

Skill Development through Rural Entrepreneurship for Better Livelihood

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ABSTRACT

Unemployment, especially among rural people is a biggest challenge for India. As a result rural people are moving towards urban areas to obtain better employment opportunities and amenities of life. Agriculture is the principal economic activity but due to post harvest losses like food weight loss, loss of food quality, loss of food values, loss of economic values, make food less acceptable by consumers that results poor earning or less profit to farmers, a solid factor of rural poverty. Rural youth are educated but not skilled unlike urban youth. Lack of new, challenging and better job opportunities in agriculture sector limits the job opportunities for educated rural youth. So there is a need to generate agricultural entrepreneurship and new agricultural job opportunities to reduce migration of rural people and to promote rural upliftment. Thus the entrepreneurship in food processing and value addition of food can create boom in employment for rural areas. It is a better way to combat poverty and for rural development. Government has started so many vocational courses, training programs, schemes and programs for skill development of youth to promote rural entrepreneurship.

The benefits of a growing economy are often reflected in the growing number of well-paid jobs in a country. Consequently, any policy that stimulates the economy to grow, has an impact on job creation and the overall employability of the country's workforce. India finds itself in a context today where young people are entering the workforce every year. To make the most of the demographic dividend, it is critical to improve the employability of the youth. For this, the newly set up Ministry of Skill Development and Entrepreneurship had taken up the task of coordinating all skill development efforts across the country. This includes the removal of the disconnect between demand and supply of skilled manpower, building a vocational and technical

training framework, building new skills and innovative thinking, not only for existing jobs but also jobs that are to be created.

Skill development is an important driver to address poverty reduction by improving employability, productivity and helping sustainable enterprise development and inclusive growth. It facilitates a cycle of high productivity, increased employment opportunities, income growth and development. However, this is just one factor among many affecting the productivity whose measurement differs for individuals, enterprise and economy. The increase in productivity could be due to availability of skilled & healthy manpower; technological up gradation and innovative practices; and sound macroeconomic strategies. The manifestations of improved productivity can be in the form of improvement in real gross domestic product, increased profit and higher wages.

I. INTRODUCTION:

Entrepreneurship development is the driving force of socio-economic growth of any nation. Different Research Scholars have stated that developing entrepreneurs in agriculture will solve the entire problem like dependency on agriculture, rural unemployment and migration from rural to urban areas. Agriculture and allied sectors are considered to be mainstay of the Indian economy because these are important sources of raw materials for industries and they demand for many industrial products particularly fertilizers, pesticides, agriculture implements and a variety of consumer goods. The development of entrepreneurship in village will create utilities and generation of employment at rural area. It starts from the innovation of the idea to establishing, nourishing the enterprise at rural sector. Jobs in agriculture sector are limited. Migrants coming from villages in search of employment to obtain decent livelihood are forced to do lower job in

urban areas to sustain themselves and their condition becomes poor to poorer. So it becomes need of the day to promote agri-entrepreneurship and establishment of enterprises related to agriculture raw material at rural areas. The trend of establishment of rural industries will reverse the migration to urban areas. People prefer more to buy cost effective products. The total cost of the product will be reduced to start enterprise based on local available resources. Rural entrepreneurship will not only bring prosperity in villages but will also save energy, consume in the transportation of bulky amount of raw materials and human-resources to the nearby urban areas for employment.

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. Entrepreneurs are the people who exhibit common traits such as single-mindedness, drive, ambition, creative, problem solving, practical, and goal-oriented. 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. 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 non-human 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.

