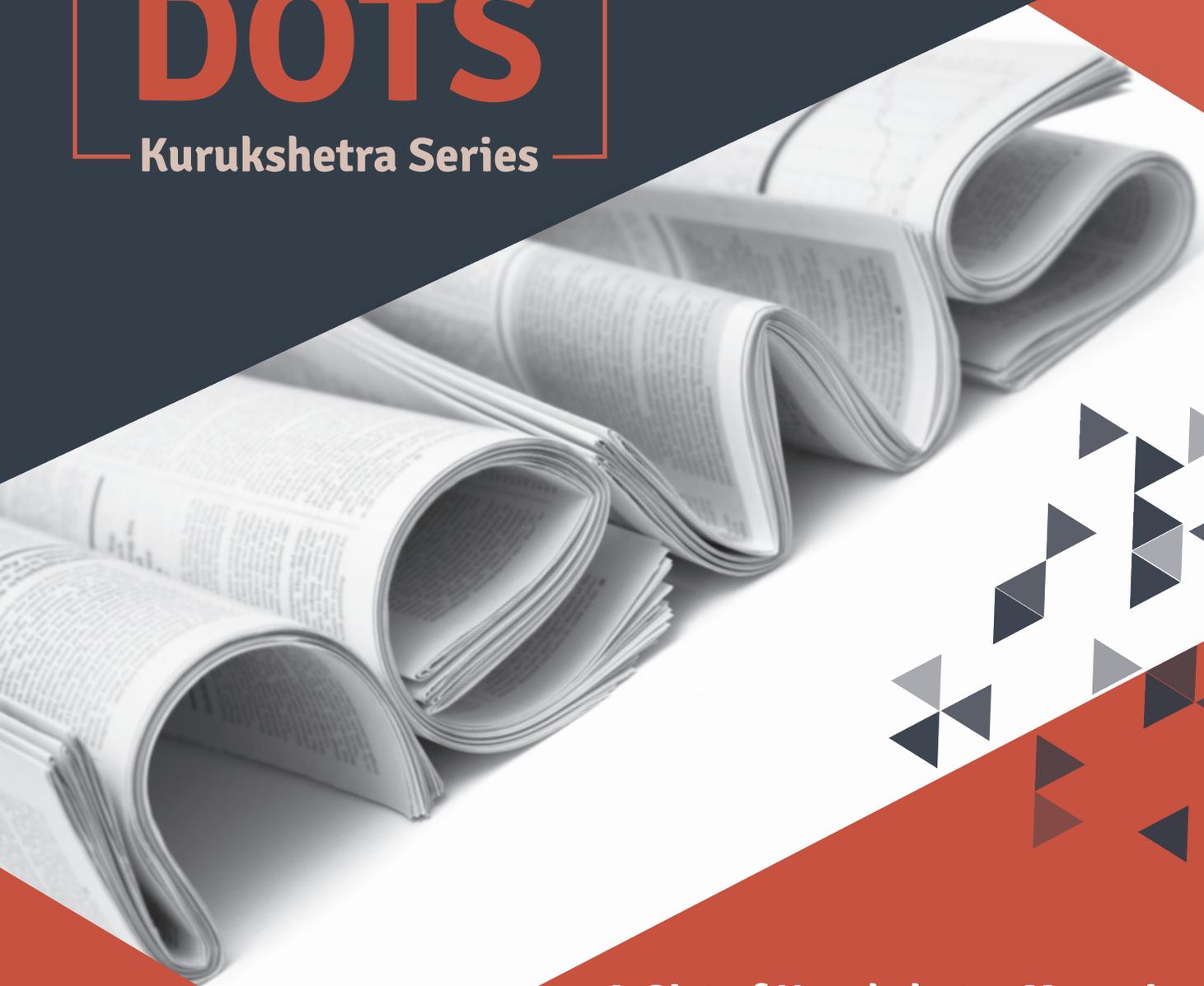


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## A Gist of Kurukshetra Magazine (April 2020 Issue)

- Rapid Transformation in the Rural Employment Scenario
- MSME: Entrepreneurship of the New Era
- Livelihood Opportunities in Agriculture and Allied Sectors

