

Gist of

KURUKSHETRA

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Rural Employment

Rapid Transformation
in Rural Employment
Scenario

MSME:
Entrepreneurship of the
New Era

**Entrepreneurship and
Employment Opportunities**
in Agriculture

Micro and Small Clusters for
Sustainable Development

Livelihood Opportunities in
Agriculture and Allied Sectors

INCREDIBLE RESULTS

CSE 2018 Results

11 Ranks in Top 50

28 Ranks in Top 100

183 Ranks in the Final List



Rank 11
Pujya Priyadarshni



Rank 16
Dhodmise Trupti Ankush



Rank 21
Rahul Jain



Rank 24
Anuraj Jain

CSE 2017

5 Ranks
in top 50

34 Ranks
in top 100

236 Ranks
in the final list



Rank 3
Sachin Gupta



Rank 6
Koya Sree Harsha



Rank 8
Anubhav Singh



Rank 9
Soumya Sharma



Rank 10
Abhishek Surana

CSE 2016

8 Ranks
in top 50

18 Ranks
in top 100

215 Ranks
in the final list



Rank 2
Anmol Sher
Singh Bedi



Rank 5
Abhilash Mishra



Rank 12
Tejaswi Rana



Rank 30
Prabhash Kumar



Rank 32
Avdhesh Meena

CSE 2015

5 Ranks
in top 50

14 Ranks
in top 100

162 Ranks
in the final list



Rank 20
Vipin Garg



Rank 24
Khumanthem
Diana Devi



Rank 25
Chandra Mohan
Garg



Rank 27
Pulkit Garg



Rank 47
Anshul Agarwal

CSE 2014

6 Ranks
in top 50

12 Ranks
in top 100

83 Ranks
in the final list



Rank 4
Vandana Rao



Rank 5
Suharsha Bhagat



Rank 16
Ananya Das



Rank 23
Anil Dhameliya



Rank 28
Kushaal Yadav



Rank 39
Vivekanand T.S

CSE 2013

5 Ranks
in top 50

62 Ranks
in the final list



Rank 9
Divyanshu Jha



Rank 12
Neha Jain



Rank 23
Prabhav Joshi



Rank 40
Gaurang Rathi



Rank 46
Udit Singh

KURUKSHETRA – APRIL 2020 ISSUE

RURAL EMPLOYMENT

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Chapter 1: Rapid Transformation in Rural Employment Scenario

Significance of employment generation:

- Employment generation is the cornerstone of the economic development of any country. Economic development is possible only if the available manpower in the country gets suitable work based on its competence and abilities and as a result of it receives reasonable remuneration or wages which will help create demand in the economy.
- Employment generation helps ensure inclusive development and hence ensures poverty reduction at the broader level.
- India, with the world's largest youth population, would be in a position to take the maximum advantage of its demographic dividend only in case of availability of employment opportunities.
- Majority of the population of rural India still depends mainly on farming or agricultural work for their livelihood, which is plagued by the issue of disguised unemployment.
- Availability of other employment opportunities will enable some of the labour force from the agricultural sector to shift to other sectors thereby helping in increasing the overall productivity of India's labour force.

Current status:

- Growth has been recorded in formal employment.
 - According to an estimate of the annual Periodic Labour Force Survey (PLFS), the share of regular wage/salaried employment has increased by 5 per cent i.e., from 18 per cent in 2011—12 to 23 per cent in 2017—18.
 - 1.21 crore new jobs were registered in rural 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.

Initiatives being taken:

Skilling:

- Through the Kaushal Bharat Programme of the Ministry of Skill Development and Entrepreneurship (MSDE), more than one crore youth are being imparted training in various skills every year, so as to enhance their access to better and lucrative livelihood.
- National Apprenticeship Promotion Scheme (NAPS) aims to encourage employers to engage more apprentices. As a result, enrolment of apprentices has improved significantly during the last five years.
- The [Pradhan Mantri Kaushal Vikas Yojana](#) of the National Skill Development Corporation (NSDC) would enable a large number of Indian youth to gain better employment through industry-compatible skill training for better livelihood.
 - Under this scheme, youth are being imparted training related to skill development in 371 courses.
 - The focus of this scheme is on employment and eligible candidates have got jobs in various sectors and industries.

