

Rapid Transformation In Rural Employment Scenario

- Employment generation is the cornerstone of the economic development of any country and successive government has tried to generate opportunities.
- The focus is to **develop rural infrastructure, diversify the livelihood sector, intensify poverty mitigation** measures. It is evident from the increased **budget allocation** in respect of various schemes and programmes of the Ministry of Rural Development.

Changed Scenario: Statistical Look

- According to an estimate of the **annual Periodic Labour Force Survey**, the share of regular wages/salaries has increased by 5 per cent i.e., from 18 per cent in 2011–12 to 23 per cent in 2017–18.
- During this period, an **enhancement of about 2.62 crore** was recorded in new jobs, of which 1.21 crore increase was registered in rural areas whereas 1.39 crore in urban areas.
- The **proportion of women workers** in the category of regular wage/salary-based employment has increased by 8 per cent. It was 13 per cent during the year 2011–12, which **increased to 21 per cent** in the year 2017–18.

Factors Which Pushed The Growth Of Formal Employment

- Introducing GST,
- Digitisation of payments,
- Direct benefit transfer of wages and salaries,
- Opening of Jan Dhan accounts
- Expanding social security coverage to include more and more workers

Various efforts to increase employment opportunities:

A. Skill Development

- Through **Kaushal Bharat - “Kushal Bharat Programme”** of the MSDE, more than one crore youth are being imparted training in various skills every year.
- The **Apprentices Act was amended** with a view to expand the service sector, integrate training courses with apprenticeship and its promotion.
- **National Apprenticeship Promotion Scheme (NAPS)** was launched in August 2016 to encourage employers to engage as many apprentices as possible.
- MSDE is implementing **Pradhan Mantri Kaushal Vikas Yojana** through National Skill Development Corporation with the aim of involving 24 lakh youth of the country.
- The focus of this scheme is on **employment** and eligible candidates have got jobs in various sectors and industries.
- Persons having pre-learning or skill-related experience are also being given certificates after assessment, under the **Recognition of Prior learning** category.

B. Labour Reform

- Labour reform has been initiated with an objective to strengthen aspects related to safety, security, health and social security of every worker.
- All the **existing labour laws are amalgamated in only 4 labour codes** and they have been simplified and rationalised according to the need of the present time.

- **Two large pension schemes** have also been introduced to provide the workers in the unorganised sector, benefits of social security as well as old age protection.
- **Pradhan Mantri Shram Yogi Maan Dhan Yojana** is a voluntary and contributory pension scheme for the welfare of workers in the unorganised sector.
- **Launched** in February 2019; **Beneficiary** - Workers of age group 18 to 40 years from unorganised sector with monthly income 15000 or less
- After attaining 60 years of age, the beneficiary gets monthly pension of Rs. 3,000
- **National Pension Scheme** has also been launched for businessmen, shopkeepers and persons engaged in self-employment in September 2019.
- **Beneficiaries** – Workers of age 18 and 40 years whose annual turnover does not exceed Rs 1.5 crore
- Under this, **50 per cent monthly contribution** is made by the beneficiary and the matching contribution is made by the central government. On completion of 60 years of age, such a person is entitled to a minimum monthly pension of Rs. 3000.
- Ministry of Labour and Employment is implementing **National Career Service** as a mission mode project to provide various employment-related services such as career counselling, vocational guidance, information related to skill development courses, apprenticeship and internship
- These services can be directly accessed through livelihood centres, common service centres, post offices, mobile or cyber-cafes etc. Through this service, 58.5 million vacant posts have been explored.

C. Employment Generation

- The government is providing special assistance to new employers for a period up to 3 years from the start of business under the **Prime Minister Rojgar Protsahan Yojana**.
- Under the scheme, **entire contribution of employers** in the Employees' Provident Fund and Employees' State Insurance Scheme is being paid by the Government itself.
- As a result of this initiative, these workers are getting **social security benefits of the unorganised sector**.