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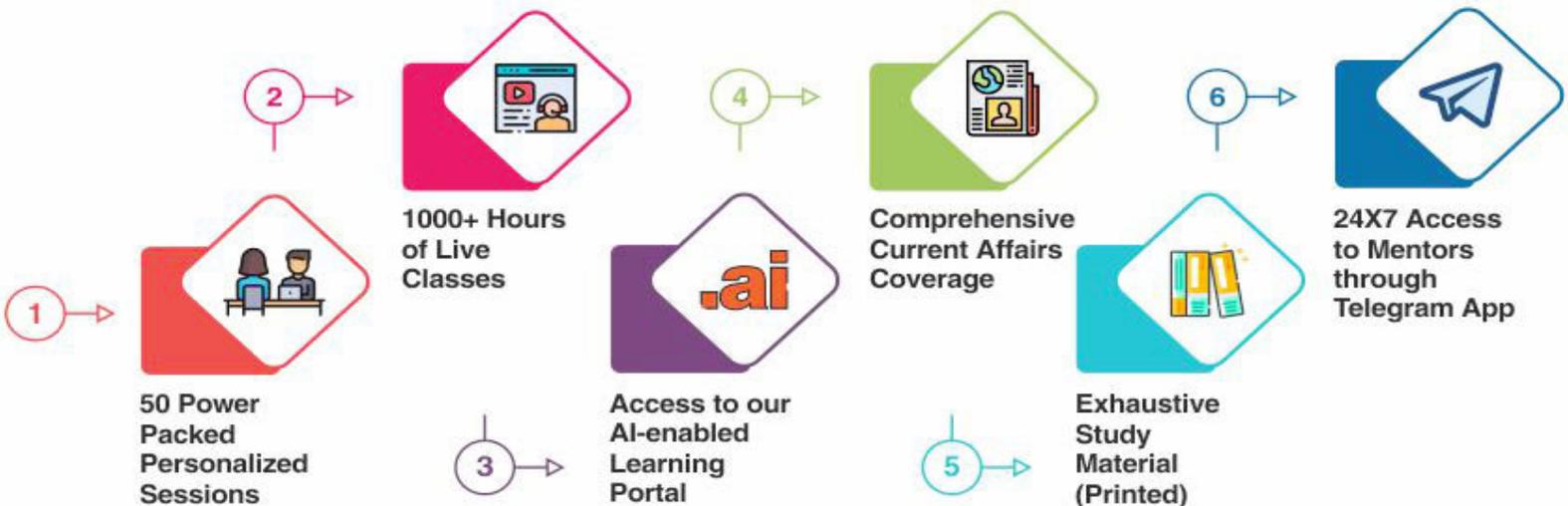
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# Kurukshetra Compendium

April, 2020

## Rural Employment

### Rapid Transformation in Rural Employment Scenario

- According to an estimate of the annual Periodic Labour Force Survey (PLFS), the share of regular wages/salaries has increased by 5 per cent i.e., from 18 per cent in 2011–12 to 23 per cent in 2017–18. In fact, during this period, an enhancement of about 2.62 crore was recorded in new jobs, of which 1.21 crore increase was registered in rural areas whereas 1.39 crore in urban areas.
- Between 2014–15 and 2017–18, total number of workers in the organized manufacturing sector increased by 14.69 lakhs.
- According to the latest data of the Employees' State Insurance Corporation (ESIC), 14.59 lakh jobs were created in November 2019 and around 12.67 lakh jobs in December 2019.
- According to a report by the National Statistical Office (NSO), a total of 1.49 crore new employees/workers were enrolled in Employees' State Insurance Corporation during FY 2018–19.
- From April 2018, jobs data is being released on the basis of data of new members of the three organizations - Employees' State Insurance Corporation (ESIC), Employees' Provident Fund Organization (EPFO) and Pension Fund Regulatory and Development Authority
- Through Kaushal Bharat - "Kushal Bharat Programme" of the Ministry of Skill Development and Entrepreneurship, 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.
- The Apprentices Act was amended in December 2014 with a view to expand the service sector, integrate training courses with apprenticeship and its promotion. National Apprenticeship Promotion Scheme (NAPS) was launched in August 2016 with an objective to encouraging employers to engage as many apprentices as possible.
- 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.
- Pradhan Mantri Shram Yogi Maan Dhan Yojana is a voluntary and contributory pension scheme launched in February 2019 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 age of 18 and 40 years can join this scheme and after attaining 60 years of age, the beneficiary gets monthly pension of Rs. 3,000. Enrolment in this scheme is done through Common Service Centres.
- Voluntary and Contributory National Pension Scheme has also been launched for businessmen, shopkeepers and persons engaged in self-employment on September 12, 2019. Nomination for this scheme can also be done through the Common Service Centre or by visiting the portal of the scheme itself.
- Ministry of Labour and Employment is implementing National Career Service as a mission mode project to provide various employment-related services such as career counselling, vocational guidance, 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.
- 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 differently-abled and providing them with vocational training and rehabilitation support.
- Under Prime Minister Rojgar Protsahan Yojana (PMRPY) entire contribution of employers in the Employees' Provident Fund and Employees' State Insurance Scheme is being paid by the Government of India itself.
- Deendayal Antyodaya Yojana - National Rural Livelihoods Mission aims to reduce poverty through promotion of diversified and gainful self-employment and skilled wage employment opportunities resulting in appreciable

increase in incomes of the rural poor on sustainable basis.

- More than five crore people are annually employed under the Mahatma Gandhi National Rural Employment Guarantee Scheme and women constitute 55 per cent of the workforce under the MGNREGA. Even under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) with 4.66 lakh women involved, the participation of women is more under the scheme, he said.
- Swarna Jayanti Gram Swarozgar Yojana (SGSY) was restructured and subsumed into the Deen Dayal Upadhyaya Antyodaya Yojana (DAY) - National Rural Livelihood Mission (Ajeevika) (NRLM). Under the Mission, the Government aims to reach out to about 10 crore rural poor households.