Labour welfare:

- For the welfare of the country's labour force, the Government of India has taken various measures to increase transparency and accountability through various reforms and labour laws.

- The objective is to strengthen aspects related to safety, security, health and social security of every worker.

Social security:

- 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.
 - The benefit of this central sector scheme is being given to those workers in the unorganised sector whose monthly income is Rs. 15,000 or less and who have a savings account or Jan Dhan account in a bank linked with an Aadhaar number.
 - Workers between the ages of 18 and 40 years can join this scheme and after attaining 60 years of age, the beneficiary would get a monthly pension of Rs. 3,000.
- Voluntary and Contributory [National Pension Scheme](#) has also been launched for businessmen, shopkeepers and persons engaged in self-employment.
 - 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.

Entrepreneurship support:

- The legal procedures and formalities have been liberalised and simplified to provide relief to entrepreneurs in starting businesses so that local employment opportunities can be created through them as well.
 - 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.

National career service portal:

- The Ministry of Labour and Employment is implementing the National Career Service as a mission mode project to provide various employment-related services such as career counselling, vocational guidance, and information related to skill development courses, apprenticeship and internship.
- The stakeholders associated with the National Career Service platform include job seekers, industries, employers, employment centres, training providers, educational institutions and placement agencies.

Inclusive approach:

- Under the administrative control of the Directorate General of Employment, 21 National Livelihood Services Centres are also being run for the differently-abled. These include assessing the abilities of the differently-abled and providing them with vocational training and rehabilitation support.

Incentive for employment generation:

- To promote employment generation in the country, the government is providing special assistance to new employers for a period of up to 3 years from the start of business, under the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY).
 - Under the scheme, the entire contribution of employers in the Employees' Provident Fund and Employees' State Insurance Scheme is being paid by the Government of India.

Rural employment:

- The Ministry of Rural Development has been focussing on generating employment opportunities for the poor and youth of the village through various initiatives and connecting them with gainful employment or self-employment.
- [Mahatma Gandhi National Rural Employment Guarantee Act](#) (MGNREGA) has the fundamental objectives of social protection and livelihood security.
 - 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.
 - This scheme has helped in strengthening the livelihood base of the poor in rural India.
 - This investment has not only created direct employment in the form of man-days, but also increased indirect employment opportunities due to increase in various agricultural activities including multi-crops and productivity improvement.
- Pradhan Mantri Awas Yojana (PMAY-G) - Gramin is a housing programme creating employment both directly and indirectly.
- The flagship schemes of the Ministry of Rural Development like the MGNREGA, Pradhan Mantri Awas Yojana- Gramin and Pradhan Mantri Gram Sadak Yojana (PMGSY) have helped create a considerable amount of man days.
- Deendayal Antyodaya Yojana - National Rural Livelihoods Mission ([DAY-NRLM](#)) aims to reduce poverty through promotion of diversified and gainful self-employment and skilled wage employment opportunities.
 - Under this Mission, emphasis is being laid on promoting and strengthening community institutions like the SHGs through credit and marketing support.
 - Under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana, 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 \(NSQF\)](#).

Chapter 2: MSME: Entrepreneurship of the New Era

Significance of the MSME sector:

The MSME sector is of critical importance to the Indian economy.

- It employs over 100 million people and amounts 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.
- According to the 73rd round of the National Sample Survey, the estimated number of workers in unincorporated non-agriculture MSMEs in India was 11.10 crore.
- 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.

Recent reforms impacting MSMEs:

- Many economic reforms of recent times will have a positive impact on the MSME sector as well.

Resolving insolvencies:

- Given the fact that failure is a part of the lifecycle of every entrepreneur, steps are being taken to ensure appropriate frameworks.
- With the [Insolvency and Bankruptcy Code](#), the time taken for dealing with insolvencies and bankruptcies has been drastically reduced.

Taxation system:

- The [Goods and Services Tax](#) has transformed India's indirect taxation system which was previously perceived to be unfriendly for investors, unpredictable and non-transparent.
 - This has also helped integrate 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.

Digital framework:

Digital connectivity is being promoted by the government. This will provide a favourable framework for the growth of MSMEs.