D. Rural Development

- **MGNREGA** acts as a powerful medium to ensure inclusive development in rural India.
- Under this, **manual-labour** related guaranteed **unskilled employment** for at least **100 days** is being provided to every household in rural areas, as per demand.
- **Around 1,348.43 crore man-days** were created under this scheme from FY 2014–15 to 2019–20. Investments being made in MGNREGA are **creating productive assets** on a large scale. This has led to **improvement in productivity** and increase in income.
- **Pradhan Mantri Awas Yojana-Gramin** is a housing programme creating employment both directly and indirectly.
- **Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (NRLM)** aims to promote diversified and gainful self-employment and skilled wage employment opportunities.
- Under this Mission, emphasis is being laid on promoting and strengthening community institutions
- The National Rural Livelihoods Mission has **two components**. The livelihood programme **focuses on women self-help groups**.

- The **second component** of the NRLM is **Deen Dayal Upadhyay Grameen Kaushalya Yojana**. Under this programme, rural youth from poor families in the age group of 15 to 25 years are **provided skill training** which is certification-based and in conformity with the National Skill Qualifications Framework.

Conclusion

- There has been a significant increase in employment opportunities in the rural sector through **Livelihood in Full Employment** i.e. **LIFE under MNREGA, Rural Masons Training Programme** under Pradhan Mantri Awaas Yojana–Gramin and skill training associated with roadbuilding activities.
- Only by empowering rural India more and more, the commitment towards inclusive development of the country can be fulfilled.

MSME: Entrepreneurship of the New Era

- India wants to fulfil the vision of a \$5 trillion economy by 2024–25. Achieving this target will move India from being a lower middle-income country to an upper middle-income country, **effectively doubling our per capita incomes**.
- For this, there is need to **ensure the growth of businesses**, especially MSMEs and start-ups, across sectors.

Importance of MSME

- It **employs over 100 million people** and accounts for **45 per cent of manufacturing output** as well as more than **40 per cent of the country's exports**.
- The MSME sector currently contributes 29 per cent of the Country's GDP.
- As per a Survey released by the CII in 2019, MSMEs have been the **largest job creators** over the last 4 years, especially in sectors like hospitality and tourism, textiles and apparel, metal products, machine parts and logistics.

Economic Reforms Impacting MSMEs

- To ensure that the failure does not deter entrepreneurship, **Insolvency and Bankruptcy Code** has been enacted. This has brought India at par with the best in the world. The time taken has been drastically reduced to less than a year.
- **Introduction of GST** has integrated India into a single economic market.
- The **corporate tax rate** has also been **reduced from 30 per cent to 25 per cent** for over 99 per cent of the corporates.
- India is among the **top 2 countries globally** on several dimensions of **digital adoption**. The **Bharat Interface for Money (BHIM)** application is giving a massive boost to digital money transactions.
- A new **digital ecosystem India Stack** has also been developed. It is a set of **Application Programming Interface** that allows businesses, start-ups etc. to utilise a unique digital infrastructure **to solve India's hard problems** towards presence-less, paperless and cashless service delivery.
- Government procurement has also been digitised through the **Government e-Marketplace (GeM)** which is revolutionising procurement processes.
- Central PSUs are now mandated by the government to make at least 25 per cent of their procurements from MSMEs as opposed to 20 per cent.

- NITI Aayog released a discussion paper on **National Strategy on Artificial Intelligence** in June, 2018. A large-scale **National Artificial Intelligence Programme** will also be launched soon.
- The government has allowed **100 per cent FDI** under the automatic route for many sectors, including job creating sectors such as single brand retail trading and construction development.

Outcomes of these Reforms:

- As a result of these reforms, India jumped to **77th place in 2019** in the World Bank's Ease of Doing Business rankings, a jump of 65 spots since 2014.
- India's **FDI inflows in 2018–19** remained strong at **\$64.375 billion** marking a 6 per cent growth over the previous year.