Agriculture is the principal means of livelihood for Indian population. In India most of the people are engaged in farming and allied activities. Farmers face huge loss every year due to post harvest losses like food weight loss, loss of food quality, loss of food values, and loss of economic values that make food less acceptable by consumers, results poor earning or less profit to the farmers, a solid factor of rural poverty. Even after a strong agricultural production base, food processing industry of India is still under developed. The highest share of the processed food is in the dairy sectors whereas 35% of total produce is processed, and only 15% is processed by the organized sector. The processing level is around 2.2% in fruits and vegetables, 21% in meat and poultry products. Of the 2.2% processing in fruits and vegetable only 48% is in organized sector remaining in unorganized sector. Increasing urbanization, consciousness on health and nutrition and changing life style are changing the consumption habits of India. The number of working women, single students/professionals and nuclear families are creating demand for processed, ready-to-eat foods. Food processing sector can create boom in employment sector by generating new and diversified job opportunities for rural people. In India Post-harvest losses are higher in fruits and vegetables. Most of the people consume raw fruit and vegetable. Very less amount of fruit and vegetable is being used in food processing. Though processed and value added food are very popular among people and the demand of processed food is increasing. Food processing enhances the shelf life of food. In this way entrepreneurship in food processing and value addition is emerging as a solution of rural migration, rural unemployment, rural poverty and food insecurity among rural population. In present time

processed and value added food products are very popular among people. Food processing is labor intensive and can provide numerous diversified job opportunities to the farmers, youth and women. In this sector micro and cottage industries can be started at their own place by local people. Availability of raw material and human resources for establishment of enterprise reduces the total cost of production. Skill development in food processing sector is central to improve employment and livelihood opportunities, reduce poverty, enhancing productivity and food safety.

The majority of the world's youth live and work in rural areas, rural labour markets in most developing countries do not provide sufficient decent work.¹ In 2012, the global youth unemployment rate was 12.4%, almost three times higher than the corresponding rate for adults.² A study conducted by Sanjeeb Hazarika to know motivational role of training and its effect on starting an enterprise in rural area showed that overall employment in the units had increased at the rate of 23%, 63% of the entrepreneurs have developed their leadership skills through various training, 59% respondents have upgraded themselves technically with the support of technically skilled trainers, 52% of respondents could efficiently allocate available resources. It is important to discuss that 71% women established their small enterprises and earn their livelihood after getting training. The study also revealed that only 13% of respondents were aware to a few of the schemes and again only 13% respondents had come to know about programs through print media and rest of them came to know from friends and relatives.³ A multi-prolonged approach to employment promotion- including a favorable macro-economic environment, skills and labour market policies that facilitate the school-to-work transition, rights at work, youth entrepreneurship and social protection of young workers- is essential. Shaping effective policies for decent work for young people- at home and in the context of migration – requires the engagement of governments, employers' organizations and trade unions in social dialogue. Promoting and incentivizing youth participation in the agricultural sector will provide much-needed employment opportunities for rural youth, and help fortify food security at the household and national levels. Majority of youth population live in rural area. In India, deficit of decent work and poverty is higher among youth and women. For rural development it is necessary to bring youth in main stream of development by developing their skill. Very small efforts and basic training regarding establishment and nourishment of enterprises can

motivate rural people for making them as an entrepreneur. Rural youth are not well educated if educated they are not skilled like urban youth. In this situation it becomes necessary to develop skill among youth generation to achieve decent livelihood. So it has become a need of the time to focus overall skill development in order to become a great power and utilize our demographic dividend i.e. strength of youth.