- Recent initiatives, such as the [Bharat Interface for Money \(BHIM\)](#) application, are giving a massive boost to digital money transactions.
- A new digital ecosystem, "India Stack" has also been developed.
 - India Stack is a set of Application Programming Interface that allows governments, businesses, start-ups and developers 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.

Artificial Intelligence:

- Consequent to the recently released discussion paper on National Strategy on Artificial Intelligence by the NITI Aayog, a large-scale National Artificial Intelligence Programme will also be launched soon.
- AI can play a key role in accelerating business performance for MSMEs, especially in the areas of efficiency, innovation and growth.

Read more on [Artificial Intelligence](#).

Ease of doing business:

- India jumped to 77th place in 2019 in the World Bank's Ease of Doing Business rankings, a jump of 65 spots since 2014. This improvement in India's rankings has been the result of rationalising processes and procedures for giving licenses and permissions, reducing compliance burden and providing support to start-ups and facilitating investment.

De-regulation:

- The government is also playing a proactive role in investment promotion through a liberal Foreign Direct Investment policy.
- 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. These inflows have a positive impact on the MSME sector as well.

Initiatives for Catalysing Growth of MSMEs:

- In order to realize the vision of a \$5 trillion economy by 2024—25, the government's actions have been geared towards spurring the growth of businesses, especially Micro, Small and Medium Enterprises (MSMEs) and start-ups, across sectors.

Credit:

- Lack of access to formal credit for working capital and capital investment is a major issue for MSMEs.
 - Lack of credit history for the informal and unorganized MSMEs to judge their creditworthiness leads to lack of access to formal credit sources.
 - Working capital becomes constrained for the MSMEs when their buyers fail to pay them on time, or demand long repayment schedules.
- Various initiatives have been taken by the government for ensuring easy and cheap access to credit for the MSMEs:
 - A portal has been launched to approve loans for MSMEs in just 59 minutes for an amount up to the limit of Rs. 1 crore. MSMEs are also provided a 2 per cent interest subvention by the government.
 - The recently launched 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 will help ease the financial pressure on MSMEs.
 - The [Prime Minister's Employment Generation Programme](#) providing credit support has been instrumental in generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth in rural as well as urban areas.

Generating demand:

- Central Public Sector Undertakings (CPSUs) are now mandated by the government to make at least 25 per cent of their procurements from MSMEs as opposed to 20 per cent.
- MSMEs have been enabled to sell through the Government e-Marketplace (GeM).

- Efforts have been made to popularise Khadi and empower village industries. The unique Harmonised System (HS) code for Khadi will have a positive impact on Khadi sales.

Support structure:

- Common Facility Centres and Infrastructure Development Projects have been approved as a part of Micro Small Enterprises- Cluster Development Programme.
- A scheme of Rs. 1,000 crore has been announced for providing capacity building support including business strategy, research & development and technology upgradation, to MSMEs.
- The Scheme of Fund for Regeneration of Traditional Industries (SFURTI) aims to equip traditional industries in becoming more productive, profitable and large-scale employment generators for artisans.
- The Credit-Linked Capital Subsidy and Technology Upgradation Scheme will help improve the MSMEs become more productive.

Exports:

- There has been a focus on encouraging exports by providing better infrastructure, increasing credit availability, building the competitiveness of the products in terms of cost and quality as well as targeting focused products and services for exports.
- 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.

Key budget provisions:

- Several key policy and programmatic announcements were also made with respect to MSMEs in the [Union Budget 2020-21](#).
 - The burden of audit compliance, particularly on smaller traders, retailers and shopkeepers has been eased by increasing the threshold for auditing of MSMEs.
 - 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.

Chapter 3: Entrepreneurship and Employment Opportunities in Agriculture

Agricultural sector has been emerging as a promising field of self-employment with a huge potential to become a mammoth employment generator. Agriculture as a sector may also create a domino effect for growth in various other sectors like logistics, agri-infrastructure, manufacturing, etc., to generate scores of other employment opportunities.

Favourable factors:

Various factors have had a favourable impact on agricultural sector emerging as an attractive business venture.