Credit Crunch faced by MSME:

- **Reasons** – *Unavailability of ready to audit accounting books* that banks use to judge creditworthiness; *Buyers fail to pay them on time* or demanded long repayment schedules
- To address this, a portal was launched to **approve loans for MSMEs in just 59 minutes** for an amount up to the limit of Rs. 1 crore.
- MSMEs were provided a 2 per cent interest subvention by the government.
- Government launched the **Trade Receivable electronic Discounting System (TReDS)** to address the working capital requirements of MSMEs as well as the **Samadhaan Portal** for tackling the problem of delayed payments.

Other Schemes:

- **Prime Minister's Employment Generation Programme** has been launched for generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youths.
- In November, 2019, the Government **issued a unique HS code for Khadi** thereby making it an exclusive category distinct from the general category of textile products.
- With respect to MSMEs, the government has set a target of **raising the sector's share in India's exports from the current 49 per cent to 60 per cent**.
- Efforts are also being made to create better awareness among MSMEs about the requirements of foreign markets to enable them to tailor their products accordingly.

Budget 2020-21

- MSME sector has been allocated an all-time high sum of Rs. 7,572.20 crore.
- A **scheme of Rs. 1,000 crore** was announced for providing *capacity building support including business strategy, R&D and technology upgradation*, to MSMEs.
- Allocations to programmes like The **Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**, the **Credit-Linked Capital Subsidy and Technology Upgradation Scheme** have been increased.
- To promote entrepreneurship among Scheduled Castes and Scheduled Tribes, the **National Scheduled Caste/ Scheduled Tribe Hub** has been allocated Rs. 150 crore.

Policy announcements during Budget 2020-21

- The **turnover threshold for a business** in the MSME sector to have its books audited by an accountant has been **raised from Rs. 1 crore to Rs. 5 crore**. This is expected to reduce the burden of compliance.

- The **corporate tax rate has been cut to 15** per cent for new businesses in the manufacturing space, while the rate for existing companies has been lowered to 22 per cent.
- The **Dividend Distribution Tax** has been **removed** to reduce the tax burden on investors.
- Amendments have been proposed to the **Factor Regulation Act, 2011** for enabling Non-Banking Finance Companies to extend invoice financing to MSMEs through TReDS.
- For channelising working capital for MSMEs, it has been proposed that a scheme for **providing subordinate debt in the form of quasi-equity** will be introduced.
- Other key announcements include an app-based invoice financing loans product, indirect tax reforms for improving compliance including **automation of GST refunds** and **Aadhaar-based verification of taxpayers.**

Conclusion:

- Several important suggestions have been made in **NITI Aayog's Strategy for New India @ 75 document** as well including laying emphasis on creating a self-sufficient cluster of manufacturing competence, integrating MSMEs in e-Commerce supply chains and ensuring adherence to quality.

Entrepreneurship and Employment Opportunities in Agriculture

- Agriculture and jobs are often talked about in contradictory terms. However, with changing times and gradual increase of general awareness among farmers about better farming practices and use of technology in fields, the concept is fast changing.
 - In fact, agriculture has been **emerging as the most promising field of self-employment.**
 - Also, agriculture is a sector, which **may create a domino effect** for growth in various other sectors like logistics, agri infrastructure, manufacturing, etc.
 - The employment and entrepreneurship opportunities in agriculture could be divided in two broad categories: **Individual Opportunities & Group/FPO Opportunities**
1. **Individual opportunities** - Grass root developments that have changed the scenario in last some year:
 - a. **Consumer Awareness:** People are now willing to spend more on healthy food, vegetables and other eatables. Hence, this created the market for two type of products - i. Organic produces ii. Market for exotic veggies and fruits (e.g. Thai Guava, dragon fruit, aloe vera etc.)
 - b. **Farmers' Awareness:** This has propped up 3 main opportunities:
 - i. **Hi-tech farming** (poly-house, net-house, micro irrigation tools like drip, mulching
 - ii. **Demand for quality input** (Quest for right quality of seeds, demand for bio manure etc.)
 - iii. **Custom Hiring Centres** for expensive and state-of-the-art machines
 - c. **Government Policies:** These policies have created ample space for employment and entrepreneurs. Some of them are:
 - i. **National Aroma Mission** - launched in 2016 to promote the cultivation of aromatic plants like vettivar, lemon grass, germanium, palmarosa, mentha, etc.
 - ii. **eNAM** - Standard quality parameters for the commodities being traded on eNAM are a must, but the infrastructure/ labs to test these quality parameters are scarce. This creates a big opportunity for entrepreneurship

