



cutting through complexity

Rural Economy with Focus on Employment

Civil Service Day

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KPMG in India



Rural Economy with Focus on Employment



1. Importance of Employment and Employability in the context of Rural Economy



2. Key Issues and Areas of Concern



3. Key Points for Discussion



Setting the Context – A Fact Sheet

- 68.8% of Population lives in Rural India
- The rural population showing a declining trend in favor of urbanization (31.6% in 2011- up from 27.8% in 2001)
- Share of Agriculture in GDP declining (from 19% in 2004 to 14% in 2009) – However the number of people dependent on agriculture has not come down proportionately.
- The literacy rates in rural India have improved two times that of urban areas
- For the economy to grow at 8% to 9% to achieve the effects of inclusive growth, secondary and tertiary sectors should grow at 10% to 11%.
- This will create a large skill gap in the workforce due to the difference in skills required.
- A skilled workforce of 500 million will be required by 2022

Source: As highlighted in the background paper

Projected Demand for Employment

GDP Growth rate	Agriculture	Industry	Services	Total
9 percent	240.2	126.2	189.5	555.9
7 percent	232.0	116.8	174.8	523.5
5 percent	224.0	108.1	161.2	493.3

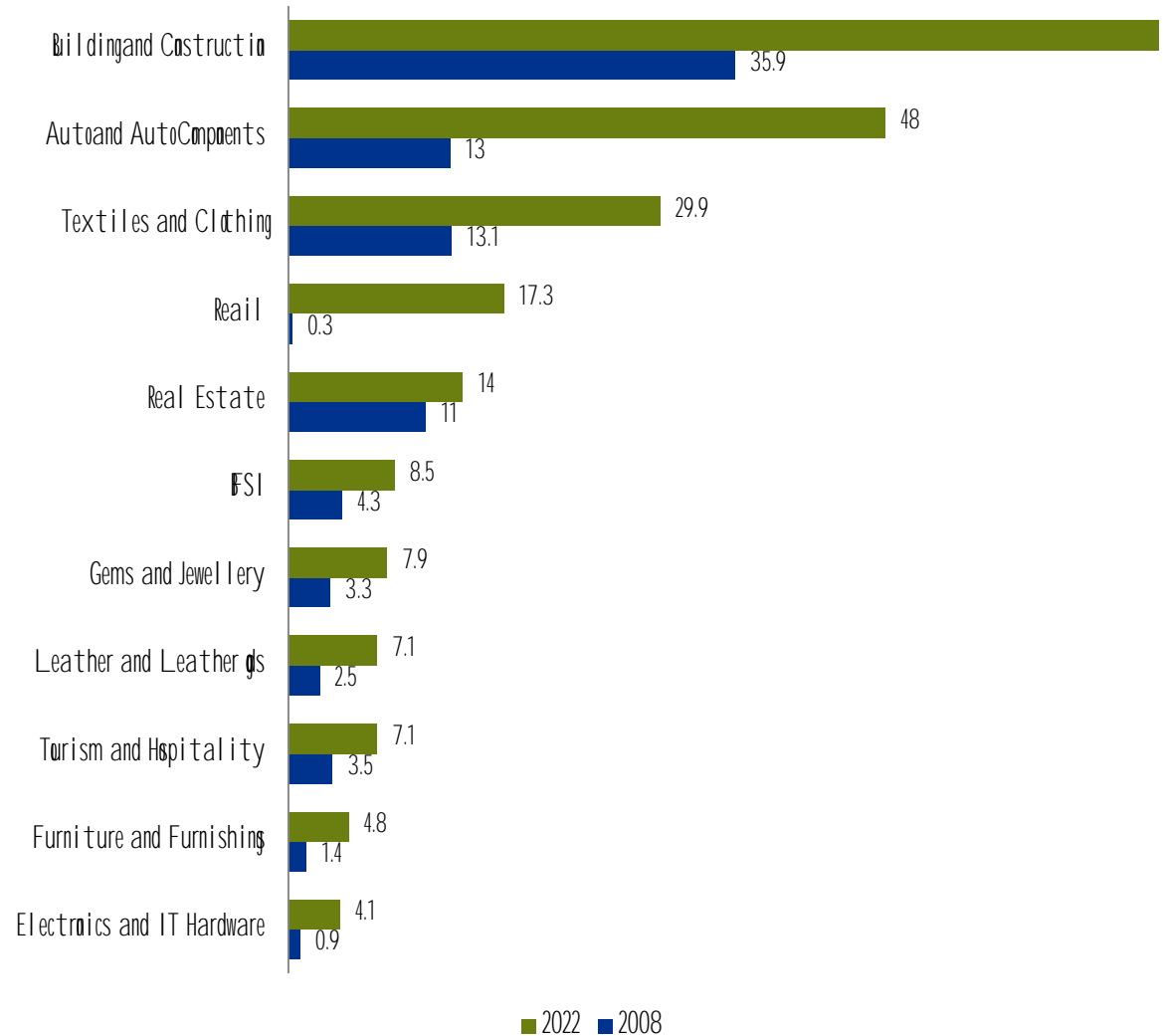
Source: As highlighted in the background paper