## MSME: Entrepreneurship of The New Era

- The importance of the MSME sector to the Indian economy cannot be overemphasised. It employs over 100 million people and accounts 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, conducted during 2015–16, the estimated number of workers in unincorporated non-agriculture MSMEs in India was 11.10 crore.
- By enacting the Insolvency and Bankruptcy Code, the government has brought India at par with the best in the world. The time taken has been drastically reduced to less than a year. The corporate tax rate has also been reduced from 30 per cent to 25 per cent for over 99 per cent of the corporates.
- India is among the top 2 countries globally on several dimensions of digital adoption. Government procurement has also been digitised through the Government e-Marketplace (GeM) which is revolutionising procurement processes. Fourth, NITI Aayog released a discussion paper on National Strategy on Artificial Intelligence in June, 2018. A large-scale National Artificial Intelligence Programme will also be launched soon.
- As a result of these reforms, India jumped to 77th place in 2019 in the World Bank's Ease of Doing Business rankings, a jump of 65 spots since 2014.
- A portal was launched to approve loans for MSMEs in just 59 minutes for an amount up to the limit of Rs 1 crore. This helped to ensure that physical visits to banks were no longer necessary. Further MSMEs were provided a 2% interest subvention by the government. Additionally, the government launched Trade Receivable electronics Discount System (TReDS) to address the working capital requirements of MSMEs as well as Samadhaan Portal for tackling the problem of delayed payments.
- Further, the government is implementing schemes like the Prime Minister's Employment Generation Programme for 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.
- Ministry of MSME is also implementing Technology Centre Systems programme for setting up 15 new Tool Rooms and Technology Development Centres.
- Efforts have also been made to popularise Khadi and empower village industries. In November, 2019, the Union Government issued a unique HS code for Khadi thereby making it an exclusive category distinct from the general category of textile products.
- 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. Specifically, on aerospace and defence manufacturing, the government aims to make India one of the top five global producers with an annual export target of \$5 billion by 2025.

## Budget Announcements

- In the Union Budget 2020–21, the government set aside an all-time high sum of Rs. 7,572.20 crore for the Ministry of Micro, Small and Medium Enterprises. The Ministry's flagship scheme, the Prime Minister Employment Generation Programme, has also been allocated an all-time high amount of Rs. 2,500 crore. Further, a scheme of Rs. 1,000 crore was announced for providing capacity building support including business strategy, research & development and technology upgradation, to MSMEs in diverse sectors including pharmaceuticals, auto components and others in order to make them export competitive.
- The turnover threshold for a business in the MSME sector to have its books audited by an accountant has been raised from Rs. 1 crore to Rs. 5 crore. This is expected to reduce the burden of compliance.
- 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. Amendments have been proposed to the Factor Regulation Act, 2011 for enabling Non-Banking Finance Companies to extend invoice financing to MSMEs through TReDS. For channelising working capital for MSMEs, it has been proposed that a scheme for providing subordinate debt in the form of quasi-equity will be introduced.
- Other key budgetary announcements include an app-based invoice financing loans product, creation of a unified procurement system through GeM as well as indirect tax reforms for improving compliance including automation of GST refunds and Aadhaar-based verification of taxpayers.

## Entrepreneurship and Employment Opportunities in Agriculture

- Agriculture and jobs are often talked about in contradictory terms. But now with changing times and gradual increase of general awareness among farmers about better farming practices and use of technology in fields, the concept is fast changing. In fact, agriculture has been emerging as the most promising field of self-employment which has a huge potential to engage people from different cross-sections of society in order to become a mammoth employment generator.
- With increasing income levels across societies, a significant section of people is now willing to spend more on healthy food. This has created market for 2 types of agri products. Organic staple and food items are the first type and have become the buzzwords of the agri market. And second, a fast-expanding market for exotic agri produces like Thai guava, dragon fruit, aloe vera, black rice, broccoli, lettuces, etc.
- 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 right quality of seeds has given way to many agri start-ups.
- National Aroma Mission is the Central programme which was launched in 2016 to promote the cultivation of aromatic plants like vettivar, lemon grass, germanium, palmarosa, mentha, etc. These plants produce essential oils which are widely used in soaps, perfumes, mosquito repellents, medicines, etc., and India was almost wholly dependent for these oils on imports till some years ago. With National Aroma Mission, Government of India targeted to save the forex by providing training, market and infrastructure.
- The government is committed to establish electronic National Agriculture Market (eNAM). Already 585 mandis from across the country have been linked to this network and more than 400 mandis are set to join it in next phase.
- Standard quality parameters for the commodities being traded on eNAM are a must, but the infrastructure/labs to test these quality parameters are scarce. This creates 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 is also going to create some opportunities for employment and entrepreneurship.
- The Government has started the movement for creating 10000 Farmer Producers Organisations (FPOs) in next five years while SHGs have been given exclusive mandate for creating village level warehouses with the financial help from MUDRA Yojana and Nabkisan in General Budget 2020–21.
- FPOs can act as production units for value added products, service providers, export of agri products.

