

## SKILL DEVELOPMENT AND EMPLOYMENT FOR RURAL YOUTH

A. Srija

The Union Budget 2018-19 in terms of allocation has given a boost to agriculture, infrastructure creation in rural areas, education in villages and backward districts, adoption of backward districts among others. The emphasis is on strengthening the rural sector, where majority of the youth that would enter the labour market in the coming years resides

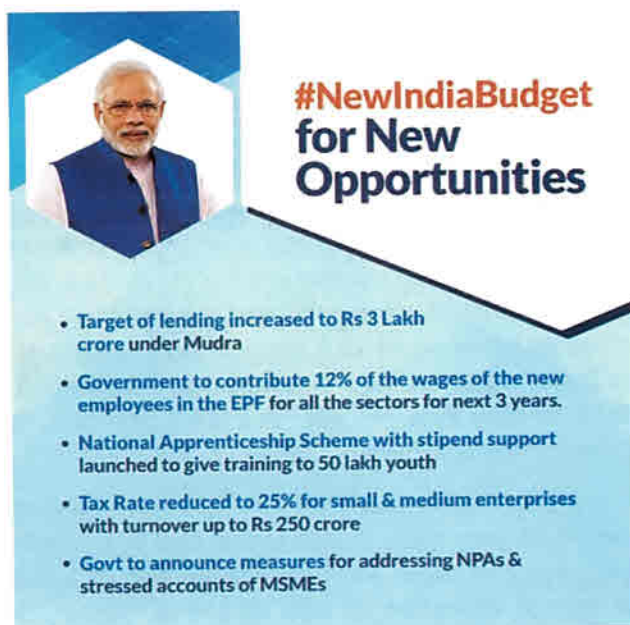
India is a young country as highlighted by our Prime Minister in his Independence Day Speech of August 2017. India today has the world's largest youth population and as the country strives to move towards a New India by 2022, the 75<sup>th</sup> year of India's independence, it is the youth of the country who have to take the great leap forward. The United Nations defines youth as persons in the age group of 15-24 years i.e. the age when one leaves the fold of compulsory education and tries to find one's first employment while India's National Youth Policy, 2014 defines youth as those falling between 15-29 years, who constitute about 27.5 per cent of the population. The Ministry of Statistics & Programme Implementation in their National Sample Survey defines youth as those falling between 15-29 years while the Labour Bureau defines youth as those falling in the age group of 18-29 years. The labour force participation rate (LFPR) of the youth was 48.5

per cent in rural areas and 36.2 per cent in urban areas in 2015-16<sup>1</sup>.

The proportion of youth entering the labour market starts increasing in the 18-29 age bracket. As may be seen from Table-1, while only 10 per cent of those in the age group 15-17 years entered the labour market, the relative figure for the 18-29 age group was 47.3 per cent out of which the proportion of males (67.5 per cent) in the labour force was higher than that of the females (25 per cent). As against 47.3 per cent youth entering the labour force, only 42.4 per cent formed the workforce. The proportion of male WPR was more than double that of female WPR (Table-1). The unemployment rate sees a steady decline with progression in age. At the entry level (15-17 years), the unemployment rate is high at 13 per cent, in the prime of youth it decreases to 10.2 per cent and during the most productive period of 30 years and above the unemployment rate is almost below 1 per cent.

A comparison of the participation of youth in the labour market across the last three annual surveys shows that in the last survey, 2015-16, there was a decline in labour force and workforce participation rate as compared to 2013-14 and 2012-13 among the 18-29 age group. (Graph-1). The unemployment rate increased to double-digit level as compared to 2013-14.

The educational profile of the youth (Table-2) shows that among those with literacy levels below primary almost 50 per cent of the population is not even in the labour force. The percentage was more than 60 per cent among youth holding an educational qualification of secondary/higher secondary/certificate course. This high rate of attrition among youth is a cause of concern. The high rate of unemployment among youth with higher



**#NewIndiaBudget for New Opportunities**

- Target of lending increased to Rs 3 Lakh crore under Mudra
- Government to contribute 12% of the wages of the new employees in the EPF for all the sectors for next 3 years.
- National Apprenticeship Scheme with stipend support launched to give training to 50 lakh youth
- Tax Rate reduced to 25% for small & medium enterprises with turnover up to Rs 250 crore
- Govt to announce measures for addressing NPAs & stressed accounts of MSMEs