The Emerging Trend – Demand for Skilled Resources

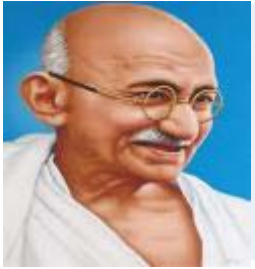
- Expectation of a skilled workforce of 500 million by 2022.
- 20 high growth sectors including with expected skilled resource demand CAGR ranging between 6% to 34%

Auto and Auto Components	FSI	Building and Construction
Chemicals and Pharmaceuticals	Electronics and Hardware	Food Processing
Furniture and Furnishings	Gems and Jewellery	IT and ITES
Media and Entertainment	Real Estate	Retail
Textile	Tourism and Hospitality	Transportation and Logistics

Source: NSIC

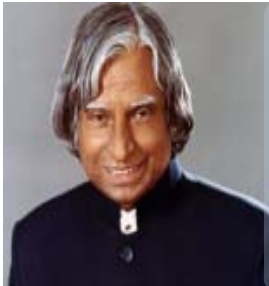


The Leaders Speak



"The true India is to be found not in its few cities, but in its seven hundred thousand villages. If the villages perish, India will perish too"

Mahatma Gandhi



"It is not unemployment that is the major problem – it is the question of employability that is the major crisis in the competitive area..."

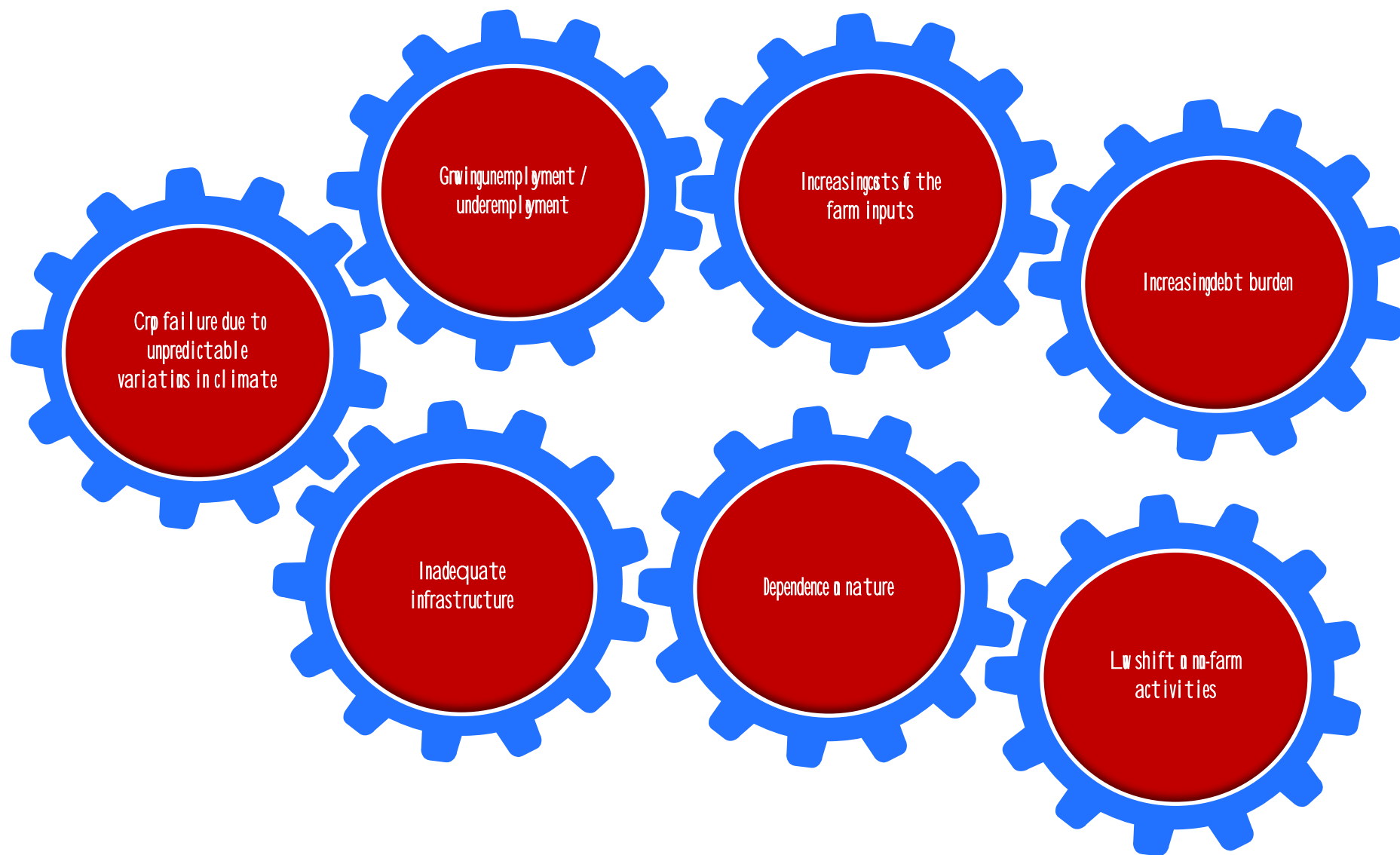
Dr. A.P.J. Abdul Kalam,
Former President, India