Consumer Awareness:

- With increasing income levels across societies, a significant section of people is now willing to spend more on healthy food.
- Organic staple and exotic agri-products like Thai guava, dragon fruit, aloe vera, black rice, broccoli, lettuces, etc. have high demand levels.
- Organic eggs or A2 milk has special attraction values for affluent classes where consumers are ready to pay 100 to 300 per cent premium over normal market rate making them a fantastic avenue for venturing into business.
- This has helped create ample opportunities of employment for farmers and agri-entrepreneurs.

Farmers' Awareness:

- There is increasing interest among new generation farmers about moving into hi-tech farming with usage of poly-house, net-house, micro irrigation tools like drip, sprinkle, etc. This has created livelihood and employment opportunities for young entrepreneurs in this vertical.
- Apart from hi-tech farming, the requirements in traditional farming have also been witnessing unique employment opportunities due to increased awareness among farmers.
 - Quest for the right quality of seeds has given way to many agri start-ups.
 - Many farmers are turning towards bio manure to increase carbon matter in their farm, providing magnificent employment opportunities in the production of vermicompost and bio fertilisers.

Government Policies:

- The Central government has initiated many programmes with an aim to increase the farmers' income. These schemes have also created many opportunities of business and employment.
 - The government's commitment to establish an [electronic National Agriculture Market \(eNAM\)](#) would help create a big opportunity for entrepreneurship.
 - In the General Budget 2020—21, the government has taken up a target to establish warehouses on block levels. This will help create opportunities for employment and entrepreneurship.
 - The government envisions creating 10000 Farmer Producer Organisations (FPOs) in the next five years. Self Help Groups (SHGs) have been given the exclusive mandate for creating village level warehouses with financial help from the [MUDRA Yojana](#). Such groups have tremendous potential for employment generation and entrepreneurship opportunities.
 - Government's focus on increasing agricultural exports from India would be attractive for agri-entrepreneurs.
 - Apart from agriculture, allied agri activities also provide many entrepreneurial or employment opportunities. Poultry, dairy and fisheries lead the chart.

Chapter 4: Micro and Small Clusters for Sustainable Development

Countries across the world in recent times have been relying on a cluster approach which increasingly stresses on ensuring networks among small firms with the supportive institutions and policy frameworks. The Ministry of MSME has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of MSMEs in the country.

Cluster approach:

- A cluster is a group of enterprises located within an identifiable and as far as practicable, contiguous area or a value chain that goes beyond a geographical area and producing same/similar products/complementary products/services, which can be linked together by common physical infrastructure facilities that help address their common challenges.
- Cluster policies work towards strengthening of inter-firm collaboration, business networking and strengthening of organizations.

Significance:

- Clustering approach facilitates MSMEs to combat the challenges posed due to globalization.
- The MSME sector is dogged by obsolete technology, inefficiency in cost of production and limited market opportunities.
- Enterprises can better improve their competitiveness due to specialized suppliers of raw materials, machinery, skills and technology as well as other supporting services.
- With cluster interventions, the predominantly unorganized MSME sector starts getting more organized.
- Cluster approach not only helps improve the competitiveness of the firms but also fosters innovation, enables better credit flow and ensures more effective sustenance of environmental issues also.

Adoption of the cluster based approach:

- Apart from the Ministry of MSME, various other ministries have also come up with their own cluster development schemes. They are:
 - Agro processing cluster scheme by the Ministry of Food Processing Industries.
 - Comprehensive Handloom cluster development scheme by the Ministry of Textiles.
 - Cluster development programme for the pharma sector by the Ministry of Chemicals and Fertilisers.
 - Shyama Prasad Mukherji Rurban Mission by the Ministry of Rural Development. The mission aims to transform the rural clusters by stimulating local economic development, enhancing basic services and creating well planned rurban clusters.

Conclusion:

- A holistic cluster development approach would help ensure a sustainable and inclusive economy. It will not only catalyze enterprise development but also help provide a conducive ecosystem for the sustenance of the enterprises.
- This approach has the potential of transforming the local and national economy.

Chapter 5: Livelihood Opportunities in Agriculture and Allied Sectors

Significance of agricultural sector:

Despite impressive growth in manufacturing and service sectors, India remains a predominantly agrarian economy.