- iii. Warehousing/eNWR - In the General Budget 2020–21, the government has taken up a **target to establish warehouses on block levels**. This is also going to create some opportunities for employment and entrepreneurship.
2. **Group/FPO opportunities:** The Central government's thrust on promoting 10000 FPOs in next 5 years and using SHGs as intermediary for rolling out agri infrastructure, has turned them as lucrative business entities. They can act as:
- a. Production units for value added products
 - b. Service providers
 - c. Export of agri products Apart from agri activities, allied sectors can also create huge opportunities for entrepreneurship. The leading sectors in this category are: Poultry, Dairy, Fisheries
- FPOs are best placed to reap the benefits of such an opportunity. In fact, almost all the active FPOs have completed at least 2 primary tasks very successfully.
 - One, **procurement of farm produces** from member farmers and two, **selling them directly to traders**, millers or processors and thereby curtailed the role of middlemen.

Egg Production

- The egg production in the country has increased from around 83 billion nos. in 2015–16 to around **88 billion in 2016–17**.
- The **per capita availability of egg** has increased to 69 in 2016–17. Government of India has kept a **target of 136 billion numbers** of eggs production by 2022–23.
- National Action Plan for Egg & Poultry-2022 For Doubling Farmers' Income by 2022' prepared and presented by the govt.

Dairy Industry in India:

- According to the latest report by IMARC Group, titled "**Dairy Industry in India 2020 Edition: Market Size, Growth, Prices, Segments, Cooperatives, Private Dairies, Procurement and Distribution**", the dairy market in India reached a value of Rs. 10527 billion in 2019. The report predicts it to grow at Rs. 25491 billion by 2025.

Micro and Small Clusters for Sustainable Development

- As technological battles have intensified and technologies have become more complex, MSMEs face numerous challenges.
- Some of these challenges are rising research and development costs, high risk and uncertainty in technological development, as well as lack of resources to pursue large-scale innovation projects.

How Cluster approach is helpful?

- Cluster policies work towards strengthening of inter-firm collaboration, business networking and building up/strengthening of organisations for technology transfer.
- It also acts as a tool for alleviation of poverty, generation of sustainable employment, fostering innovation, infusing technology, enabling better credit flow and sustenance of environmental issues more effectively and sustainably.
- With cluster interventions, the unorganised sector starts getting more structured.

Benefits of Cluster Approach:

- Formation of new business
- Network formation with supporting institutions
- Women empowerment
- Market development
- Product development
- Easy availability of finance
- Increase in sales, skills up gradation of workers and employment opportunities

Cluster Development Initiatives

Starting with the Ministry of MSME, there are **various ministries which have come up with their own cluster development schemes**. Some of them are:

- Scheme of Fund for Regeneration of Traditional Industries (SFURTI) by MSME
- Solar Charkha Clusters by MSME
- Micro & Small Enterprises - Cluster Development Programme (MSE-CDP)
- Agro Processing Cluster Scheme by Ministry of Food Processing Industries
- Comprehensive Handloom Cluster Development Scheme by Ministry of Textiles
- Cluster Development Programme for Pharma Sector by Ministry of Chemicals & Fertilizers
- Mega Leather Cluster by Ministry of Commerce and Industry
- Ambedkar Hastshilp Vikas Yojana by Ministry of Textiles
- Industrial Infrastructure Up-gradation Scheme by Ministry of Commerce and Industry
- AYUSH clusters by Ministry of Health
- Craft Cluster by Ministry of Textiles
- Shyama Prasad Mukherji Rurban Mission (SPMRM) by Union Ministry of Rural Development