Table 1: Labour Market Indicators of Youth Population in per cent as per UPSS

Indicators	15-17 years			18-29 years			30 years & above		
	M	F	P	M	F	P	M	F	P
LFPR	13.1	6.2	10.0	67.5	25.0	47.3	88.1	31.1	60.3
WPR	11.4	5.4	8.7	61.6	21.3	42.4	87.7	30.4	59.7
UR	12.6	13.7	13.0	8.7	14.6	10.2	0.5	2.2	0.9

Note: LFPR -Labour Force Participation Rate, WPR-Worker Population Ratio, UR-Unemployment Rate. UPSS- Usual Principal & Subsidiary Status

(Source: Youth Employment-Unemployment Scenario, 2015-16, Vol.II, Labour Bureau)

Table 2: Distribution of Youth (18-29 years) by Educational Qualification in per cent

Educational Qualification	Employed	Unemployed	Not in labour force
Not literate	43.0	2.2	54.8
Below primary	46.7	2.5	50.8
Primary	47.2	3.1	49.8
Middle/Secondary/ Higher Secondary	28.3	3.3	68.4
Certificate Course at UG level	29.3	9.0	61.7
Diploma at Graduate Level	35.1	10.5	54.4
Graduate & above	34.5	18.4	47.1

(Source: Youth Employment-Unemployment Scenario, 2015-16, Vol.II, Labour Bureau (UPS))

Table 3: Distribution of Youth (18-29 years) as per UPS approach in per cent

	Employed	Unemployed	Not in labour force
Rural	35.2	5.3	59.5
Urban	25.3	4.6	70.1

(Source: Youth Employment-Unemployment Scenario, 2015-16, Vol.II, Labour Bureau, Annexure, Table-15.)

educational qualification raises the issue of quality of education/skilling rendered. Does our education address the employability of the youth or the jobs available do not match the aspirations of the youth or there could be a scarcity of jobs opted for by the youth? All three probabilities in varying proportions could factor in for the high rate of attrition.

The spatial distribution of the youth (Table-3) shows that 60 per cent of the youth in rural areas and 70 per cent in urban areas remained outside the labour force.

Considering that nearly 38.9 per cent of the population in rural areas and 48.8 per cent in urban areas in the age group 30 years & above also remained outside the labour force, the high proportion of the population in the age group 18-29 years remaining

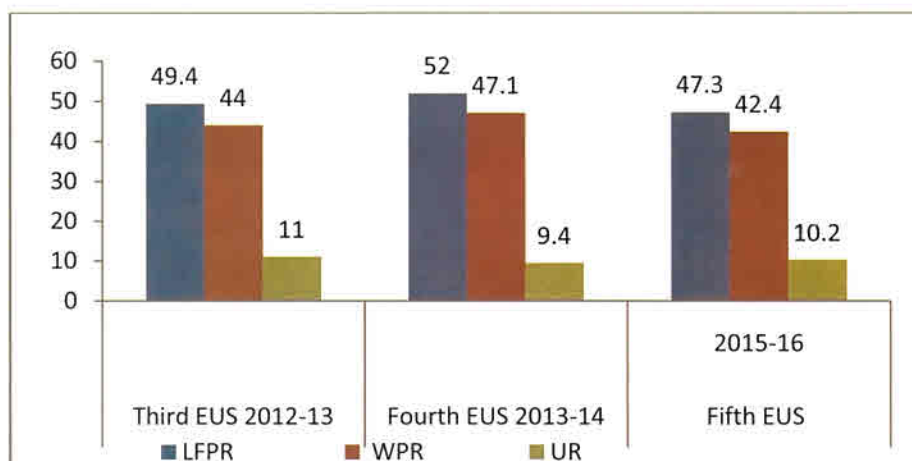
outside the labour force cannot be viewed as wholly pursuing education.

Among the 42.4 per cent of the 18-29 age group who are in the workforce, 39 per cent are self-employed, 36.6 per cent are casual workers, 5.4 per cent are contract workers and only 19 per cent are wage/salaried<sup>1</sup>. Occupation wise, almost 38.1 per cent of the youth were employed in agriculture and allied activities while 19.4 per cent were employed in trade, repair, transport, storage, communication, food service activities etc. and 15.1 per cent in construction activities.

According to the ASER 2017 study conducted on 14-18 year olds, it was found that a majority (42 per cent) were working, irrespective of being in formal education or not. Of these, almost 79



**Graph-1 Labour Market Indicators across three EUS Surveys**



per cent were working in their parent's farm and three quarters of the youth surveyed were involved in daily household chores— 77 per cent males and 89 per cent females<sup>2</sup>. The study looked into the preparedness of the youth entering the labour market and it was found that even among those who had completed eight years of schooling, a significant proportion of them lacked foundational skills in reading and doing maths<sup>3</sup>. These findings bring to the fore the challenges for India to reap its demographic dividend.