- The share of agriculture and allied sectors in the Gross Value Added of the country is pegged at 16.5 per cent (2019—20).
- Agricultural sector happens to be the largest source of livelihood 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 the Indian population.
- That makes the agricultural sector the most critical sector for the upkeep of economic health and social well being of the country.

Challenges:

- Agriculture sector is facing challenges mainly due to rising cost of farm operations, escalating price of agri-inputs and diminishing returns.
- Farmers' incomes remain low in comparison to their counterparts in the non-farming sector.
- Consequently, a large section of farmers, especially young ones, intend to migrate towards more remunerative and secured jobs in urban settings.

Government initiatives:

- The Government of India has the vision to double farmers' income by 2022.
- An array of initiatives has been taken to enhance farmers' income, create and enhance livelihood opportunities, and develop an enabling environment to retain and attract youth in agriculture.

Food processing:

- Pradhan Mantri [Kisan SAMPADA Yojana](#) (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) or PMKSY helps promote the food processing sector.
 - The PMKSY envisages creation of direct and indirect employment for 5,30,500 persons by 2020.
 - The scheme is also poised to benefit 20 lakh farmers by providing better prices for their produce.

Logistics:

- Warehousing has huge potential to generate employment and benefit farmers.
- In the current budget (2020—21) there is a provision 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.
- There is also a vision to develop a seamless national cold supply chain for perishable agri-products by collaborating with Indian Railways in PPP (Public Private Partnership) mode to set up the Kisan Rails. The Ministry of Civil Aviation will launch Krishi Udaan.

Export promotion:

- To tap the vast potential of agricultural exports, the Government has recently initiated a comprehensive Agriculture Export Policy aimed at doubling the agricultural exports and integrating Indian farmers and agricultural products with global value chains.

Encouraging Entrepreneurship:

- The Indian Council of Agricultural Research (ICAR) is operating an innovative model to attract and empower rural youth to take up various agricultural and related enterprises for sustainable income and gainful employment.
 - Aptly named ARYA (Attracting and Retaining Youth in Agriculture), this project helps under-employed and unemployed rural youth in establishing agri-based enterprises by imparting necessary skills and entrepreneurial training in the village setting.
- ICAR has developed a vast repository of agri-technologies that can be transformed into start-ups and commercial ventures for income and employment generation.
- As a capacity building initiative, the government-owned Agricultural Skill Council of India is helping aspiring entrepreneurs in the acquisition of specific skills for selected trades.

Allied Activities:

- The Government of India is operating a Dairy Entrepreneurship Development Scheme with the objective of generating self-employment opportunities in the dairy sector, covering various activities from production to marketing.
- Kamdhenu Aayog, set-up with a corpus of Rs. 500 crore, 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) focuses on infrastructure development by creation of additional milk processing capacity, milk drying capacity and milk chilling capacity.
- The National Livestock Mission is encouraging entrepreneurship in poultry, goatery and sheep husbandry.
- Government has launched a National Beekeeping and Honey Mission that provides financial incentives and support to beekeepers for scientific beekeeping management practices.
- Government is vigorously supporting the fisheries sector for developing linkages with overseas markets. To harness the full potential of the fisheries sector, the government has created the Fisheries and Aquaculture Infrastructure Development Fund that aims to address the gaps in fisheries infrastructure.

Additional Information:

- Currently, India is at the top of milk production in the world but its utilisation pattern is not up to satisfactory level in terms of business and employment opportunities.
- Nearly 48 per cent of total milk produced is either consumed at the producer level or sold to non-producers in the rural area. Remaining 52 per cent milk, regarded as marketable surplus, is available for sale to consumers in urban centres.
- About 40 per cent of the milk sold is handled by the organised sector (dairy cooperatives — 20 per cent, producer companies — 1 per cent and private dairies — 19 per cent) and remaining 60 per cent by the unorganised sector.

Chapter 6: Schemes for Employment Generation in Rural India

Challenges for rural employment generation:

- The economic growth since liberalisation of the economy has remained elusive for India's villages.
- Lack of development and employment opportunities in rural India has made India's rural population vulnerable by creating an imbalance between urban and rural India.