## Micro and Small Clusters for Sustainable Development

- Cluster policies work towards strengthening of inter-firm collaboration, business networking and building up/strengthening of organisations for technology transfer. In effect, countries across the world in recent times have been relying on a cluster approach which increasingly stresses on ensuring networks among small firms and in their external environment.
- Overall, the MSME sector (barring IT, ancillaries to large units, certain specified services that have come up recently) is dogged by obsolete technology, inefficiency in cost of production, limited market and a host of problems. The only way to resolve this impasse is through clustering and cluster development approach which will give a fresh lease of life to MSMEs.

### Schemes

#### Scheme of Fund for Regeneration of Traditional Industries (SFURTI) - Ministry of Micro, Small and Medium Enterprises (MSME)

- The selection of clusters will be based on their geographical concentration which should be around 500 beneficiary families of artisans/micro enterprises, suppliers of raw materials, traders, service providers, etc., located within one or two revenue sub-divisions in a district

- The geographical distribution of the clusters throughout the country, with at least 10 per cent located in the North Eastern region, will also be kept in view while selecting clusters.

#### **Agro Processing Cluster Scheme (Ministry of Food processing Industries)**

- The scheme aims at development of modern infrastructure and common facilities to encourage group of entrepreneurs to set up food processing units based on cluster approach by linking groups of producers/farmers to the processors and markets through well-equipped supply chain with modern infrastructure. The units are set up simultaneously along with creation of common infrastructure.

#### **Comprehensive Handloom Cluster Development Scheme (CHCDS) (Ministry of Textile)**

- The objective is to develop Mega Handloom Clusters that are located in clearly identifiable geographical locations that specialise in specific products, with close linkages and inter-dependents amongst the key players in the cluster by improving the infrastructure facilities, with better storage facilities, technology up-gradation in pre-loom/on-loom/post-loom operations, weaving shed, skill up- gradation, design inputs, health facilities, etc

#### **Cluster Development Programme for Pharma Sector (CDP-PS) (Ministry of Chemicals and Fertilizers)**

- The Scheme termed as Cluster Development Programme for Pharma Sector (CDP-PS) is proposed as a Central Sector Scheme for the remaining years of the 12th Five Year Plan and also to continue in the next Five Year Plan. The scheme is for setting up of new clusters as well as upgradation of existing cluster. However, the purpose of the grant is for activities of common facilities.

#### **Mega Leather Cluster (Ministry of Commerce Industries)**

- The minimum area for the cluster would be 40 acres. The Mega Leather Clusters will have core infrastructure, social infrastructure, production infrastructure (ready to use factory sheds with plug in facility for machinery/equipment), HRD & social infrastructure, capacity building, etc. Each MLC will be implemented by a SPV, which will be a corporate body registered under the Companies Act 1956 formed by stakeholders, particularly a group of willing entrepreneurs

#### **Ambedkar hastshilp vikas yojana (ahvy) (ministry of textiles)**

- An initiative of Development Commissioner, Handicrafts, Ministry of Textiles, Government of India to showcase different products made by cluster artisans across India. Artisans are provided with technical/marketing know how for making these products by implementing agencies which are partnered with DC, Handicrafts for the upliftment of these artisans.

#### **Research and Development Schemes (cluster) (Government of Gujarat)**

- Looking to the need of R&D activities on regular basis has suggested a new scheme for provision of fund for research and development activities to develop new products and to modify existing products of Cottage Industries.

#### **Industrial Infrastructure Up-gradation Scheme (Ministry of Commerce Industries)**

- Department of Industrial Policy and Promotion, Ministry of Commerce and Industry launched the Industrial Infrastructural Up-gradation Scheme in the year 2003 to enhance competitiveness of industry by providing quality infrastructure through public-private partnership with financial assistance up to 75 per cent of the project cost subject to a ceiling of Rs.60 crores for each project.

#### **Craft Cluster (Ministry of Textiles)**

- The Craft Cluster initiative at NIFT is designed with the objectives to sensitize NIFT students to the realities of the craft sector and give insight into regional sensibilities and diversities, resources and environment. Through this initiative, NIFT has been successful in creating a widespread awareness and sensitivity in assimilating crafts into fashion and vice-versa. The Craft Cluster Initiative programme is envisaged to provide the students of NIFT systematic, continuous and regular exposure every year to the diversely rich and unique handlooms and handicrafts of India.

#### **Shyama Prasad Mukherji Rurban Mission (SPMRM) (Ministry of Rural Development)**

- The Mission aims to transform these rurban clusters by stimulating local economic development, enhancing basic services, and creating well-planned rurban clusters.

### **Livelihood Opportunities in Agriculture and Allied Sectors**

- The share of agriculture and allied sectors in the Gross Value Added of the country pegged at 16.5 per cent (2019–20) may not appear outstanding, but this sector happens to be the largest source of livelihood in India.