The Ministry of Skill Development and Entrepreneurship was set up in November 2014 to drive the 'Skill India' agenda in a 'Mission Mode' (Ministry of skill development and entrepreneurship). Indian government has established separate ministry 'Ministry of Skill Development and Entrepreneurship' for promoting entrepreneurship and skill development. Various Government and non-government programs and schemes are being run for generating better amenities and decent livelihood for rural and poor people. Recognizing the importance of rural entrepreneurship and skill development number of initiatives "Start-up India" and "Stand-up India", Pradhan Mantri Kaushal Vikas Yojna and Aajeevika is recently launched. Government of India is implementing various programs and schemes with objectives to promote entrepreneurship and building capacity by skill up-gradation and self-employment oriented training programs on skill development for youth, entrepreneurs, farmers and women. Support to Training and Employment Program (STEP) aims to provide skills that give employability to women and to provide competencies and skill that enable women to become self-employed or entrepreneurs (Ministry of Women and Child Development). Priyadarshini scheme empowers poor women and adolescent girls through Self Help Group formation. Rural Self Employment and Training Institutes are non-profit institutions established with the support of State and Central Governments to mitigate the unemployment and underemployment problems among rural youth through capacity building and by facilitating in settlement in vocations. National Urban livelihoods mission aims employment through skill training and placement of urban poor (Yojana, October, 2015). Some other programs and schemes like Training of Rural Youth for Self Employment (TRYSEM), Integrated Rural Development Programme (IRDP), NABARD, MahilaUddyami Scheme, Women Enterprise Development (WED), Swarojgar credit card, Pradhanmantri Mudra Yojna, Micro Credit Scheme (MCS), Development of Women and Children in Rural Areas (DWCRA) are running to train youth and women and

promoting rural entrepreneurship to get decent livelihood.

India is one of the youngest nations in the world with more than 54% of the total population below 25 years of age. India's workforce is the second largest in the world after China's. While China's demographic dividend is expected to start tapering off by 2015, India will continue to enjoy it till 2040. However, India's formally skilled workforce is approximately 2% - which is dismally low compared to China (47%), Japan (80%) or South Korea (96%). To leverage our demographic dividend more substantially and meaningfully, the Government launched the "Skill India" campaign along with "Make in India".

Livelihood opportunities are affected by supply and demand side issues. On the supply side, India is failing to create enough opportunities and on the demand side, professionals entering the job market are lacking in skill sets. This is resulting in a scenario of rising unemployment rates along with low employability. Between 2009-2010 and 2015-16, the number of jobs increased by 59.9 million persons against an increase in labour force of 62 million. Though, the increase in employment kept pace with increase in labour force for the next 5 years, the total increase in jobs was only 1.1 million. Employment generation picked up from 2015-16, with 13.9 million people finding jobs in 3 years. However, 14.9 million people entered the job market during this period. Currently about 26 million people enter the working age group every year with about 65% of them looking for jobs. While keeping pace with employment generation is one issue, employability and productivity of those entering the labour market is another issue. As per the India Skills report 2015, only 37.22% of surveyed people were found employable - 34.26% among male and 37.88% among female. NSSO (2010) showed that only 10.1% of the labour force had received vocational training, with only 25.6% among them receiving a formal vocational training.

The Government has recognized the need for Skill Development with the 11th Five Year Plan providing a framework to address the situation. The first National Skill Development Policy was framed in 2009 and subsequently a National Skill Development Mission was launched in 2010. The Policy was to be reviewed every five years to evaluate the progress and revised appropriately. The 12th Five Year Plan observes that Skill development programmes in the past have been run mainly by the government, with insufficient connection with market demand. It has called for an enabling framework that would attract

private investment in Vocational Training through Public-Private Partnership (PPP). A Department of Skill Development and Entrepreneurship was created under the Ministry of Youth Affairs and Sports in July, 2014 and was subsequently upgraded to full-fledged ministry in November 2014. The role of the Ministry involves coordinating and evolving skill development frameworks, mapping of existing skills and certification, industry-institute linkages among others. Human Resource and Skill Requirement reports across 24 sectors were prepared which serve as a baseline for all skill development initiatives. The Ministry works primarily through the National Skill Development Corporation (NSDC), National Skill Development Agency (NSDA), and the Directorate of Training (DT). The roles and functions of these entities are mentioned below.

National Skill Development Corporation (NSDC):

Public Private Partnership entity set up to promote and fund private training providers and set up Skill Development Centers. Funds to NSDC are received through NSDF; Facilitate setup of Sector Skill Councils (SSCs) which are autonomous industry-led bodies. SSCs design Qualification Packs (QPs) and National Operation Standards; and Implement STAR (Standard, Training, Assessment and Reward) and UDAAN Schemes.

