

# Entrepreneurship And Skill Development For Rural India

<sup>1</sup>Dr. Chatar Singh Negi, <sup>2</sup>Dr. Sanjay Kumar

<sup>1</sup>Associate Professor, <sup>2</sup>Assistant Professor, Dept. Of Commerce, Govt. (P.G) College, Rishikesh U.K, India. <sup>1</sup>drsanjay.kumar55@gmail.com

**Abstract -** India is home to world's youngest population as half of its population is below the age of 25. It is estimated that 30% of India's population is below the age of 14 and around 8% are in the 60-plus age group while working age group (15-59 years) accounts for 62.5% of the population. It has also been estimated that the demographic dividend opportunity in India is available for five decades from 2005-06 to 2055-56, longer than any other country in the world (UNFPA, 2018). This demographic dividend can be reaped only if we provide education, right skilling and employment opportunities to the economically active population. In view of the foregoing, this article provides an overview of labour market conditions, major skilling and entrepreneurship programmes available for youth and Union Budget announcements to strengthen skilling and entrepreneurship programme in India.

**Key Words:** Skill, Entrepreneurship, Rural, Youth, Employment.

## I. INTRODUCTION

In India major population is still living below poverty line especially rural population. They have to struggle to meet even their primary need. Their living status is very low. A large number of people are being shifting from rural areas to urban areas in search of better amenities of life and employment opportunities. Urban population is increasing and rural population is decreasing day by day. According to Census report of 2011 the urban population is growing from 10.8% to 31.2%. There are many leading factors, responsible for migration of rural population towards urban area. Unemployment is one of those influencing factors. In India majority of population (68.8%) is living in rural area are dependent on agricultural activities for their bread and butter. Agriculture provides limited job opportunities so there is need to promote rural entrepreneurship. Successful farmers differ from others in terms of three personality traits. They have more belief in their ability to control events, problem-solving abilities and social initiative (Schiebel, 2002). Entrepreneurs are the people who exhibit common traits such as single-mindedness, drive, ambition, creative, problem solving, practical, and goal-oriented. An entrepreneur is an individual who recognizes an opportunity or unmet need and takes the risk to pursue it. He needs to develop these abilities, managing productivity and seeking out new markets (Singh A.P., 2013). A major long-term challenge in India is that many youth, because of lack of awareness and improper training on agri entrepreneurship are migrating from rural to urban areas. They cannot afford to remain unemployed for long and, hence, pick up activities which lead to underemployment (Narendran K. & Ranganathan T.T, 2015). The most important quality of

entrepreneur is the capacity to bear risk related to his enterprise establishment and nourishment and its management by simple and creative solutions as farmers invest more human and nonhuman resources, getting poor or less profit in agricultural activity. Therefore farmers can be proved better entrepreneur if proper training is given. Similarly a farmer owning and cultivating land in same will be ideal person to start a micro or medium enterprise. Rural people are not well skilled as urban people are well educated in skill courses like engineering, medical and so on because of their financial problems. Rural areas are rich in raw material for industries. However the income level of rural people is lower than urban people because of centralization of processing centers in urban areas. Centralization of employment opportunities in urban areas not only results unbalanced development but aggregation of urban slums. Prosperity of rural areas will not come unless employment will be created at the rural areas itself. Establishment of micro or household industries in rural areas can break the cycle of poverty and ensure food safety and way to decent livelihood by providing employment to rural youth, women, farmers and landless people. The energy of womenfolk can be used for productive purpose with establishment of small and micro enterprises in rural areas. Thus creation of new opportunities of employment in rural areas is seen the best way to stop distress migration from village.

The National Skill Development Mission was approved by the Union Cabinet on 01.07.2015, and officially launched by the Hon'ble Prime Minister on 15.07.2015 on the occasion of World Youth Skills Day. The Mission has been developed to create convergence across sectors and States