Conclusion

- For a sustainable and inclusive economy, holistic cluster development approach will be the **multiplication engine**. It will be the catalyst for enterprise development and will provide a conducive ecosystem for their sustenance.
- The focus will need to be **on unexplored sectors and geographies**. For example, there exists huge scope of work in agriculture sector as a large percentage of vegetable and fruit produce gets wasted.
- There will be ripple effect, centred around the cluster which will have the potential of transforming the local and national economy.

Livelihood Opportunities in Agriculture and Allied Sectors**Importance of Agriculture:**

- The share of agriculture and allied sectors in the Gross Value Added of the country pegged at 16.5 per cent (2019–20).
- According to Economic Survey 2019-20, proportion of population depending directly or indirectly on agriculture for employment opportunities is more than that of any other sector in India.

- In rural areas, agriculture and allied sectors sustain **livelihood of nearly 70 per cent** households, and over-all agriculture is the **primary source of livelihood for about 58 per cent** of Indian population.

Potential & Prospects

- Steady rise in population and simultaneous improvement in urban and rural incomes are driving demand.
- New opportunities are emerging in seed technology, biotechnology, food processing, cold storage etc.
- In conventional farming, new twists, such as crop diversification, integrated farming, use of HYV seeds etc. have potential to increase livelihood opportunities.
- The **concept of smart farming**, wherein state-of-art technologies are used, has opened new windows for employment of rural youth.
- Precision agriculture is another frontier area that cuts the cost and helps small scale farmers to increase their income.
- Market for organically produced safe food commodities has been developed.

Policies

- **Pradhan Mantri Kisan SAMPADA Yojana** (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) to promote food processing sector.
- A **special fund of Rs. 2,000 crore** with the NABARD to provide affordable credit to food processing units.
- **Food and agro-based processing units and cold chain infrastructure** have been classified as **priority sector lending** and offered 100 per cent exemption from income tax on profit for new food processing units.
- In the current budget (2020–21) provision has been made for Viability Gap Funding for setting-up efficient warehouses at block/taluk level.
- A village storage scheme is proposed that will be run by Self Help Groups of local farmers.
- To develop a seamless national cold supply chain for perishable agri-products by collaborating with Indian Railways in PPP mode.
- A **dedicated Kisan Rail** will be launched and refrigerated coaches will be joined with Express and freights trains. Further, Ministry of Civil Aviation will launch **Krishi Udaan** on national and international routes to boost agri-trade in northeast and tribal districts.

Encouraging Entrepreneurship

- ICAR has launched **ARYA (Attracting and Retaining Youth in Agriculture)** to **attract and empower rural youth** to take up various agricultural and related enterprises for sustainable income and gainful employment.
- **Krishi Vigyan Kendras** (KVKs) organise short-term trainings for farmers, farm women and rural youth in various potential agri-businesses to encourage self-employment.
- ICAR has **developed a vast repository of agri-technologies** that can be transformed into start-ups and commercial ventures for income and employment generation.

- In order to **mentor agri-startups** and help them connect with potential investors, ICAR-National Academy of Agricultural Research Management in collaboration with IIM Ahmedabad has launched a **unique Agri-UDAAN programme**.
- So far, three editions of Agri-UDAAN have successfully created a nucleus of agripreneurs.
- **Custom Hiring Centres**, that lease out agricultural machinery to farmers, have opened a new window for employment in rural areas.
- As a capacity building initiative, government owned **Agricultural Skill Council of India** is helping aspiring entrepreneurs in acquisition of specific skills.
- New livelihood opportunities are emerging for agricultural graduates to serve as '**Technology Agents**' to provide knowledge, technologies and services to farmers.
- Ministry of Agriculture in association with NABARD has launched a programme for agriculture graduates to set up their **own Agrilclinic or AgriBusiness Centre** to serve farmers with specialised extension services.
- Establishment of SHGs and FPOs offer additional opportunities. Government has recently initiated an exercise to form **10,000 new FPOs over the next five years**.