- The Government of India launched a comprehensive and multifaceted strategy in 2016 to double farmers' income by 2022.
- Now, new avenues and opportunities are emerging in seed technology, biotechnology, food processing, cold storage, packaging, supply chain management, insurance and farm credit.
- The modern concept of smart farming, wherein state-of-art technologies are used for high-precision crop control and automation of farming techniques, has opened new windows for employment of rural youth. Precision agriculture is another frontier area that cuts the cost and helps small scale farmers to increase their income.
- Government is financially supporting high-tech cultivation of horticultural crops for quality produce and has launched ambitious Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) or PMKSY to promote food processing sector in a big way. With a total outlay of Rs. 6,000 crore (2016–20), the PMKSY envisages creation of direct and indirect employment for 5,30,500 persons by 2020.
- A special fund of Rs. 2,000 crore has been created with the NABARD to provide affordable credit to food processing units. To support food processing sector, Government has classified food and agro-based processing units and cold chain infrastructure as priority sector lending and offered 100 per cent exemption from income tax on profit for new food processing units.
- Warehousing is another associated activity with potential to generate employment and benefit farmers. Hence, Government of India, in the current budget (2020–21) has made provision for Viability Gap Funding for setting-up efficient warehouses at block/taluk level.
- To support their warehouses at farm level, a village storage scheme is proposed that will be run by Self Help Groups of local farmers. Government also announced to develop a seamless national cold supply chain for perishable agri-products by collaborating with Indian Railways in PPP (Public Private Partnership) mode.
- A dedicated Kisan Rail will be launched and refrigerated coaches will be joined with Express and freights trains. Further, Ministry of Civil Aviation will launch Krishi Udaan on national and international routes to boost agri-trade in north- east and tribal districts.
- 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.
- The Indian Council of Agricultural Research (ICAR), an autonomous body under Ministry of Agriculture, 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 village setting.
- Krishi Vigyan Kendras (KVKs), serving farmers at ground- zero, organise short-term trainings for farmers, farm women and rural youth in various potential agri-businesses to encourage self-employment and enhance opportunities for additional income.
- To hand-hold desirous entrepreneurs, 25 business incubators have been set up in ICARs across the country that help in mustering services for start- ups with respect to technology refining, validation, business services, scaling-up operations and capital arrangement.
- ICAR-National Academy of Agricultural Research Management in collaboration with IIM- Ahmedabad has launched a unique Agri-UDAAN programme that guides selected agri-startups to scale up their operations. Besides mentorship and capacity building, few selected start-ups get funding opportunity worth over Rs. 25 lakhs along with further funding opportunity through investor pitches. So far, three editions of Agri-UDAAN have successfully created a nucleus of agripreneurs.
- Custom Hiring Centres, that lease out agricultural machinery to farmers, have opened a new window for employment in rural areas.
- In the ambitious MUDRA scheme also rural youth, including women, have emerged as major stakeholder and beneficiary. As a capacity building initiative, government- owned Agricultural Skill Council of India is helping aspiring entrepreneurs in acquisition of specific skills for selected trades.

- Further, Ministry of Agriculture and Farmers' Welfare in association with NABARD has launched a unique programme for agriculture graduates to set up their own Agriclinc or AgriBusiness Centre to serve farmers with specialised extension services. Interested candidates are provided free of cost training and soft loans from banks.
- Government has recently initiated an exercise to form 10,000 new FPOs over the next five years. FPOs are basically farmer-owned companies that follow a B2B (Business-to-Business) model for marketing of their produce.
- Currently, India is at the top of milk production in the world (nearly 188 million tonnes during 2018–19) 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.
- Government of India is operating a Dairy Entrepreneurship Development Scheme with the objective of generating self employment opportunities in dairy sector, covering various activities from production to marketing. Implemented by NABARD, the scheme provides back ended capital subsidy for bankable projects led by prospective entrepreneurs or dairy farmers.
- 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), launched in 2018 with an outlay of Rs. 10,881 crore, aims to tap vast opportunities of entrepreneurship in dairy sector. Its main focus is on infrastructure development by creation of additional milk processing capacity, milk drying capacity and milk chilling capacity. Individual entrepreneurs and milk cooperatives are being financially supported by NABARD under the scheme.
- National Programme for Dairy Development is another comprehensive initiative supporting dairy farmers and dairy cooperatives/producer companies at village level for infrastructure development.
- National Livestock Mission is an ambitious initiative by the Government of India which through its various sub-components is encouraging entrepreneurship in poultry, goatery and sheep husbandry.
- A specific sub-component of Mission called 'Entrepreneurship Development and Employment Generation' supports livestock related livelihood activities by providing back ended subsidy.
- Supported by new technologies and market demand, now business potential of beekeeping is not restricted only to honey and wax, but novel products such as bee venom and pollen have also joined the mainstream creating extra potential for business and job opportunities.
- Keeping in view the vast potential, Government has launched a National Beekeeping and Honey Mission that provides financial incentives and support to beekeepers for scientific beekeeping management practices. SFURTI and ASPIRE schemes are also providing financial support to beekeepers for developing it as a business start-up and rural enterprise.
- A large number of seafood export units have come up doing varied activities, such as peeling, curing pre-processing, processing and packaging. These units have high employment potential and employ women in large numbers.
- To harness the full potential of fisheries sector, Government has created the Fisheries and Aquaculture Infrastructure Development Fund that aims to address the gaps in fisheries infrastructure. Created with a total fund size of Rs.7622 crore during 2018–19, it provides concessional finance/loan to the eligible entities for development of identified fisheries infrastructure facilities.
- Government also proposed to launch Pradhan Mantri Matsya Sampada Yojana in Union Budget (2019–20) to establish a robust fisheries management framework. The comprehensive scheme aims to address critical gaps in the value chain, including infrastructure, modernisation, traceability, production, productivity, post-harvest management and quality centre.
- According to recent Economic Survey (2019–20) by Government of India, fisheries sector provides livelihood to about 16 million fishers and fish farmers at the primary level and almost twice the number along the value chain.
- During 2018–19 nearly 71 per cent potential of marine fisheries and 58 per cent potential of inland fisheries potential has been harnessed. So, a significant proportion of potential skill lies untapped.