in terms of skill training activities. Further, to achieve the vision of 'Skilled India', the National Skill Development Mission would not only consolidate and coordinate skilling efforts, but also expedite decision making across sectors to achieve skilling at scale with speed and standards. It will be implemented through a streamlined institutional mechanism driven by Ministry of Skill Development and Entrepreneurship (MSDE). Key institutional mechanisms for achieving the objectives of the Mission have been divided into three tiers, which will consist of a Governing Council for policy guidance at apex level, a Steering Committee and a Mission Directorate (along with an Executive Committee) as the executive arm of the Mission. Mission Directorate will be supported by three other institutions: National Skill Development Agency (NSDA), National Skill Development Corporation (NSDC), and Directorate General of Training (DGT) – all of which will have horizontal linkages with Mission Directorate to facilitate smooth functioning of the national institutional mechanism. Seven sub-missions have been proposed initially to act as building blocks for achieving overall objectives of the Mission.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE). 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. Individuals with prior learning experience or skills will also be assessed and certified under Recognition of Prior Learning (RPL). Under this Scheme, Training and Assessment fees are completely paid by the Government. As an important step to catalyse a cultural shift in youth for entrepreneurship, the Ministry of Skill Development and Entrepreneurship (MSDE) has instituted the National Entrepreneurship Awards (NEA) to recognize and honour outstanding young first generation Entrepreneurs and their Ecosystem Builders for their outstanding contribution to entrepreneurship development. The National Entrepreneurship Awards (NEA) 2019 is the 4th edition in the NEA series. The NEA program was started in 2016 and continued in 2017 and 2018. The NEA seeks the participation of Young Entrepreneurs and Entrepreneurial Ecosystem Builders in the National Entrepreneurship Awards 2019, from all across India. It seeks to instill and entrench the entrepreneurial attitude among the future generations and the Youth of India.

#### **Objectives of the study-**

To brief an overview of the entrepreneurship and skill development in rural india.

To observe the recent initiatives of Govt. for skilling and entrepreneurship for rural youth.

## **II. CURRENT LABOUR MARKET SCENARIO**

Labour Force Participation Rate (LFPR) indicates the proportion of population entering the labour market while Working Population Ratio (WPR) indicates the proportion of population employed and the unemployment rate (UR) is the proportion of labour force who are not employed but are available for work. According to the Periodic Labour Force Survey (PLFS) 2017-18, LFPR for age group 15 years and above in India stood at 49.8% with 50.7% in rural areas and 47.6% in urban areas. The female LFPR was just one-third of male LFPR in both rural and urban areas. As against 49.8% of population who entered the labour market, only 46.8% formed the workforce with 48.1% in rural areas and 43.9% in urban areas. The WPR of females was substantially low in both rural and urban areas. Interestingly, the proportion of youth (15-29 years) entering the labour market was around 38% in both rural and urban areas. The LFPR of urban young women at 17.5% was higher than that of rural young women (15.9%). As against 38.2% of youth who enters the labour market, only 31.4% forms the workforce (Table-1). The unemployment rate (UR) among youth (17.8%) was more than double the unemployment rate (6%) among the productive population (15 years and above). The unemployment rate among urban females remains higher as compared to males both among the youth (27.2%) and the 15 years and above (10.8%).

#### **Recent initiatives for Skilling in Rural Areas by the Government of India**

While the government has initiated schemes/programmes to provide skill training to the youth both in the rural and urban areas, the task becomes all the more urgent with the rapid digitisation and transformation that is taking place in the job roles with the advent of the Fourth Industrial revolution. As per National Skill Development Corporation (NSDC's) Sector Specific reports on Human Resource and Skill Requirements, there would be an incremental requirement of 103.4 million people in the 24 high growth sectors requiring fresh skilling by 2022. In addition, there is a need for constant upskilling and realignment of existing workforce. Realising the need, the National Skill Development Mission (NSDM) was launched in 2015 to provide a strong institutional framework to implement and scale up skill development efforts across the country. Under the Skill India Mission, more than 20 central Ministries/Departments are running schemes/ programme to impart skill training to the youth through long-term and short term training courses. The Ministry of Skill Development and Entrepreneurship (MSDE) is implementing the Pradhan mantra Kaushal Vikas Yojnana (PMKVY 2.0) on pan-India basis with a target of skilling one crore people under Short Term Training (STT) and Recognition of Prior Learning (RPL). Short duration industry relevant skill development training is being imparted in about 350 job roles catering diverse sectors including manufacturing. Apart from these, a customised

entrepreneurship orientation module has also been integrated under the Employability and Life Skill Course module in the PMKVY courses so that every candidate undergoing skill training is oriented towards

entrepreneurship. In ITI courses as well, the module on entrepreneurship has been integrated as a section in the Employability Skills Module.