National Skill Development Agency (NSDA)-

Autonomous Body registered under Societies Act. Rationalize Skill Development Schemes of Government of India Anchor and implement the National Skills Qualifications Framework (NSQF); and Create integrated Labour Market Information System (LMIS), engage with states to plan their skill development and facilitate Skills Innovation

Directorate of Training (DT)-

Training and Apprentice Divisions have been transferred from Labour department from April, 2015.; Comprises government and private ITIs, PPP skill schools and other institutions; and 25 new Advanced Training Institutes to be set up.

The objective of the National Policy for Skill Development and Entrepreneurship, 2015 is to meet the challenge of skilling at scale with speed, standard (quality) and sustainability. It aims to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link skilling with demand centers. The Policy lists out ten major directions for the Skill Development Framework,

including increasing the capacity, synergy among existing schemes, global partnership. It seeks to address the lacunae in Entrepreneurship by step-like streamlining entrepreneurship in education system, inventing business through mentorship, fostering social entrepreneurship, promoting inclusivity, improving the ease of doing business and providing access to finance. It also mentions the possibility of the launch of the National Mission for Skill Development & Entrepreneurship in next six months. The policy encourages companies to spend at least 25% of Corporate Social Responsibility (CSR) funds on skill development, seeks to introduce fee-paying model along with Skill Vouchers, and set up a Credit Guarantee fund for Skill Development. A 'Project Implementation Unit' (PIU) is also proposed to be set up to review the implementation and progress of the various initiatives under this policy.

The challenge of Skill Development in India is multifold. There is a large proportion of the existing workforce, which needs skill training support of varying levels. While it is estimated that at least 1.70 crore will enter the workforce every year for the next seven years. The current annual skilling capacity is inadequate to match this demand, with many initiatives un-aligned and suffering from a lack of coordination. The situation is further complicated by different states having different demographic situations, hence different skilling needs and challenges. "Vocational Training" falls under the Concurrent list, which means State Governments have a key role and responsibility in realizing the objective of "Skill India". The Ministry of Skill Development and Entrepreneurship however, will have a crucial role in coordination between a range of stakeholders – including skill training providers, governments at all levels, and the end beneficiaries.

Based on the above mentioned paragraphs, it can be noticed that rural people are migrating day by day for searching new employment to get better livelihood. Rural areas are rich in human and non-human resources. Farmers face huge post-harvest losses every year due to poor storage of food product thus the entrepreneurship in food processing may become a perfect solution for rural unemployment. There is gap between skill needed and available. Rural youth and women participation in rural entrepreneurship should be promoted through training to reduce rural poverty. So many Government schemes are being run by the Government to promote rural youth and women participation in rural entrepreneurship establishment.

II. CONCLUSION :

Rural entrepreneurship is the solution to reduce rural migration. Skill development of rural population is recognized as an urgent need of the day to reduce rural migration and achieve decent livelihood. Government has launched many strategic measures to get decent livelihood through entrepreneurship development at rural sector but in spite of programs, schemes and vocational courses India is considered as industrially underdeveloped country. People are not aware of these government initiatives. So it is necessary to raise awareness among rural people regarding government schemes and programs being run for the promotion of rural entrepreneurship. Mass media play an important role to disseminate new information among the people. Electronic media has a vital impact on audience. But the electronic media like T.V, radio, Internet, Mobile are not much involved to disseminate information regarding government schemes and programs to promote rural entrepreneurship. Therefore the use of effective media for the motivation and promotion of rural entrepreneurship should be increased. With the development of technology, the demand of technically skilled labors is increased. Rural people are not technically skilled. So it becomes an urgent need to develop technical skill of rural people to fill this skill gap. Women and youth are deficit in decent livelihood. Youth and women should be motivated to participate in economic development of nation through establishing enterprises at local area. Conventional vocational courses should be replaced by new vocational courses based on technology for rural development.

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