Schemes and initiatives:

- Prime Minister's Employment Generation Programme is a composition of two schemes namely Prime Minister's Rojgar Yojana and Rural Employment Generation Programme, and is a credit-linked subsidy programme that aims at generating employment opportunities through establishment of micro enterprises in rural as well as urban areas.
- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a flagship programme which provides wage employment for those willing to do manual work. It helps address poverty in a holistic manner.
- The [Pradhan Mantri Awaas Yojana](#)- Gramin (PMAY-G) has been devised in line with the Government's commitment to provide 'Housing for All' by 2022 in the rural areas.
 - The scheme aims at providing a pucca house with basic amenities to all houseless families living in kutcha and dilapidated houses by 2022.
- Skill Upgradation and Mahila Coir Yojana provides development of domestic and export markets, skill development and training, empowerment of women, employment/entrepreneurship creation and development, enhanced raw material utilisation, trade-related services, welfare activities for the coir workers.
- The Pradhan Mantri MUDRA Yojana has the twin aims of providing credit of upto Rs. 10 lakh to small entrepreneurs and act as a regulator for Micro-Finance Institutions. The scheme is designed to promote and ensure access of financial facilities to Non-Corporate Small Business Sectors that will turn them into instruments of GDP growth and employment generation.
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development & Entrepreneurship.
 - The objective of this Skill Certification Scheme is to enable a large number of Indian youth to take up industry-relevant skill training that will help them in securing a better livelihood.
 - Under this Scheme, training and assessment fees are completely paid by the Government.

Budget provisions:

- The 2020—2021 budget has given utmost priority to rural development. Accordingly, under the head "Sixteen Action Points for Agriculture, Irrigation and Rural Development", the Union Government has allocated 2.83 lakh crore rupees for rural-centric works including, 1.60 lakh crore rupees for agriculture, irrigation and allied activities; 1.23 lakh crore rupees for rural development and panchayati raj.
- It proposes expansion of [PM-KUSUM](#) to provide 20 lakh farmers for setting up stand-alone solar pumps and for another 15 lakh farmers to solarise their grid-connected pump sets.

Chapter 7: Enhancing Employability Potential of Rural Youth

India is home to one of the world's largest working age population out of which a significant proportion lives in rural areas. Employment pattern in rural areas mostly revolves around agriculture and allied sectors.

Challenges:

Unemployment:

- As per the Periodic Labour Force Survey (PLFS) of the [National Sample Survey Office](#) (NSSO), the unemployment rate in rural India was at 5.3 per cent in FY 2017—18.

Rural urban migration:

- Number of jobs under the agricultural sector started declining since mid-2000s which was then overtaken by other non-agricultural sectors where, at present, the construction sector accounts for largest number of new jobs followed by trade, miscellaneous services, transport and storage, education, business services and hotels and restaurants.
- Expansion of technology and industrialisation led to an upsurge of urbanisation which, as a result, led to mass migration of youths from rural to urban areas. Leaving their homes, education and community, the rural youth move to cities in search of better livelihoods and lifestyle but due to their poor education and skill level, they either succumb to seasonal or disguised unemployment.

Skill gap:

- The country 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.
- Lack of employability among the youth is a concern. 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.
- 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.
- Despite the various schemes for skill development, the skill gap is still increasing in various industries.

Access to formal education:

- Inadequate access to quality formal education is a challenge.
- When it comes to education, the Indian rural youth is 10 years behind, as per the Annual Status of Education Report, 2017.
- Further, about 89 per cent of youth do not have any skill/vocational training.

Low productivity of labour:

- Although the agriculture sector employs the largest number of workers, its contribution to India's GDP in 2017 was 15.8 per cent preceded by the industry sector at 29.7 per cent and the services sector at 54.4 per cent.
- The productivity of the labour force at present is not very encouraging. One of the most cited reasons includes low level of education and low employability among the rural youth.

Government initiatives:

- Initiatives like National Rural Employment Programme (NREP), PMKVY, DDU-GKY, NRLM, [Make in India](#), StartUp India and access to MUDRA loans are motivating the self-employment sector.
- All the major skill development programmes in India like Industrial Training Institutes (ITIs), PMKVY, or SHREYAS, have been focusing upon creating opportunities for skilling the workforce for future-driven jobs and industry-oriented courses aligned to Industry 4.0.

