

IMPACT OF SKILL INDIA ON RURAL YOUTH – A PERSPECTIVE

B Anbuthambi¹ and N Chandrasekaran²

¹Department of Management Studies, Sri Chandrasekharendra Saraswathi Viswa Mahavidyalaya, India

²Loyola Institute of Business Administration, India

Abstract:

India occupies around 2.4% of the world's landmass. It is also home to 17.5% of the world's population. The density of population is more in the urban landscapes. However, being largely an agrarian economy, a significant part of India's GDP comes from the villages and rural areas. Rural development and prosperity is deeply integrated to any nation's growth. Skilled workers and entrepreneurs are the need of the hour with the government committed to improving the skill landscape in the country over the next few years. The mobilization of the available youth and man-power and making them as skilled individuals is the need of the hour with the burgeoning youth brigade of India. This paper focuses on the existing ecosystem for skill development in rural India and the role skill development has to play in the future for increasing employment and entrepreneurship opportunities among the youth of rural India.

Keywords:

Skill Development, Employment, Rural India, Youth, Entrepreneurship

1. INDIAN RURAL SCENARIO AND THE NEED FOR SKILL DEVELOPMENT

Rural development may be broadly defined as the process of improving the quality of life and the economic well-being of people living in isolated and sparsely populated areas. According to the Planning Commission, any town with a population of less than 15000 people is considered to be classified as rural area. According to the national sample survey organization, a rural area is one:

- which has a population of 400/sq km
- villages with clear surveyed boundaries but no municipal board
- that has a minimum of 75% of the working male population involved in agriculture activities.

NSSO has also mentioned that rural expenditure accounts for over 55% of the total monthly expenditure of India and also 1 in 3 FMCG product sales is accounted by the rural population [4].

Even throughout the world, we can find in many countries like USA (90% of the total area is rural), Canada and Germany (more than 50% of the area is rural) where rural areas form a major part of the landmass. Education, entrepreneurship, physical and social infrastructure are the main pillars on which rural development stands on. India is known for its vast expanse of rural areas and the fact that we have an agrarian economy. Predominantly, any nation will tend to evolve from an agrarian economy to an industrial economy and finally move on to a service based economy. However, in the case of India, after the initial years,

when we totally depended on the agrarian economy, we have actually by-passed the industrial economy and swiftly moved towards a service based economy.

Evolution of industrial development was very scarce and was not contributing a lot to the nation's GDP. Industries and factories ideally originated from the industrial revolution in Europe, where the raw materials exported India get exported there and they get processed and the same is sold as finished products at a much higher price to Indian consumers. Even though we have a bounty of resources at our disposal, the lack of knowledge regarding how to make use of it, determines its relevance, hence, converting the resources into liability. This is where skill development comes into the picture. If people had the required skills to convert the raw materials into finished products, we would not have to depend on others for processing a product. Hence, skill development is the foundation for industrial growth in our country that augments creating a robust industrial economy, which increases our GDP without having to overtly lean on agrarian and service based economies.

As per the key findings of the 'State of the Urban Youth, India 2012: Employment, Livelihood, Skills,' a report published by IRIS Knowledge Foundation in collaboration with UN-HABITAT, By 2020 the median individual age in India will be 29 years, very likely a city-dweller, making it the youngest country in the world. India is set to experience a dynamic transformation as the population burden of the past turns into a demographic dividend, but the benefits will be tampered with social and spatial inequalities. This creates a huge opportunity for the youth in India and will have to grab the global opportunities.

2. BACKGROUND

Mahatma Gandhi, the father of the nation said that India's strength lies in its villages. Rural areas contribute significantly to the overall growth and economic development of a country. A statistics states that of the roughly 5.98 billion people who live in the world, close to 3.4 billion people live in villages/rural areas. However, many issues still plague the villages of India such as poverty, water scarcity, malnourishment, lack of basic facilities, illiteracy, unemployment, anti-social elements etc. While many of these exist from time immemorial, unemployment seems to be the major threat in today's scenario with the ever growing population, and India is expected to outgrow China as the world's largest populated country. India sits on a goldmine of raw talent waiting to be nurtured, developed and added to the HR pool. Effective utilization of resources and availability of skilled individuals help in ensuring that developmental activities do not get compromised. This is where skill development plays a major role.

Skill is required:

- To improve employment
- Reduce poverty

- Provide livelihood opportunities
- Enhance productivity
- Promote environmentally sustainable development

The 2001 census shows that over 72.2% of the total population is distributed in over 6, 38, 000 villages, while the remaining 27.8% is spread over 5100 towns and cities [3]. Census 2011 from the national sample survey office indicates that 105 million fresh entrants to workforce will require skill training by 2022 (i.e. around 15 million every year) [5]. Some 300 million of the current working population will need additional training over the next 7 years. According to the 12th plan document of the Planning Commission, India's labour force has increased from over 478 million in 2011 to over 502 million in 2017 and over 85% of this labour force has an educational qualification only till the secondary level of which over 55% only have an educational qualification till the primary level and only 2% have had vocational training [6]. A World Bank report states that India is one of the few countries where working population continues to grow till 2050 [7]. With an annual addition of 9.25 million jobs per year, over 37 million jobs are expected to be created from 2012-13 through 2016-17 [8]. Rural India, awash with natural resources has the potential to be the most efficient powerhouse for national development. Other facts include total fertility rates and pregnancies are reported more in rural than in urban areas and that the rural population is much younger than the urban population.