- It is heartening that fish production is registering on average annual growth rate of more than 7 per cent in recent years. The recent thrust on seafood production has made India one of the leading seafood exporting nations in the world. During 2018–19, India exported marine products worth Rs. 46,589 crore mainly to USA and markets of South East Asia.

## Schemes for Employment Generation in Rural India

- More so, according to the census of 2011, more than 180 million or 69 per cent of the country's youth population between the ages of 18 and 34 years live in its rural areas of which 55 million are potential workers.

### Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):

- MGNREGS is a flagship programme which addresses poverty in a holistic manner by overcoming social inequalities
- The MGNREGS witnessed a record expenditure of Rs. 63,644 crore in 2017–18 including state share, the highest since the programme was launched.

### Pradhan Mantri Awas Yojana (PMAY-G):

- The Pradhan Mantri Awas Yojana- Gramin (PMAY-G) has been devised in line with 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 householders living in kutcha and dilapidated houses by 2022.

### Skill Upgradation and Mahila Coir Yojana:

- The scheme comes under Coir Vikas Yojana and 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 of the coir workers.

	FY 2014-15	FY 2017-18 / FY 2018-19
Persondays generated so far	166.21 crore	236.41 crore
No. of completed works	29.44 lakh	61.9 lakh
Individual Beneficiary Schemes	21.4%	66.7%
Total Availability of Funds	37,588.03 crore	68,107.86 crore
Total Exp. through EFMS	77.35%	99.6%
Payments generated within 15 days	26.85%	91.82%

### Pradhan Mantri MUDRA Yojana:

- The Pradhan Mantri MUDRA Yojana was launched in 2015 with 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. The loans are easily accessible in three categories: Shishu, Kishore and Tarun to signify the stage of growth/development and funding needs

### Pradhan Mantri Kaushal Vikas Yojana:

- 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.
- Individuals with prior learning experience or skills will also be assessed and certified under Recognition of Prior Learning (RPL). The scheme has been approved for another four years (2016–2020) to benefit 10 million youth.

### Deen Dayal Upadhyaya Grameen Kaushalya Yojana:

- The Ministry of Rural Development announced the Deen Dayal Upadhyaya Grameen Kaushalya Yojana on September 25, 2014. DDU-GKY is a part of the National Rural Livelihood Mission, tasked with the dual objectives of adding diversity to the incomes of rural poor families and cater to the career aspirations of rural youth.

### Shyama Prasad Mukherji Rurban Mission (SPMRM):

- Mission is based on the principle "*atmagaonki, suvidhasheharki*" or soul of a village and facilities of a city. Undertaken by the Union Ministry of Rural Development, the SPMRM focuses on cluster-based integrated development through Spatial Planning.
- Rurban clusters are identified across the country's rural areas showing increasing signs of urbanisation i.e., increase in population density, high levels of non-farm employment, presence of growing economic activities and other socio-economic parameters.

- The Mission aims to transform these Rurban clusters by stimulating local economic development, enhancing basic services, and creating well planned Rurban clusters.

### **Budget 2020–2021 and Rural Employment**

- 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. Likewise, the government has set a target of 15 lakh crore rupees for agriculture credit for the year 2020–21.
- It has also proposed a comprehensive measures for 100 water-stressed districts and expand 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, setting up of efficient warehouses at the block/taluk level and in Horticulture sector with focus on “one product, one district” for better marketing and export are some of the steps in that direction.
- The government has planned to dovetail MGNREGS to develop fodder farms. It also aims at doubling of milk processing capacity from 53.5 million metric tonnes to 108 million metric tonnes by 2025.
- Similarly, on the Blue Economy, raising of fish production to 200 lakh tonnes is proposed by 2022–23. In the current fiscal year, youth will be involved in fishery extension through 3477 Sagar Mitras and 500 Fish Farmer Producer Organisations. The government hopes to raise fishery export to 1 lakh crore rupees by 2024–25.