**Table1:** Labour Market Indicators by Age & Residence as per usual status (in %)

15-29 years									
Indicators	Urban			Rural			Total		
	M	F	P	M	F	P	M	F	P
LFPR	58.5	17.5	38.5	58.9	15.9	38.1	58.8	16.4	38.2
WPR	47.6	12.8	30.6	48.6	13.8	31.8	48.3	13.5	31.4
UR	18.7	27.2	20.6	17.4	13.6	16.6	17.8	17.9	17.8
15 years and above									
LFPR	74.5	20.4	47.6	76.4	24.6	50.7	75.8	23.3	49.8
WPR	69.3	18.2	43.9	72.0	23.7	48.1	71.2	22.0	46.8
UR	6.9	10.8	7.7	5.7	3.8	5.3	6.1	5.6	6.0

Note: M-Male, Female, P-Person

(Source: Periodic Labour Force Survey, 2017-18, Ministry of Statistics & Programme implementation)

**Table2:** Unemployment Rates by educational attainment and Residence as per usual status (15 & above age) (in %)

General Education Level	Urban		Rural	
	M	F	M	F
Not literate	2.1	0.8	1.7	0.1
Literate & up to primary	3.6	1.3	3.1	0.6
Middle	6.0	5.1	5.7	3.7
Secondary & above	9.2	19.8	10.5	17.3
All	6.9	10.8	5.7	3.8

Note: M-Male, Female, P-Person

Source: Periodic Labour Force Survey, 2017-18, Ministry of statistics & Programme implementation)

As on 12<sup>th</sup> June, 2019, 52.12 lakh (appx.) (31.08 lakh STT + 21.04 lakh RPL) candidates have been trained under PMKVY. Under STT, the placement data is reported within 90 days of certification of trained candidate. As per data reported on SDMS (Skill Development Management System), the number of candidates certified under STT of PMKVY upto 12.03.2019 was 21.97 lakh and out of these 12.6 lakh candidates reported placement as on 12<sup>th</sup> June, 2019.

Long-term training is provided through the Industrial Training Institutes (it is) run by the State Governments and there are about 14,494 it is with a seating capacity of 33.98 lakh spread across the country. MSDE, through the National Skill Development Corporation (NSDC), has taken up multiple initiatives to connect with industries for partnership under the Skill India Mission. There are more than 500 training partners participating in the skill initiatives of the NSDC. 37 Sector Skill Councils have been set up as industry led bodies which help in training

need analysis, curriculum development, rolling out of training, assessment and certification.

To encourage rural entrepreneurship and start-up by rural youth including women, Start-up Village Entrepreneurship Programme (SVEP) is being implemented under Deendayal Antyodaya Yojana- National Rural Livelihoods Mission (DAY-NRLM). Further, Ministry of Rural Development (MoRD) in partnership with 31 Banks and state governments is supporting Rural Self Employment Institutes (RSETIs) for skilling of rural youth to take up gainful self employment. At present, 582 RSETIs are functional in 562 districts across the country which is engaged in promoting skill development and entrepreneurship of unemployed youth with a focus on rural poor candidates. RSETIs undertake 56 courses which are aligned with National Skill Qualification framework (NSQF).

The start-Up India Programme was launched in January, 2016 to build a strong ecosystem for nurturing innovation and start-ups and thereby generating large-scale



employment opportunities. The Government through this initiative aims to empower start-ups to grow through innovation and design. As on 26<sup>th</sup> January, 2019, 15,472 start-ups have been recognised under this programme, 13,176 applications were recognised as Start-ups which created 1,48,897 jobs and 45 percent start-ups had at least one or more women directors.

To promote entrepreneurship among women and SC/STs, Stand-Up India scheme was launched. 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 women borrower per bank branch for setting up a Greenfield enterprise. 74831 (offline and online) sanctions have been achieved under Stand-up India as on June 30, 2019. Stand-up India has been extended up to FY 2025. To encourage a culture of entrepreneurship in the country, the MSDE has initiated a National entrepreneurship Awards Scheme (NEAS) in 2016-17 which recognizes the efforts of exceptional first generation entrepreneurship and ecosystem builders.