Some of the setbacks which prevent from ensuring an amiable ecosystem for rural areas are:

- Still raging farmer suicides
- Migration of many people to urban locales
- Depriving of quality education
- No proper financial support
- Poor infrastructure etc.

Skill development as an important pillar for growth is often ignored and put in the backburner and perennially looked upon as a non-scalable model due to the high capital required and the low ROI. It is a huge challenge not only for the government, but also for the private sector and educational institutions to rise up and specialize in making youth employable and ensuring no mismatch between demand and supply. They must also focus on an increased usage of modern technology in the workplace/assembly line. Also there is a mismatch between the aspiration of youngsters and the jobs available. For e.g. the construction sector usually has migrant workers from other states who are employed.

A major case study would be regarding the apprenticeship act of 1961 which regulates programs of training of apprentices and ensures that the trainees get optimum access to real work environment. It however has not tasted success. Of the 4.9 lakh seats available, only 2.8 lakh apprentices were trained annually. This also indicates the inability of the training providers to work together with employers and also a lack of participation from the industry. One possible solution for this problem would be to link the wages of apprentice to semi-skilled industrial workers [1].

Having frequent discussions on upgrading the existing association with the World Bank, delivery of modular employable schemes, improvement of training institutes under PPP (public-private partnership) model, formation of sector skill councils, national occupational standards, National skills qualification

framework (NSQF) etc. maybe some of the options in hand for the government. One more case to ponder would be with regard to local autonomy. Many institutes in foreign countries have done away with accreditation systems and standards which gives them the freedom to frame their own structure. This can be emulated in India.

With more than 65% of India's population under the age of 35 years, there is a plethora of labour power waiting to be deployed. The buying power of people has been consistently increasing all over the world and as a result many foreign companies are willing to invest in India and as a result lots of industries in various sectors have a huge demand of skilled labour in the coming years. Take for example, the manufacturing industry which requires a large amount of people to be readily deployable at any given point of time.

3. INITIATIVES OF GOVERNMENT OF INDIA

The Government of India, on its part has initiated 2 programs, Skill India and Make in India to create a framework for skill development and entrepreneurship activities in the country. Skill India's primary objective is to ensure a well-established infrastructure for skill development and focus on professional skills and employment oriented training in order to create skilled labour workforce.

Young Indians must be prepared not just for domestic markets but also for the international labour markets which are in line with the PM's vision of Make in India, the skill capital of the world. Make in India is another major initiative to encourage manufacturing activities in India, especially the rural areas which has a tremendous potential to be an intriguing feature in manufacturing export activities of the country (e.g. handicrafts, handlooms, textiles, herbal products etc.). The Government has relaxed the FDI norms to encourage domestic and foreign companies to manufacture in India and contribute to the rise in GDP.

As per the report by Ministry of Labour & Employment of India, unemployment among rural youth in India is highest today since 1993-94. About 5% of the rural youth between 15-29 years remain unemployed. This is an alarming situation if the most energetic and productive generation of our country is being wasted.

The Central Government on its part is leaving no stone unturned. The annual budget of 2017-18 allocated for employment generation, skill and livelihood is pegged at an approximate value of Rs.17, 000 Cr [2] where the Ministry for Skill Development and Entrepreneurship is allocated Rs.3000 Cr. Some of the other salient features in the budget relating to skill development are as follows [2]:

1. PMKK (Pradhan Mantri Kaushal Kendra) which are currently present in over 60 districts is planned to be opened in 600 more districts.
2. 100 India International Skill Centres which offer training services and foreign language coaching are expected to be established all over the country.
3. Launch of Skill Acquisition and Knowledge Awareness for Livelihood Promotion Program (SANKALP) at a cost

of 4000 Cr to provide market relevant training to over 3.5 Cr youth.

4. The next phase of Skill Straightening for Industrial Value Enhancement (STRIVE to be launched) at a cost of Rs. 2200 Cr which focuses on improving quality and market relevance of vocational training provided in ITIs and strengthen the apprenticeship programs through industry cluster approach.
5. A special scheme for increasing employment in leather, footwear, textile sectors is launched. Textile is in fact the 2nd largest employer in the country after agriculture with a current workforce of 33-35 million which is expected to increase to over 60-62 million by 2022.
6. Allocation of Rs.4500cr for Deendayal Antyodaya Yojana for promotion of skill development in rural areas.
7. The budget allocation for PM's employment generation program (PMEGP) has increased by 3 times.
8. For imparting new skills to the people in rural areas, mason training to be provided for over 5 lakh people by 2022 with an immediate target of 20000 by 2017-18.
9. In order to foster the emergence of technology which plays an important role in new age start-ups, high speed broadband is expected to be provided to over 1.5 lakh villages.