### **Enhancing Employability Potential of Rural Youth**

- 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.
- 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. These remaining young people are known as the “Unemployable Youth” - most of them coming from the Rural India.
- Further, about 89 per cent of youth do not have any skill/vocational training.
- 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.
- The unemployment rates have always been high but the increase in the unemployment rate today is the highest since 2004–2005 according to the usual status.
- Although the agriculture sector still employs the largest number of workers, its contribution to India GDP 2017 was 15.8 per cent preceded by Industry sector at 29.7 per cent and Services sector at 54.4 per cent.
- Measures like National Rural Employment Programme (NREP), PMKVY, DDU-GKY, NRLM are providing impetus in the wage employment sector and on the other hand, initiatives like Ministry of Skill Development and Entrepreneurship (MSDE), 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, in last couple of years have been focusing upon creating opportunities for skilling the workforce for future-driven jobs and industry-oriented courses aligned to Industry 4.0.

*According to LinkedIn, the top 15 fastest growing jobs in India:*

1. *Blockchain Developer*
2. *Artificial Intelligence Specialist*
3. *Javascript Developer*
4. *Robotic process automation consultant*
5. *Back-end developer*
6. *Growth Manager*
7. *Site Reliability Manager*
8. *Customer Success Specialist*
9. *Full Stack Engineer*
10. *Robotics Engineer (software)*
11. *Cybersecurity Specialist*
12. *Python Developer*
13. *Digital Marketing Specialist*
14. *Front-end Engineer*
15. *Lead Generation Specialist*

*Source: PLFS Annual report, MoSPI, GoI, 2019*

- When it comes to education, the Indian rural youth is 10 years behind, as per the Annual Status of Education Report, 2017.
- 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.

The potential of rural youth in India can no longer be ignored and in order to enhance their employability, we need to address the aforementioned issues by:

1. Strengthening School Education System to strengthen rural communities by improving the basic skills of the rural labour force to understand and adapt to the rapidly changing markets.
2. Embedding TVET in schools to provide pre- vocational training right from the secondary grades.
3. Incorporating 21st Century Skills in schools and TVET institutions along with the skill training.
4. Establishing institutions in rural areas for easy and low cost access.
5. Including Interview skills along with skill training to make the youth job ready.
6. Motivating business and corporate houses to invest in effective training programmes so as to reduce the skill gap in the market.
7. Imparting required skills to meet market demand.

## Implications of Changing Rural Structure on Employment and Growth

- About half of the national income and more than two-third of the total employment is generated in rural areas, but at the same time, rural areas are characterised with the low level and wide disparity in worker productivity.
- 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) in the urban area (Registrar General & Census Commissioner, 2012).
- 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 (Pradhan 2013).
- Population projections indicate that India will continue to be predominantly rural till the year 2050 after which urban population is estimated to overtake rural population (United Nations 2012).
- More than half of Indian industrial production comes from the rural areas. Rural construction also accounts for nearly half of the total building activity in the country. The value of rural services is about a quarter of the total services output. Agriculture has accounted for less than half of total rural output since the turn of the century.
- The share of rural industrial employment in total industrial employment has been around the same over those four decades. Rural employment has shrunk after 2005 while the urban areas have not been able to absorb the millions who are leaving the farm.

## Schemes for Rural Development & Employment

- **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 and helps in poverty reduction by promoting access to economic and social services. Nearly 82 per cent of roads have been built till December 2017 which have successfully connected several rural areas to cities.
- **Deen Dayal Upadhyaya Grameen Kaushalya Yojana:** It is a part of National Livelihood Mission, with the objectives of catering to the career aspirations of the rural youth and adding diversity to the income of rural families. The scheme's prime focus is on the rural youth of poor families aged between 15 and 35. An amount of Rs. 1500 crores has been provided for the scheme which will help in enhancing employability. The yojana is present in 21 States and Union Territories
- **Swarnjayanti Gram Swarozgar Yojana (SGSY)/ National Rural Livelihood Mission:** Swarnjayanti Gram Swarozgar Yojana which is redesigned as National Rural Livelihood Mission was launched in 2011. Also known as Ajeevika, this scheme aims at empowering women self-help model across the country. Under this scheme, the government provides a loan of three lakh rupees at an interest rate of seven per cent which can be reduced to four per cent at the time of repayment. The scheme was aided by World Bank.
- **Prime Minister Rural Development Fellows Scheme:** PMRDF is a scheme initiated by the Ministry of Rural Development, implemented in collaboration with State Governments.

- It has dual goals of providing short-term support to the district administration in the underdeveloped and remote areas of the country and to develop competent and committed leaders and facilitators who can serve as a resource for long term.
- **Sampoorna Grameen Rozgar Yojana (SGRY):** The scheme was launched with the aim to provide employment to the poor. It also aimed at providing food to people in areas who live below the poverty line and improving their nutritional levels.
- **Sansad Adarsh Gram Yojana (SAGY):** It is a rural development project launched by the Government of India in which each Member of Parliament will take the responsibility of three villages and look after the personal, human, social, environmental and economic development of the villages.
- No fundings have been provided to this project as funds can be raised through existing schemes.
- **Provision of Urban Amenities In Rural Areas (PURA):** PURA is a strategy for Rural Development in India which was proposed by former President APJ Abdul Kalam in his book *Target 3 billion*. PURA proposes that urban infrastructure and services should be provided in rural areas to create opportunities outside the cities.
- **Prime Minister 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. The scheme is formulated by merging Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP).
- **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 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.
- **Jawahar Gram Samridhi Yojana (JGSY):** It was launched to create demand-driven community village infrastructure including durable assets at the village level and skills to enable the rural poor to increase the opportunities for sustained employment.
- **Swarna Jyanti Gram Swarozgar Yojana:** It is a holistic package covering all aspects of self employment such as organisation of poor into self-help groups, training, credit, infrastructure and marketing. A credit-cum-subsidy programme, the beneficiaries under this scheme are called *swarozgaris*. This scheme is being implemented by the central and the state government on a 3:1 cost ratio.
- **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. The state government will provide land free of cost for these institutions to the concerned leading banks.
- The decline in rural employment between 2004–05 and 2011–12 was due to withdrawal of labour force from agriculture sector, majority of whom did not join the non-farm sectors
- Contrary to a common perception the evidences point out defeminisation of workforce between the same time periods. About one-third of the entire reduction in female labour force got engaged in education level and skills.