Adopt Allied Activities

- Currently, India is at the top of milk production in the world (nearly 188 million tonnes during 2018–19). However, its **utilisation pattern** is not up to satisfactory level in terms of business and employment opportunities.
- About 40 per cent of the milk sold is handled by the organised sector.
- Production and distribution of organic milk and novel dairy products, such as probiotics, cheese and yoghurt, have great potential for large scale employment generation.

Policies to support allied activities:

- **Dairy Entrepreneurship Development Scheme** with the objective of generating self-employment opportunities in dairy sector. **Implemented by NABARD**, the scheme provides back ended capital subsidy for bankable projects.
- **Kamdhenu Aayog** provides 60 per cent of investment as subsidy to start-ups focusing on commercialisation of cow milk products.
- **Dairy Processing and Infrastructure Development Fund (DIDF)** aims to tap vast opportunities of entrepreneurship in dairy sector.
- **National Programme for Dairy Development** to support dairy farmers and dairy cooperatives/producer companies at village level for infrastructure development.
- **National Livestock Mission** is encouraging entrepreneurship in poultry, goatery and sheep husbandry. A specific sub-component of Mission called '**Entrepreneurship Development and Employment Generation**' supports livestock related livelihood activities by providing back ended subsidy.

Bee-Keeping

- Business potential of beekeeping is not restricted only to honey and wax, but novel products such as bee venom and pollen have also joined the mainstream.
- According to an official report country has a potential of about 200 million bee colonies as against around **3.4 million bee colonies today**.

- Govt has launched a **National Beekeeping and Honey Mission** to support this.
- SFURTI and ASPIRE schemes are also providing financial support to beekeepers for developing it as a business startup and rural enterprise.

Fisheries

- According to recent Economic Survey (2019–20), fisheries sector provides livelihood to about 16 million fishers and fish farmers at the primary level and almost twice the number along the value chain.
- The country harvested **13.41 million metric tonnes fish** during 2018–19 (provisional); out of this the marine fisheries contributed 3.71 million metric tonnes and the inland fisheries added nearly 9.71 million metric tonnes.
- The report states that during 2018–19 nearly **71 per cent potential of marine fisheries** and **58 per cent potential of inland fisheries** potential has been harnessed.
- In addition to fish production and processing, fish seed hatcheries; fish feed industry; aquaculture and deep sea fishing are other ancillaries with job potential
- Govt has created the **Fisheries and Aquaculture Infrastructure Development Fund** that aims to address the gaps in fisheries infrastructure.
- It also proposed to launch **Pradhan Mantri Matsya Sampada Yojana** in Union Budget (2019–20) to establish a robust fisheries management framework.

Schemes for Employment Generation in Rural India

- According to the census of 2011, more than 180 million or 69 per cent of the country's youth population between the ages of 18 and 34 years live in its rural areas of which 55 million are potential workers.
- At the same time world is expected to face a shortage of 52 million workers in 2020.
- Hence, the big dream of India becoming a five trillion economy cannot be achieved without including villages.

Schemes & Initiatives

- **MGNREGS** - It has provided nearly 235 crore person days work in last several years.
- **Pradhan Mantri Awaas Yojana-Gramin (PMAY-G)** to provide '**Housing for All**' by 2022 in the rural areas. The scheme was launched in November 2016 with the aims of constructing 2 crore 95 lakh houses by the year 2022.
- **Skill Upgradation and Mahila Coir Yojana**: The scheme comes under Coir Vikas Yojana and provides development of domestic and export markets, skill development and training welfare activities of the coir workers.
- **Pradhan Mantri MUDRA Yojana** - Launched in 2015 with the twin aims of providing credit of upto Rs. 10 lakh to small entrepreneurs and act as a regulator for Micro-Finance Institutions.
- The loans are easily accessible in three categories: Shishu, Kishore and Tarun to signify the stage of growth/development and funding needs of the beneficiary.
- **Pradhan Mantri Kaushal Vikas Yojana** to enable a large number of Indian youth to take up industry-relevant skill training that will help them in securing a better livelihood.