Way forward:

- Strengthening school education system is the need of the hour.
- Providing pre-vocational training from secondary level is necessary.
- Establishing institutions in rural areas is necessary for easy and low cost access.
- Imparting required skills to meet market demand and reducing the skill gap in the market is needed.
- The existing training programmes need to be geared towards incorporating new age skills for youth residing in the rural areas.
- Upgradation of ITIs as centres for new age skills training for candidates is an important way forward.

Chapter 8: Implications of Changing Rural Structure on Employment and Growth

Demographic facts:

- 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) live in the urban areas.
- 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.

Rural industrialization:

- There has been a structural transformation of the rural economy with rural industrialisation being evident.
 - More than half of the Indian industrial production comes from the rural areas.
 - The value of rural services is about a quarter of the total services output.
 - Agriculture has accounted for less than half of the total rural output since the turn of the century.
- However, the share of rural industrial employment in total industrial employment has been around the same for over four decades. Rural industries have been more intensive users of capital than their urban counterparts.
- The lack of adequate job creation by rural industries is balanced by the rising share of rural construction work in employment statistics.

Challenges:

- Rural employment has shrunk after 2005 while the urban areas have not been able to absorb the millions who are leaving the farm.
 - The decline in rural employment between 2004—05 and 2011—12 was due to withdrawal of the labour force from the agriculture sector, majority of whom did not join the non-farm sectors.
- The income opportunities in the form of jobs or self-employment do not seem to have kept pace with the rate at which the young have joined, and prospectively will be joining, the workforce.
- The unplanned rural to urban migration, particularly in search of better economic opportunities, is putting severe pressure on urban amenities and forcing a large number of low wage migrants from rural areas to live in deprived conditions.
- Rural areas are characterised with the low level and wide disparity in worker productivity.

Schemes for Rural Development & Employment:

To deal with the problem of unemployment, the government visualises two strategies to work on, either indirectly through promoting urban growth or directly through the creation of jobs in villages.

- Pradhan Mantri Gram Sadak Yojana: The scheme aims at enhancing rural road connectivity. This scheme provides connectivity to the habitations with less or no connectivity at all. This ensures sustainable poverty reduction in the long run.
- Provision of Urban Amenities in Rural Areas (PURA): PURA proposes that urban infrastructure and services should be provided in rural areas to create opportunities outside the cities. This will also prevent the migration of youth from the rural areas to urban areas.

- Deen Dayal Upadhyaya Grameen Kaushalya Yojana: It is a part of National Livelihood Mission. The scheme's prime focus is on the rural youth of poor families aged between 15 and 35 years, aimed at enhancing employability through training.
- Swarnjayanti Gram Swarozgar Yojana (SGSY)/National Rural Livelihood Mission: Also known as Aajeevika, this scheme aims at empowering women self-help groups across the country. Under this scheme, the government provides easy credit.
- Prime Minister's Employment Generation Programme: The objective of this programme is to generate employment opportunities in rural as well as urban areas through setting up of new self-employment ventures/projects/micro- enterprises.
- National Rural Employment Programme (NREP): It was launched to use the unemployed and the underemployed workers to build community assets.
- Employment Assurance Scheme (EAS): It was launched to provide employment during the lean agricultural season. The primary objective of EAS is to create additional wage employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line.
- 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): These institutes are being established in most districts of the state for imparting training to rural BPL youth in collaboration with the leading district banks.

Way forward:

Keeping a check on migration:

- There is a need to check unplanned migration from rural to urban areas and to improve socio-economic conditions of the vast majority of the population in the country; there is a need to make the rural economy stronger and create employment opportunities in rural economic activities.
- The improvement in economic conditions of rural households is also essential for reducing the disparity in per capita rural and urban income which has remained persistently high.
- This requires significantly higher growth in rural economy as compared to urban India.

Strengthening agricultural sector:

- Traditionally, agriculture is the prime sector of rural economy and rural employment.
- There is a need for developing and promoting new farm models based on knowledge and skill-based agriculture and post-harvest on farm value addition.

Diversification towards non-farm sectors:

- The transformation of the rural economy must include strong measures for employment generation and shifting workers out of conventional agricultural activities.
- There is a need for special attention towards the non-farm sectors, particularly manufacturing and service sectors, to provide employment to the rising population and labour force leaving agriculture.
- There is a need for 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.