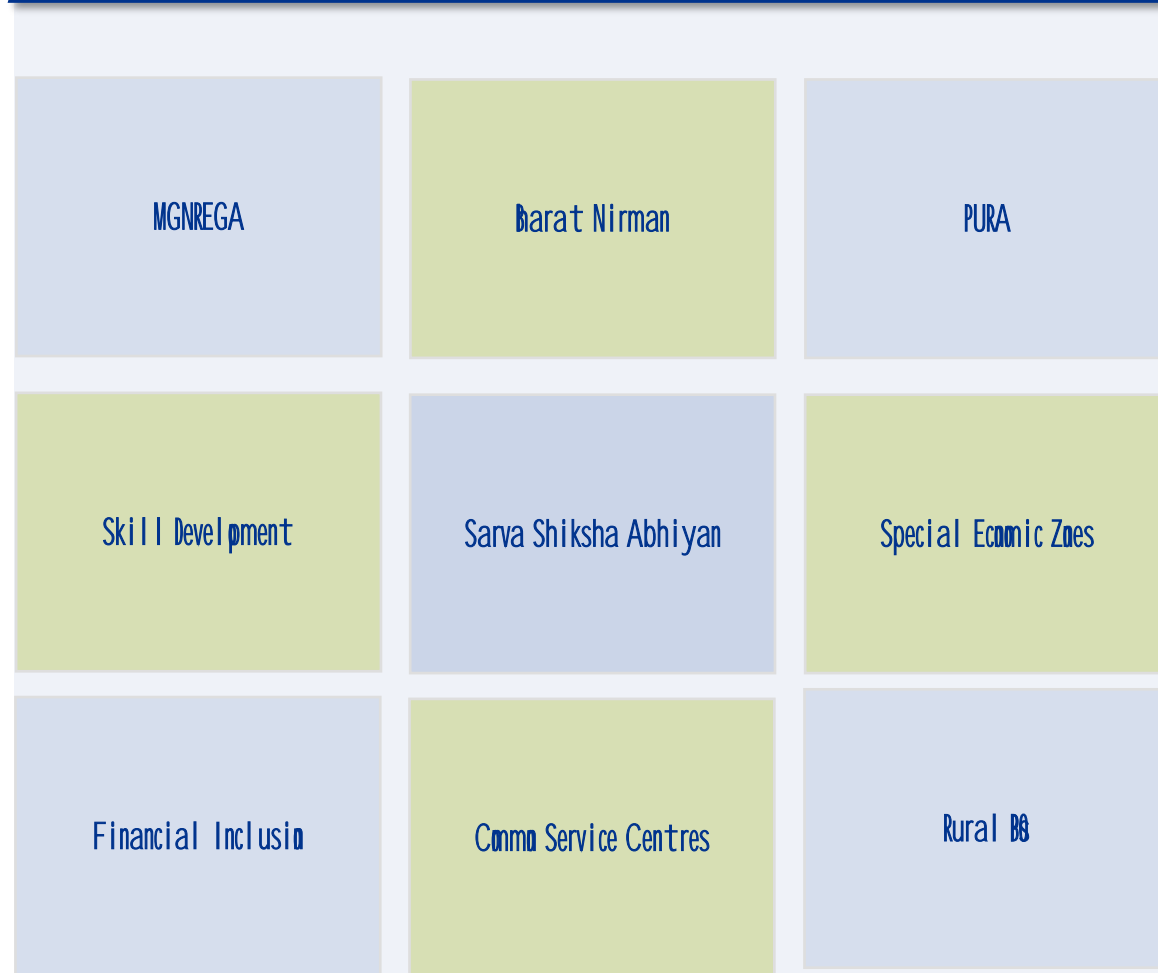
"We will need to ensure for greater availability of educational opportunities at the higher education level so that we have just not a literate youth but a skilled youth with skills that can fetch them gainful employment"