- MSDE is also promoting establishment of model and aspirational skill centres known as **Pradhan Mantri Kaushal Kendra (PMKK)** in every district for imparting skill training through PMKVY.
- **Deen Dayal Upadhyaya Grameen Kaushalya Yojana** – Launched by **Ministry of Rural Development** with the dual objectives of adding diversity to the incomes of rural poor families and cater to the career aspirations of rural youth.
- **Shyama Prasad Mukherji Rurban Mission (SPMRM)** - The Mission is based on the principle “**atma gaonki, suvidha sheharki**” or soul of a village and facilities of a city.
- Undertaken by the Ministry of Rural Development, it focuses on cluster-based integrated development through Spatial Planning.
- Rurban clusters are identified across the country’s rural areas showing increasing signs of urbanisation. It aims to **transform these Rurban clusters by stimulating local economic development**, enhancing basic services.
- Under the mission **300 Rurban clusters are envisaged** to be developed in a time bound manner.

Enhancing Employability Potential Of Rural Youth

- India presently faces a **dual challenge of severe paucity** of highly-trained quality labour and **non-employability of large sections** of the educated workforce that possess little or no job skills.

Statistics:

- According to the India Skills Report 2019–20, in 2019, about **only 46.2 per cent youth were found employable** as compared to 47.3 per cent in 2018.
- As per the Periodic Labour Force Survey (PLFS), the **unemployment rate in rural India was at 5.3 per cent** in FY 2017–18.

Current Opportunities:

- Although the agriculture sector still employs the largest number of workers, its contribution to India GDP 2017 was 15.8 per cent preceded by Industry sector at 29.7 per cent and Services sector at 54.4 per cent.
- Government, through different programmes, is providing thrust to both aspects - **wage employment sector** as well as **self-employment sector**.
- All the major skill development programmes in India have been focusing upon creating opportunities for **skilling the workforce for future-driven jobs** and industry-oriented courses aligned to Industry 4.0.

Problem

- Inadequate quality formal education and employability skills
- India being a culturally and linguistically diverse country, rural youth migrating to different cities for employment face various cultural and language issues.
- When it comes to education, the **Indian rural youth is 10 years behind**, as per the Annual Status of Education Report, 2017.
- In 2017–18 alone, around 33 per cent of the formally trained youth remained unemployed because the skills that the employers are looking for are lacking in the youth.

Way Forward:

- Apart from focus on short-term skill training, upgradation of ITIs as **centre for new age skills training** for candidates can be an important way forward.
- Strengthen School Education System
- Provide prevocational training right from the secondary grades
- Incorporate 21st Century Skills in schools
- Establishing institutions in rural areas
- Include Interview skills along with skill training to make the youth job ready
- Motivate business and corporate houses to invest in effective training programmes so as to reduce the skill gap in the market
- Impart required skills to meet market demand

Implications of Changing Rural Structure on Employment and Growth**Rural – Urban Structure**

- As per the Census 2011, India's total population is 121.02 crore, of which 68.84 per cent (83.31 crores) live in the rural areas and only 31.16 per cent (37.71 crores) in the urban area.
- Between 2001 and 2011, India's urban population increased by 31.8 per cent as compared to 12.18 per cent increase in the rural population.
- Over 50 per cent of increase in urban population during this period was attributed to the **rural–urban migration and re-classification of rural settlements** into urban.

Need to make Rural Economy Stronger

- Unplanned rural to urban migration, particularly in search of better economic opportunities, is putting severe pressure on urban amenities.
- It is essential for reducing the disparity in per capita rural and urban income which has remained persistently high.