Chapter 9: Strong Rural Infrastructure: Key to Rural Employment

Typically, rural infrastructure in the country encompasses rural roads, rural housing, irrigation, water supply, rural electrification and telecom services. In a country like India which is predominantly an agrarian economy, rural infrastructure is crucial for agriculture, agro-based industries, employment generation, and to achieve redistributive growth and poverty alleviation in the rural areas. Rural infrastructure has the potential to provide basic amenities to people that can improve their quality of life.

Government schemes:

- The Department of Rural Development administers some of the most critical Centrally Sponsored Schemes (CSSs) in close collaboration with the States, in the areas of rural employment and infrastructure.
- Considering acute need of faster development of rural infrastructure towards enhancing rural employment and farmers' income, the government has been investing along with state governments in the key infrastructure sectors in the rural areas by implementing schemes for constructing rural roads, rural housing, water supply, development of village clusters to check migrations, rural employment programme, critical infrastructure of agro food processing, etc.

Pradhan Mantri Gram Sadak Yojana (PMGSY):

- PMGSY was launched with an objective to provide single all-weather road connectivity to eligible unconnected habitations of designated population size (500+ in plain areas and 250+ in North-East, hill, tribal and desert areas as per Census, 2001) for overall socioeconomic development of the areas.
- Since inception, connectivity has been provided to 97.33 per cent of total eligible and feasible habitations.
- The World Bank report assessed the impact of PMGSY.
 - It shows that the connecting habitations through constructing roads has transformed the rural economy, enhanced income, job opportunities, mobility apart from some positive changes in health and education of children.

Pradhan Mantri Awas Yojana-Gramin:

- One of the most important features of PMAY-G is the selection of beneficiaries.
 - To ensure that assistance is targeted at those who are genuinely deprived and that the selection is objective and verifiable, PMAY-G, instead of selecting the beneficiary from among the BPL households, selects beneficiary using housing deprivation parameters in the [Socio Economic and Caste Census \(SECC\)](#), 2011.
- Towards better quality of construction, setting up of a Nation Technical Support Agency (NTSA) at the national level is envisaged.

RURBAN Mission:

- To check rural migration, Shyama Prasad Mukherji Rurban Mission (SPMRM) follows the vision of development of a cluster of villages that preserve and nurture the essence of rural community life with focus on equity and inclusiveness without compromising on the facilities perceived to be essentially urban in nature, thus creating a cluster of Rurban villages.
- The objective of the Mission is to stimulate local economic development, enhance basic services, and create well-planned Rurban clusters.

- The project is being implemented over a fixed time frame of five years by integrating and converging the implementation of the project components.

MGNREGA Programme:

- The MGNREGA aims at enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.
- The scheme also results in creation of productive assets of prescribed quality and durability, strengthening the livelihood resource base of the poor. Emphasis has been given to works on water conservation, construction of Grameen Haats, village roads and drains, and a range of individual beneficiary schemes for livelihood diversification.

Prime Minister's Employment Generation Programme (PMEGP):

- Started in 2008 as a credit linked subsidy programme with an aim to generate self-employment opportunities through establishment of micro enterprises in various sectors, including agro based industries.
- A large chunk of agro based food processing industries have been assisted under PMEGP.
 - The scheme for agro-marine processing and development of agro processing clusters (SAMPADA) will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlets. It is a big step towards doubling farmers' income, creating huge employment opportunities, especially in rural areas, reducing wastage of agri produce, increasing the processing level and enhancing the export of processed foods.
 - The Government of India has so far sanctioned 42 mega food parks and 234 cold chain projects with 139 lakh tonnes of preserving and processing capacity.

Way forward:

- There is huge scope for development of all kinds of infrastructure in rural areas.
- The gaps in the rural infrastructure need to be addressed properly and as fast as possible so as to achieve redistributive growth and alleviate poverty in the country.
- A huge investment is required for creating an ecosystem that, among others, involves infrastructure including post-harvest logistics, agrofood processing, mega food parks, etc.
- In view of overarching demand of public funding, private investment holds the key. Investments with larger corporate participation will create a win – win opportunity and enhance farmers' income and employment.



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