Dr. Manmohan Singh,
Prime Minister, India

Challenges of Rural India



Enablers of Rural Employment



Government

- Government of Rajasthan – Establishing Technical institutes in Lagging Areas
- Skill Voucher Scheme – Government of Gujarat
- E-Shakti – Government of Bihar
- The Andhra Pradesh MGNREGA Portal

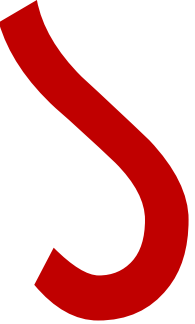
Private Sector

- ITC e-Chupal
- Project Shakti
- Amul
- Tata Kisan Kendra
- SEWA (Self Employed Women's Association)
- Saksham

International

- Germany's Dual Model
- Ethiopia aims for growth through comprehensive skills planning
- Skill Development for Adolescent Girls – Ishraq programme of Egypt
- Enhancing outcomes of South Africa's Expanded Public Works Programme through skills training

*How do we increase Awareness about
employment opportunities in Rural
India*



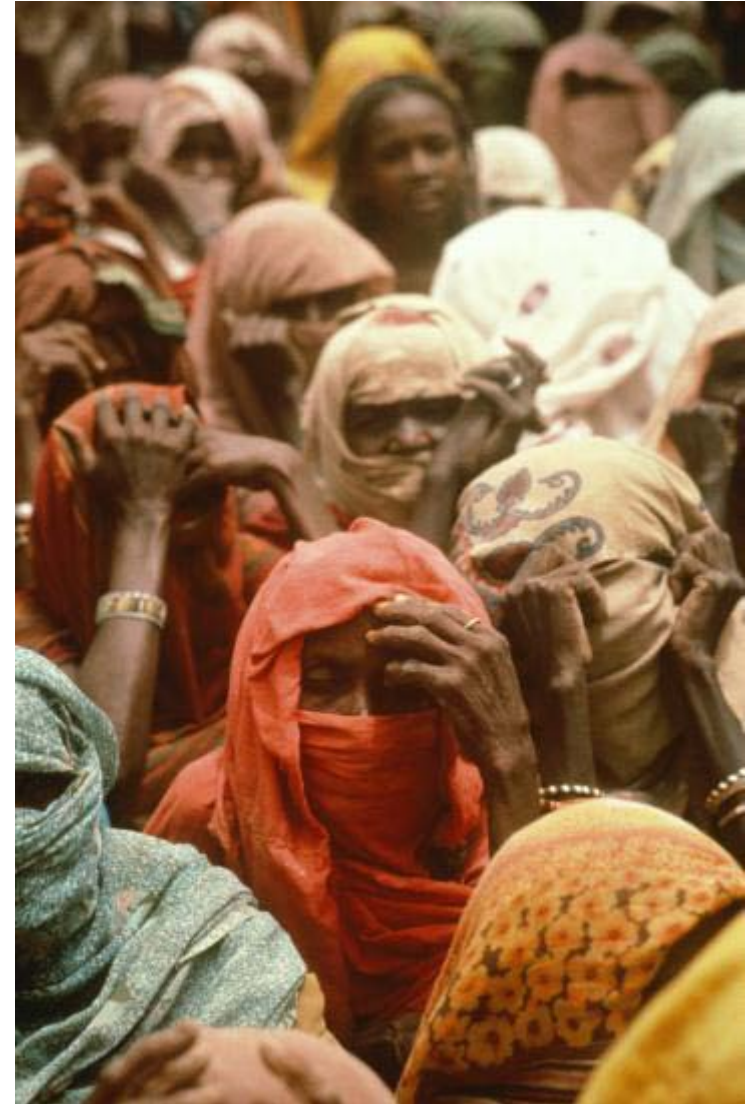


*Effective operationalisation of
skill development strategy for
Rural India*





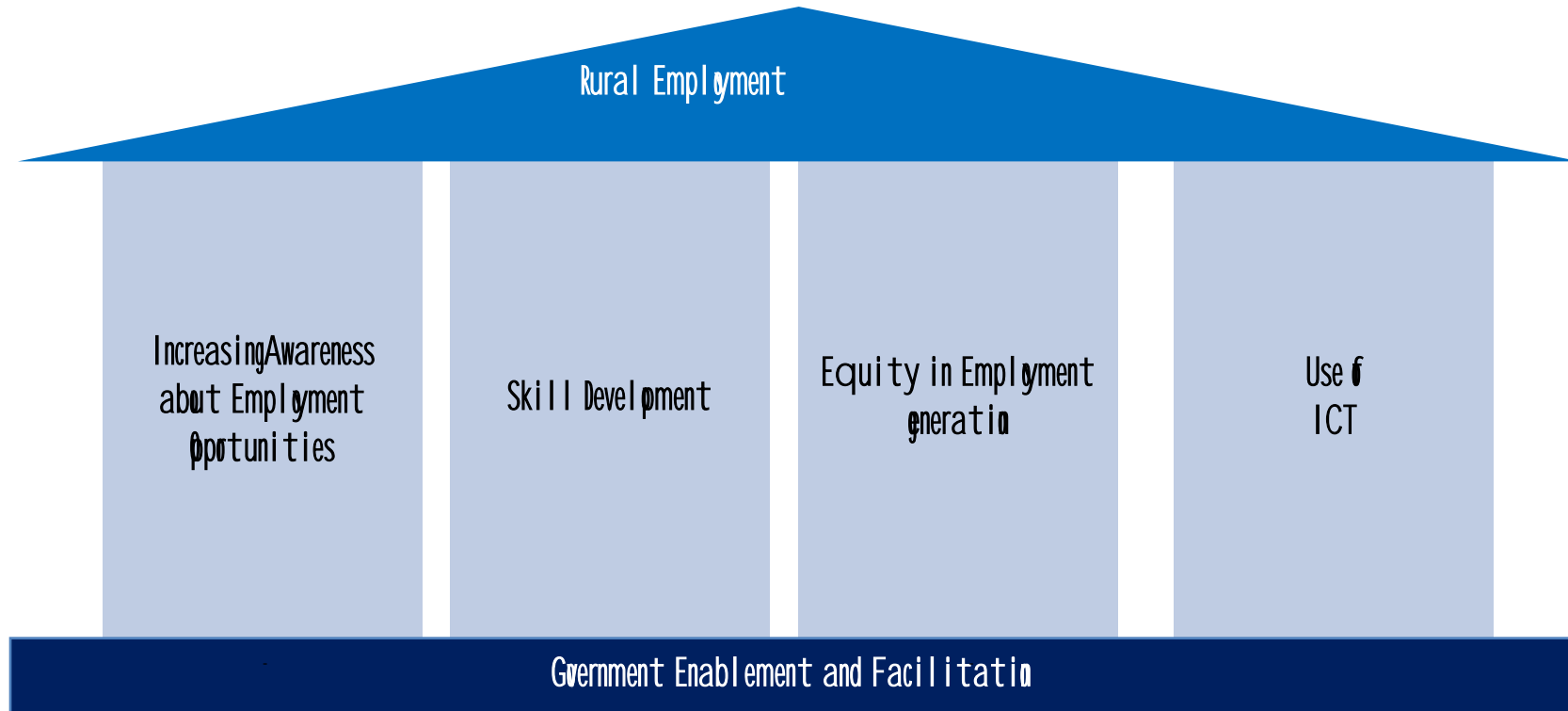
*Ensuring equity in Employment
generation*



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Use of ICT *in Rural India*





Thank You

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