### **Union Budget Announcements 2019-20 to Promote Skilling & Entrepreneurship**

To intensify skill development and enhance employability of rural youth, the Union Budget 2019-20 has announced the following measures:

1. In the Budget, a massive push has been given to all forms of physical connectivity viz; the Pradhan Mantri gram sadak Yojana, Industrial Corridors, Dedicated Freight Corridor, Bharatmala and Sagarmala projects, railway station modernization, Jal Marg Vikas and UDAN Schemes. To take forward these schemes requires skilled workforce in the building, construction, real estate, construction material and building hardware sectors.
2. Ujwala Yojana and Saubhagya Yojana have transformed the lives of every rural family, dramatically improving their cease of living. Electricity and clean cooking gas facilities to be provided to all willing rural families by 2022. These initiatives promise job opportunities for the rural youth and relevant skill trainings need to be provided to meet the skill demands arising from the sector.
3. Under the Make in India initiative, the development of Maintenance, repair and Overhaul (MRO) in the aviation sector is to be promoted in India. This calls for promoting skilled workforce in the MRO segment of aviation sector.
4. To promote overseas employment of the youth, there will be increased focus on skill sets needed for going abroad as well as new age skills such as language training, Artificial intelligence (AI), Internet of Things, Big Data, 3D Printing, Virtual Reality and Robotics. The new age-skills are in great demand both within and outside the country, and offer much higher remuneration. The youth also needs to be skilled and upskilled to avail of the new job opportunities that are likely to arise from the following budget announcements:

5. To address the traditional village industries, the Scheme of Fund for Up gradation and Regeneration of traditional Industries' (SFURTI) aims to set up more Common Facility Centres (CFCs) to facilitate cluster based development for making traditional industries more productive, profitable and capable for generating sustained employment opportunities. 100 new clusters to be set up during 2019-20 with special focus on Bamboo, Honey and Khadi, enabling 50,000 artisans to join the economic value chain.

6. Pradhan Mantri Awas Yojana – Gramin (PMAY-G) aims to achieve “Housing for All” by 2022 and eligible beneficiaries to be provided 1.95 crore houses with amenities like toilets, electricity and LPG connections during its second phase spanning from 2019-2022.

7. To improve the technology of such industries, the Scheme for Promotion of Innovation, Rural industry and Entrepreneurship (ASPIRE) has been consolidated to set up 80 Livelihood Business Incubators (LBIs) and 20 Technology Business Incubators (TBIs) during 2019-20. 75000 entrepreneurs to be skilled in agro-rural industry sectors. Private entrepreneurs to be supported in driving value-addition to farmers' produce from the field and for those from allied activities.

8. 10,000 new Farmer Producer Organizations to be formed, to ensure economies of scale for farmers.

9. Dairying through cooperatives to be encouraged by creating infrastructure for cattle feed manufacturing, milk procurement, processing and marketing.

10. Under the Pradhan Mantri Gramin Digital Saksharta Abhiyan over two crore rural Indians have been made digitally literate. Through Bharat Net, Internet connectivity is being provided to the local bodies in every Panchayat

11. To encourage women enterprise, women SHG interest subvention programme to be expanded to all districts. every verified woman SHG to be eligible for loan up to Rs. 1 lakh under the MUDRA Scheme.

12. Swachh Bharat Mission to be expanded to undertake sustainable solid waste management in every village.

13. Under UJALA Yojana, approx. 35.54 crore LED bulbs were distributed to the households leading to cost savings of Rs. 18,464 crores annually and 3.73 crore tons reduction in CO<sub>2</sub> emissions. A similar mission mode approach would be adopted to promote solar stoves and battery chargers. This would not only reduce carbon emissions but also has the added benefit of promoting indigenous manufacturing of solar stoves and battery chargers leading to creation of new job opportunities.

14. Mission to integrate traditional artisans with global markets proposed, with necessary patents and geographical indicators.

15. 17 iconic tourism sites to be developed into model world class tourist destinations. This would increase the footfall of tourists to these sites.

16. Mega investment in Sunrise and Advanced Technology Areas Scheme to invite global companies to set up mega-manufacturing plants in areas such as Semi-conductor

Fabrication (FAB), Solar Photo Voltaic cells, Lithium storage batteries, Computer Servers, Laptops, etc.

