force in 2022-23	4,11,41,170	
WPR as per PLFS 2022-23 for all age groups	1.6%	
Working population in numbers in 2022-23	4,04,61,150	
Unemployment rate	1.6%	
Unemployment @ 1.6% across all age categories	6,58,259	
Increase in labour force per annum	5,43,001	
Number to be employed per year if employment is provided to eliminate unemployment in five years and also absorb the annual increase in labour force	6,74,652	
Average investment needed for five years (in Rs.)		18,24,142
Investment required in Rs. Crores (for five years)		6,15,331
Investment in Rs. Crores (required for one year)		1,23,066
Credit to be mobilised from Banks for farm and non-farm sector (in Rs. Crores)		61,533
Capital expenditure available with State Government (in Rs. Crores) @ 15%		18,460
Household Investment @ 10% total investment (in Rs. Crores)		12,307
Private sector investment @ 25% of total investment (in Rs. Crores)		30,767
Average investment (in Rs. Crores)		1,23,066

Similarly, there would also be need for investments towards wage and income enhancement. About 80% of the workforce in Madhya Pradesh are estimated to be in unorganized who receive low incomes for their services. An investment of Rs 3,46,948 crore would be required per annum. It is assumed that Rs. 5,02,242 would be required for enhancement of one wage income earner, with varied patterns for casual worker 10,31,131, self-employed 6,06,548 and wage / salaried employed 2,99,181. Households could contribute 10%, Government 15%, Private sector 25% and Banks 50%. About 3,45,40,923 workers could be targeted who constitute nearly 80% of the workforce in the unorganized sector.

Table 6: Investments needed for wage enhancement 2024-29

Wage enhancement of Low-income earners	Number / Percentage	Investments (in Rs.)
Madhya Pradesh population @ 2011	7,26,26,809	
Population – 2023	8,50,02,417	
Growth rate per annum between 2011-2023	1.32%	
Population (all ages) LFPR as per PLFS 2022-23	48.4%	
Labour force in 2022-23	4,11,41,170	
WPR as per PLFS 2022-23 for all age groups	47.6%	
Working population in numbers in 2022-23	4,04,61,150	
Increase in labour force per annum	5,43,001	
Number@ 80% of the workforce plus additions to workforce each year, whose wages need to enhance	3,45,40,923	
Average investment needed for five years @ ICOR 2 with varied patterns for casual workers, self-employed and wage / salaried employed		5,02,242
Investment required in Rs. Crores (for five years)		17,34,789
Investment in Rs. Crores (required for one year)		3,46,958
Credit to be mobilised from Banks for farm and non-farm sector		1,73,479
Capital expenditure available with State Government (in Rs. Crores) @ 15%		52,044
Household Investment @ 10% total investment		34,696
Private sector investment @ 25% of total investment		86,739
Average investment (in Rs. Crores)		3,46,958



7.2 Sources of Investment

The annual investments that would be required for job creation and wage enhancement across sectors would be Rs. 4,70,024 crores. This level of investment is highly feasible as it is in the range of 30% of the GSDP. This is computed in the table below:

Table 7: Total investments needed 2024-29

Investments towards Employment Promotion		Investments toward Wage enhancement		Total Investments
Employment to be generated per annum	33,73,262	Number of workers to be enhanced with wages @ 80% of the workforce plus additions to workforce each year	3,45,40,923	
Employment to be generated per annum	6,74,252			
Average investment needed for five years (per unemployed)	18,24,142	Average investment needed per year for low wage earner with varied patterns for casual worker, self-employed and wage / salaried employed	5,02,242	
Investment in Rs. Crores (for five years)	6,15,331	Investment in Rs. Crores (for five years)	17,34,789	23,50,119
Investments Rs. Crores (for one year)	1,23,066	Investment Rs. Crores (for one year)	3,46,958	4,70,024
Total Credit by Banks for farm and non-farm activities	61,533	Total Credit by Banks for farm and non-farm activities	1,73,479	2,35,012
Capital expenditure by Government for unemployed	18,460	Capital expenditure by Government for low wage employed	52,044	70,504
Household investment @ 10% of total investment	12,307	Household investment @ 10% of total investment	34,696	47,003
Private sector investment @ 25% of total investment	30,767	Private sector investment @ 25% of total investment	86,739	1,7,506
Average investment (in Rs. Crores)	1,23,066	Average investment (in Rs. Crores)	3,46,958	4,70,024

8 Conclusion

It can be said that challenges of unemployment among rural and urban youth including young women in Madhya Pradesh need an integrated approach. From the classical approach that focuses on inter-sectoral shifting, there is a need to try an alternative strategy of intra-sectoral proficiency enhancement.

Initially demand estimations need to be undertaken based on market availability for produce and services. Infrastructure needs to be strengthened as per requirements for each sector. Skills need to be enhanced to develop market-oriented skills. Capital needs to be mobilised and invested for employment creation.

About Rs Four lakh seventy thousand and twenty-four crores of investment is required each year over the next five years to absorb the unemployed population and enhance the wage income of workers many times that number.

This level of investment is highly feasible as it is in the range of 30% of the GSDP. With targeted investments unemployment gap and wage enhancement gaps can be reduced in the coming years.



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