### Current Initiatives in Skilling Rural Youth

India is faced with a huge workforce that is unskilled/semi-skilled and to absorb them into decent jobs, the country is faced with the task of imparting short-term certificate courses as well as Recognition of Prior Learning (RPL) for those who are already employed. Under the Pradhan Mantri Kaushal Vikas Yojana, till 1<sup>st</sup> February, 2018, about 44.13 lakh candidates have been trained of which 29.91 lakh received short-term training and 7.82 lakh in RPL and about 6.4 lakh are undergoing training in short-term and RPL. As regards placement under PMKVY 2.0 as on 1<sup>st</sup> Feb, 2018, out of 11.8 lakh trained candidates, 7.9 lakh candidates were certified and 2.8 lakh candidates received placement<sup>4</sup>.

Under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), a placement linked skill-training programme for the rural poor youth during 2017-18, 1.03 lakh were trained in 398 trades out of which 64,967 were given placement as on 31<sup>st</sup> December, 2017. Training in self-employment is provided by Rural Self-Employment Training

Institutes (RSETIs) in more than 56 vocations spread across areas like agriculture, processing, product manufacture etc. There are 586 RSETIs functioning across the country. Between April, 2008 and November, 2017, 25.24 lakh unemployed youth have been trained, of which 16.64 lakh have been settled. Through RSETIs, 7897 candidates have been trained during 2017-18 under the Project LIFE-MGNREGA. The

project aims to improve the skill status of MGNREGA workers so that they can move from the status of partial employment to full employment.

Under Deen Dayal Antyodaya Yojana of NRLM (DAY-NRLM), total of 56 lakh households were mobilized into 4.84 lakh SHGs. During 2017-18, about 14.2 lakh SHGs had accessed credit of Rs.18000 crore till October 2017. Further within the DAY-NRLM, the following sub-components are implemented to provide livelihood opportunities to the rural masses. About 33 lakh Mahila Kisans were covered under Mahila Kisan Sashaktikaran Pariyojana (MKSP) in 17 States to provide agriculture based livelihoods. The Aajeevika Grameen Express Yojana provides alternative source of livelihood to the members of SHGs by facilitating them to operate public transport services in backward rural areas in the form of e-rickshaws, 3 and 4 wheeler motorised transport vehicles to connect remote villages with key services and amenities such as access to markets, education and health facilities.

To promote entrepreneurship among the rural youth, Start-Up Village Entrepreneurship Programme (SVEP) is being implemented under DAY-NRLM. A total of 7800 enterprises have been promoted across 17 States and is expected to cover additional 25000 entrepreneurs during the year 2018-19. This venture aims to develop institutional credit-entrepreneurship linkage among the local entrepreneurs.

The Stand-Up India scheme aims to promote entrepreneurship among women and SC/STs. This scheme facilitates bank loans between Rs.10 lakh





and Rs.1 crore to at least one SC/ST borrower and to at least one woman borrower per bank branch for setting up a Greenfield enterprise. An amount of Rs.4747.95 crores was disbursed as loan to entrepreneurs in the proportion of Scheduled Caste-15.05 per cent, Scheduled Tribe-4.28 per cent and Women-80.67 per cent in 2016<sup>5</sup>. There has been an increase in credit off take through MUDRA scheme. The main loanees are women and those belonging to SCs, STs and OBCs.

The Start-Up India programme was started in 2016 to build an ecosystem for nurturing innovations and entrepreneurship and thereby generate employment opportunities. As of 4<sup>th</sup> January, 2018, 6096 applications were recognised as Start-Ups and 74 Start-Ups have been approved for availing tax benefits. The main sectors where Start-Ups are operating include IT services, health care and life sciences, education, professional & commercial services and food & beverages<sup>6</sup>.

### Union Budget Announcements 2018-19:

To further strengthen these efforts, in the Union Budget 2018-19, a slew of measures were announced to further intensify skill development so that the employability as well as employment avenues of rural youth increase.

- i. The government will promote cluster based development of agri commodities especially horticulture crops. This is to reap the advantage of scale of operations in the entire chain from production to marketing at the district level.

The initiative would require skilling rural youth in crop centric food processing techniques, storing, packing as well as in marketing. Further, the coming up of such holistic agri-clusters at the districts would provide non-farm job opportunities closer home and dissuade rural youth from migrating to the cities for better job prospects.