Apart from these, there is Aajeevika which is the skilling and placement initiative of the Ministry of Rural Development (MoRD) whose aim is to impart a specific set of knowledge and skills to rural youth without formal education and make them job ready.

The Ministry of Rural Development has been allocated Rs.1500 Cr from the yearly budget for its flagship scheme NRLM (National Rural Livelihood Mission) which trains unemployed youth below poverty line on various skills. In all, 73 skill development schemes are implemented in 20 ministries.

4. PERSPECTIVE

Proper identification of skill challenges faced by people in rural areas, finding out what works in promoting and sustaining skill development in rural areas, enumerating the measures taken to boost employment in rural areas in both agricultural and non-agricultural sectors and discovering the skills which are foreseen to be in high demand in the coming years are some of the strategies which needs to be taken for integrated rural development. Skill development activities need to be done in a cost efficient way in order to have a sustainable development over a long term. It must be directed towards mainly improving the gender equality and social inclusion in rural areas. The private sector must also actively participate and should also introduce technology enabled skill development initiatives.

Possible solutions to the above mentioned concerns would be to have government schools which add vocational training along with other subjects in earlier classes itself, use the school infrastructure for post school hours for training and skill development, and have incentives for industries to setup units in rural areas thus leveraging their resources.

There is also a need to create synergies between partners of the skill eco-system where the stakeholders are responsible from the design part to the execution. They must complement each other rather than competing with each other at the operational level. Also the identification of the right training partner is an important aspect. Skill development initiatives must also dynamically align itself with the needs of the industry and work backwards to create training programs. There must be job creation in such a way that discourages migration to other places amongst the youngsters.

The existing labour laws also prove to be a menace for any start-up. With over 50 parliament acts and regulations governing employers in industry relation practice and a complex bureaucratic process, it is an imminent deterrent for any company wishing to set up shop in India. The Government must ensure a smooth and hassle free process for companies with regard to the legalities and modalities involved in initiating a start-up.

Frequent skill gap studies must also be conducted and the framework must be adapted and aligned to suit the existing trends and practices. With technological disruption in the air almost every day, it is but inevitable that we prepare our citizens for the jobs of tomorrow.

Also, the training of the workers/students at the cluster level/source helps to mobilize more people for training. They are ready by the time they join the company who need not spend time/resources to train them.

5. SUGGESTIONS

According to the author, skill development policies for rural development, when they are designed must ideally have the following aspects:

1. It must meet the demands and requirements of the current scenario. It must be relevant to today's needs and necessities.
2. It must have the capability to withstand any shortcomings or mismatches in the society.
3. It must ideally be designed with a futuristic outlook and a model which can be scaled and adapted for the challenges ahead in the future.
4. It must be a coordinated and cooperative effort from the government, academia and the industry regarding designing the framework and pedagogy of study.
5. It must be holistic in its approach and thereby create unison between different sections of the society thereby mitigate social and gender stigma and practices.
6. Depending upon the natural resources available in a particular area/region, skill development initiatives and courses relevant to that resource utilization can be linked/framed so as to have perfect demand-supply ratio of workforce. This will also ensure that no migration activity happens between regions and that native individuals can find employment in their homeland itself.
7. Popularizing and propagating the idea of rural development among the youth by introducing "Rural development management" courses in educational institutions, conducting competitions and hackathons for

the purpose of solving problems faced by rural areas through implementation of science and technology. Collecting a range of these solutions and implementing them every year gives a smart and efficient way to deal with these problems. Introduce the practice of community service hours (already followed in western countries) for every student and working professional as part of their credits. This practice is already followed in the west, but reworking it to suit our sensibilities is the need of the hour.

8. Discuss with the villagers and farmers on a regular basis regarding the frequent problems they face and the ways and methods in which it can be solved. Take their inputs and suggestions into consideration while drafting the skill policy for rural areas. In other words make the farmers a part of the planning committee of skill development.
9. Conduct summits/conclaves for rural skill development involving all stakeholders for creating a common forum and platform where they can discuss the latest trends/practices followed, act as a knowledge sharing place where farmers and people in remote areas can be aware of standard practices followed and the initiatives taken by the government, complaints if any and take suggestions on how we can improve the scenario in the coming years. These conferences can be done region wise to facilitate the people living there.
10. The existing CSR activities of corporate companies need to be amended to include and allocate a major chunk of their fund for rural skill development activities by providing financial aid, adopting villages, conducting training sessions and educating the rural youth on relevant topics and practices etc. There should also be a severe check on the real estate industry which inevitably gobbles up huge acres of agricultural land every year and also ensure the safeguarding of trees/forest areas which are our major resources.

6. CONCLUSIONS

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."

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