### III. CONCLUSION

To sum up, the Union Budget 2019-20 in terms of allocation has given boost to agriculture, rural infrastructure, entrepreneurship and industrialisation in rural areas thereby addressing the job needs of the potential labour force, a major proportion of which is based in the rural areas. While the Government of India is hugely investing in skill development initiatives for the future, there is widespread concern among the industry and academia that the efforts may not be sufficient to avoid a skill scarcity in the future. The opportunity for India largely lies with skilling the youth in the country. Hence there is a need to align the efforts of the Government with the Industry that will pave way to successful implementation of the programs, thereby enabling the skilled manpower for the nation by 2020.

The PM has approved the country's first integrated national policy for skill development and entrepreneurship. In his own words, skill development in India should envision the "Creation of an ecosystem of empowerment by skilling on a large scale at speed with high standards and promote a culture of innovation based entrepreneurship generating wealth and employment and ensuring sustainable livelihoods for all."

### REFERENCES

- [1] Vasant Desai (2004) 'Dynamics of Entrepreneurship Development' -Himalaya Publishing House, New Delhi
- [2] Bairwa, S. L., Kushwaha, S., Meena, L. K., Lakra, K. and Kumar P., 2014, Agribusiness Potential of North Eastern States: A SWOT Analysis. In Edited by Singh et al., 2014 "Agribusiness Potentials in India: experience from hill states". EBH Publishers (India) Guwahati – New Delhi. PP 544-556.
- [3] S.S Khanka (2007): "Entrepreneurial Development" S.Chand&CompanyLtd.
- [4] Brockhaus, R. H. and Horwitz, P. S., 1986, The psychology of the entrepreneur (in D.L. Sexton and R.W.Smilor (eds.), The art and science of entrepreneurship. Ballinger publishing company, Cambridge, pp. 25-48.
- [5] A.Shankaraiah, Rudra Saibaba and Ramana Ponuguti (2002): "Entrepreneurship Development", Kalayani Publishers, Ludhiana.
- [6] Gray, C. 2002, Entrepreneurship, Resistance to change and Growth in Small Firms, Journal of Small Business and Enterprise Development, 9 (1), 61-72
- [7] Mohammad Rais, Shatroopa Acharya and Neeraj Sharma, 2013, Food Processing Industry in India: S & T Capability, Skill & Employment Opportunities, Journal of Food Processing & Technology.
- [8] Narendran K. & Ranganathan T.T., 2015, International Journal in Management and Social Science,
- [9] Nawab Ali, Post-harvest technology for employment generation in rural sector of India.
- [10] Sah, Pooja, Sujan, D. K. and Kashyap, S. K., 2009 Role of Agri entrepreneurship in the Development of Rural Area, Paper presentation in ICARD at Banaras Hindu University, Varanasi.
- [11] Sanjeeb Hazarika, 2016, A Study on State Institute of Rural Development for Rural Entrepreneurship: A Study on State Institute of Rural Development (SIRD), Assam, International Journal of Research and Analytical Reviews.
- [12] Schiebel W, 2002, Entrepreneurial Personality Traits in Managing Rural Tourism and Sustainable Business, AgramarketingAltuell 2002/2003, pp 85-99.
- [13] Singh, A. P., 2013, Strategies for Developing Agri entrepreneurship among Farming Community in Uttar Pradesh, India, Academicia: An International Multidisciplinary Research Journal, 3(11) 1- 12.
- [14] FAO, 2013, promoting decent employment opportunities for rural youth, available at <http://www.fao.org/docrep/018/i2976e/i2976e.pdf> retrieved on 10/12/2016.
- [15] Firstpost, 2017, PM Modi launches skill development mission hopes to make India hub of skilled manpower, available at <http://www.firstpost.com/economy/pm-modi-launches-skill-development-mission-hopes-to-make-india-hub-of-skilled-manpower-2344090.html>, retrieved on 30.06.2017.
- [16] Tripathi Priyanka, Singh Neetu - Promoting Rural Entrepreneurship Through Skill Development for Decent Livelihood: A Review
- [17] Government of India Ministry of Skill Development and Entrepreneurship
- [18] Ministry of Micro, Small and Medium Enterprises, Government of India.
- [19] The National Institute for Entrepreneurship and Small Business Development (NIESBUD) Ministry of Skill Development and Entrepreneurship, Government of India.
- [20] periodic labour force Survey, 2017-18, ministry of statistics and programme implementation.
- [21] Kurukshetra, A journal on Rural Development, Issue August 2019, Vol. 67.
- [22] Yojana, A monthly Development , various issue.