- ii. Organic farming in clusters is also to be promoted among women SHGs under the National Livelihood Programme. In the farm sector with men migrating to towns and cities, women are left to do the farming. Encouraging organic farming through SHGs would provide the necessary institutional linkage required for undertaking organic farming in the form of quality seeds, organic manure, packing, marketing etc. It would also create avenues for entrepreneurial ventures in making available organic seeds, manure, processing, packing, marketing of organic products in rural areas.
- iii. Kissan Credit Card facility has been extended to fisheries and animal husbandry farmers. Majority of the small and marginal farmers who are engaged in animal husbandry especially women would benefit from this move. The Kisan Credit Card facility also needs to cover fisherwomen selling fish as they remain indebted to the local moneylenders.
- iv. Re-structured National Bamboo Mission with an outlay of Rs.1290 crore announced to promote bamboo in a holistic manner. This would give a boost to the North East sector that is heavily dependent on the bamboo sector for its livelihood.
- v. The target date for completion of phase-III of Pradhan Mantri Gram Sadak Yojana has been brought forward from 2022 to 2019. Rural road connectivity to agricultural and rural markets, higher secondary schools and hospitals would be the focus. It is proposed to cover 57,000 kms with pucca roads with an investment of Rs.19000 crores. This would provide jobs in rural areas to the unskilled and semi-skilled involved in construction of roads.
- vi. Under the Swachh Bharat Mission–Gramin, about 1.88 crore household toilets are proposed to be completed with an outlay of





Rs.30343 crores and 16.92 crore person days of employment would be created.

- vii. Pradhan Mantri Awaas Yojana-Gramin 49 lakh houses are to be constructed with an outlay of Rs.33000 crores and create 46.55 crore man-days of employment.
- viii. Durable assets such as roads, food storage godowns, land development, vermi composts, gramian housing, animal husbandry shelters etc are being created under MGNREGA. During 2018-19, Rs.55000 crore has been allocated and 230 crore person days of employment is proposed to be created. In the current financial year 2017-18 till Feb 13, 2018 the employment generated under MGNREGA is 195 crore person days.
- ix. Under the Mega Food Park Scheme, 12 Parks are proposed during the year which aims to provide direct and indirect employment to 95000 persons in 2017-18 and 2018-19.
- x. Realising the importance of National Rural Livelihood Mission, the allocation has been increased to Rs.5750 crore in 2018-19 for forming 9 lakh SHGs, 5 lakh Mahila Kisans, 25000 SVEPs, skill training 4 lakh and 15 Value Chain Development Projects.
- xi. Basic education is a pre-requisite for skilling. Towards meeting this end Ekalavya Model Residential School in every block with more than 50 per cent tribal population and atleast 20,000 tribal persons by 2022 have been announced. These schools will have special facilities for preserving local art and culture and would provide training in sports and skill development.

xii. The government has increased its allocation for improving the social metrics of the 115 backward districts and make them the aspirational districts.

xiii. It is proposed to extend fixed term employment to all sectors. In the last budget, fixed term employment was announced for the labour intensive apparel and footwear sectors. This move along with the government contribution of 12 per cent of wages towards EPF for the next three years would improve the quality of employment. The Union Budget itself acknowledges that an independent study conducted has shown that 70 lakh formal jobs would be created this year.

xiv. To make skill aspirational among the youth, a model skill centre in every district of the country under the scheme Pradhan Mantri Kaushal Kendra has been proposed. In the current year, about 306 PMKKs would be set up. Under Pradhan Mantri Kaushalya Vikas Yojana 2.0, about 18 lakh beneficiaries are proposed to be covered during 2018-19 at a cost of Rs.1171 crores.

To conclude, the Union Budget 2018-19 in terms of allocation has given a boost to agriculture, infrastructure creation in rural areas, education in villages and backward districts, adoption of backward districts among others. The emphasis is on strengthening the rural sector, where majority of the youth that would enter the labour market in the coming years resides.

### Footnotes

- 1 ibid Page-11
- 2 Annual Status of Education Report 2017
- 3 ibid
- 4 Ministry of Skill Development & Entrepreneurship Lok Sabha Unstarred Question No.390 dated 05-02-2018.
- 5 PIB Release 1<sup>st</sup> August, 2017
- 6 MSDE Lok Sabha Unstarred Question No.280 dated 05-02-2018.

*(The author is IES and has worked in the area of labour, employment and skill development. Email: srija.a@gov.in)*