## Strong Rural Infrastructure: Key to Rural Employment

- The Union Budget 2020–21 has allocated Rs.1,20,147.91 crore to the Department of Rural Development (DORD) which is higher in comparison to the previous year's Budget Estimate (BE)

### Pradhan Mantri Gram Sadak Yojana

- PMGSY was launched with an objective to provide single all-weather road connectivity to eligible unconnected habitation 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.
- The Government of India (on August 9, 2018) approved continuation of PMGSY-I & II beyond 12th Five Year Plan and covering of balance eligible habitations under PMGSY-I by March 2019, PMGSY-II, and habitations under identified Left Wing Extremism (LWE) blocks (100–249 population) by March 2020. Under the PMGSY-III Scheme, it is proposed to consolidate 1,25,000 kms road length in the States.

- The scheme will also include Through Routes and Major Rural Links that connect habitations to Gramin Agricultural Markets (GrAMs), Higher Secondary Schools and Hospitals. The World Bank report (below) assessed the impact of PMGSY.
- A recent independent World Bank assessment report of the PMGSY rural roads programme shows that the PMGSY roads, in fact, “triggered a shift from farm to non-farm employment” in the habitations studied between 2009 and 2017 as with roads in place, people chose employment opportunities outside their habitations over expanding their farming.

### **Pradhan Mantri Awaas Yojana-Gramin**

- Rural housing programme, as an independent programme, started with Indira Awaas Yojana (IAY) in January 1996.
- To address the gaps in the rural housing programme and in view of Government’s commitment to providing “Housing for All” by the scheme 2022, the IAY has been re-structured into Pradhan Mantri Awaas Yojana– Gramin (PMAY-G) w.e.f. April 1, 2016.
- PMAY-G aims at providing a pucca house, with basic amenities, to all houseless householder and those households living in kutcha and dilapidated house, by 2022. The immediate objective is to cover
- 1 crore household living in kutcha house/dilapidated house in three years from 2016-17 to 2018- 19. The minimum size of the house has been increased to 25 sq.mt (from 20sq.mt) with a hygienic cooking space. The unit assistance has been increased from Rs. 70,000 to Rs. 1.20 lakh in plain areas and from Rs. 75,000 to Rs 1.30 lakh in hilly states, difficult areas and IAP district.
- The beneficiary is entitled to 90–95 person days of unskilled labour from MGNREGS. The assistance for construction of toilets shall be leveraged through convergence with Swachh Bharat Mission- Gramin (SBM-G), MGNREGS or any other dedicated source of funding.
- The cost of unit assistance is to be shared between Central and State Government in the ratio 60:40 in plain areas and 90:10 for North Eastern and the Himalayan States.
- 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 National Technical Support Agency (NTSA) at the national level is envisaged. Under PMAY-G, 1 crore pucca houses were to be constructed by March 2019.

### **RURBAN Mission**

- Shyama Prasad Mukherji Rurban Mission (SPMRM) aims at delivery of integrated project-based infrastructure, development of economic activities and skill development in rural areas. To check rural migration, the mission follows the vision of development of a cluster of 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. This will be followed by an Operations and Maintenance period of 10 years.
- Funds for the project shall be mobilised through convergence of various Central Sector, Centrally Sponsored and State Schemes. The Mission shall provide Critical Gap Funding (CGF) to the Project to supplement the funds mobilized through convergence of various schemes.

### **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.
- 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.
- Concerted focus has been on Natural Resource Management (NRM) activities, due to which the expenditure on NRM activities which was 54 per cent in FY 2014–15 has increased to more than 68 per cent during 2019–20.
- The scheme guarantees 100 days of employment. However, from 2012 to 2018, the average number of days of employment has been 45.5 days, with a maximum of 49 days of employment in 2015-16.

- As MGNREGA is a demand-driven scheme, this could be due to either lower demand for such work (signalling sufficient opportunities to obtain work in the open market) or not providing employment when demanded.

### **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. It is implemented by KVIC, as the nodal agency, at the national level.
- GOI approved scheme for agro-marine processing and development of agro processing clusters (SAMPADA) with an allocation of Rs. 6000 crore for the period 2016–2020. It is a comprehensive package which will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlets.



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