Structural Transformation of Rural Economy

- **More than half** of Indian industrial production **comes from the rural areas**. Rural construction also accounts for nearly half of the total building activity in the country.
- The value of rural services is about a quarter of the total services output. Agriculture has accounted for less than half of total rural output since the turn of the century.
- The puzzling fact is that the share of **rural industrial employment in total industrial employment has been around the same over those four decades**.
- This suggests that rural industries have been more intensive users of capital than their urban counterparts.
- **The higher capital intensity of rural industries is puzzling** because one would have expected the opposite, given the fact that rural wages are lower and rural industries are likely to be more credit constrained than urban industries.
- Rural employment has shrunk after 2005 while the urban areas have not been able to absorb the millions who are leaving the farm.

- Also, new kinds of non-farm income opportunities emerged in rural India — from selling mobile top-ups to servicing farm equipment.

Schemes for Rural Development & Employment

- **Pradhan Mantri Gram Sadak Yojana** for rural connectivity
- **Deen Dayal Upadhyaya Grameen Kaushalya Yojana**: It is a part of National Livelihood Mission, with the objectives of catering to the career aspirations of the rural youth and adding diversity to the income of rural families.
- **Swarnjayanti Gram Swarozgar Yojana (SGSY)/ National Rural Livelihood Mission** - Also known as Aajeevika, this scheme aims at empowering women self-help model across the country.
- Under this scheme, the government provides a loan of three lakh rupees at an interest rate of seven per cent which can be reduced to four per cent at the time of repayment.
- The scheme was aided by World Bank and aimed at creating efficient and also effective institutional platforms for poor people.
- **Prime Minister Rural Development Fellows Scheme** - Initiated by the Ministry of Rural Development to develop competent and committed leaders and facilitators who can serve as a resource for long term.
- **Sampoorna Grameen Rozgar Yojana (SGRY)**- To provide employment to the poor. It also aimed at providing food to people in areas who live below the poverty line and improving their nutritional levels.
- **Sansad Adarsh Gram Yojana** - It is a rural development project in which each Member of Parliament will take the **responsibility of three villages** and look after the personal, human, social, environmental and economic development of the villages.
- **Provision of Urban Amenities In Rural Areas (PURA)** - A strategy for Rural Development which proposes that urban infrastructure and services should be provided in rural areas to create opportunities outside the cities.
- **Prime Minister Employment Generation Programme** – To generate employment opportunities in rural as well as urban areas.
- **National Rural Employment Programme (NREP)** - It was launched to use the unemployed and the underemployed.
- **Employment Assurance Scheme (EAS)**: It was launched to provide employment during lean agricultural season.
- **Jawahar Gram Samridhi Yojana (JGSY)**: It was launched to create demand-driven community village infrastructure including durable assets at the village level and skills.
- **Swarna Jyanti Gram Swarozgar Yojana** - A **credit-cum-subsidy programme** which covers all aspects of self-employment such as organisation of poor into self-help groups, training, credit, infrastructure and marketing.
- **National Food for Work Programme (NFWP)** - It was launched with the exclusive focus on the 150 identified backward districts. The aim was to generate additional supplementary wage employment and create assets.
- **Rural Self Employment Training Institutes (RSETI)** - for imparting training to rural BPL youth in collaboration with the leading district banks.

Conclusion:

- About half of the national income and more than two-third of the total employment is generated in rural areas, but at the same time, rural areas are characterised with the low level and wide disparity in worker productivity.
- The **employment insensitive growth in rural areas** warrants special attention towards the non-farm sectors, particularly manufacturing and service sectors, to provide employment.
- The efforts to reduce disparity among different worker categories requires acceleration in employment diversification towards non-farm sectors through creation of conducive rural infrastructure and imparting skills and training to largely unskilled rural workers and improving growth in the farm output.
- These can be harnessed by developing and promoting new farm models based on knowledge- and skill-based agriculture and post-harvest on farm value addition.