The ‘where’ of Skill Development

Report of the NIAS Wednesday Discussion held on 26 October 2016

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With only 4.69% of the total workforce in India having received formal skill training, the Government of India has been undertaking initiatives to skill the labour force under the assumption of rapid rural-urban migration to take place in the country. This is because urbanization in India is being held as a key indicator of development and cities as both center and drivers of economic growth. However, it is now evident that the movement from an agrarian economy to a non-agrarian one in India has not been matched by the expected shift from the rural to the urban. While the share of agriculture is GDP has fallen from 52 percent in 1950-51 to less than 16 percent in 2014-15, the transformation from the rural to the urban has been much slower. Urbanisation in India has been classified as “slow, messy and hidden”. If India is to be predominantly rural for much of, if not the entire, working life of most of those who are entering the workforce today, should the skill development strategy be focused on what are primarily urban occupations? And even if that is
the case should the location of skill development interventions be in rural or urban areas?

The talk made an attempt to answer these questions by first capturing a realistic picture of the process of urbanization in India. The level of urbanization has only been modest in the recent decades (according to Census it was 31.1% in 2011, up from 27.9% in 2001) and various projections have cast serious doubts on prospects of rapid urbanization. India will still have more than 800 million rural residents by 2050 (a quarter of the world’s rural population). The focus of the skill development strategy of the Government of India has been on industry-related skill development initiatives. This focus on schemes directed towards industrial development stems from a theoretical conception of development being based on industrialization, and urbanization being a natural corollary of industrialization. Moreover, the skill gap estimates provided by National Skill Development Corporation ignore the larger patterns of labour being released from traditional occupations in one part of the country and being absorbed, temporarily or permanently, in another. This raises several questions about the location of skill development initiatives.

Within the overall national picture of movement away from agriculture but not necessarily away from the rural, there is scope for considerable variation. There could be parts of the country that have seen an increasing share of the population moving into agriculture. There are also areas where the shift away from agriculture has resulted in the population moving out of the rural economy altogether. Each of these directions of movement makes its own demands on skills. Workers moving into more commercialized agriculture would need more advanced agricultural skills. Those moving out of agriculture but remaining in the rural economy would need another set of skills, and those leaving the rural economy altogether would need yet another set of skills. It is important then to map the type of demands for skills that is emerging in different parts of the country, by tracking the movement of workers to and from agriculture as well as to and from the rural economy.

This work is mainly based on secondary data and district level data from Census of India has been used
for estimating the extent of transition occurring in the rural sector. Since the aim is to compare the change over time, Census data series for two rounds – 2001 and 2011 has been used. The challenge in working with two different years’ Census data was in standardizing the data and making it comparable. As the aim of this study is to bring to focus the exact nature of demand for skills, it was considered best to deal with number of people undergoing transition rather than only considering share of workers in different categories of work. While computing the absolute number of increase or decrease of people working in different occupations in the rural, natural causes of increase was factored in and population projections made for 2011 based on rate of natural increase of 2001 population. Based on the difference between the actual population in 2011 and the estimated population, five transition categories have been identified and mapped and skill needs for each identified.

The five main categories include 1) Agrarian Transition across districts in India and changing demand for skills in agriculture; 2) Workers moving into agriculture and demand for skills in commercial agriculture; 3) Workers
moving out of agriculture but staying within the rural sector and demand for skills in rural non-farm sector; 4) People leaving the rural altogether and demand for skill development at the point of origin and; 5) Workers leaving agriculture as main occupation and becoming marginal workers or the case of circular migration and corresponding demand for skills.

Based on these categories, the districts were mapped according to the category it fit in. For example, 48 districts in India have seen people working within agriculture increase, and there is an almost contiguous area where this increase is the highest and these lie in Maharashtra. These are also the same districts which have undergone horticultural revolution making agriculture lucrative option for employment in this drought prone region. Horticultural activities are more labour intensive, provide employment throughout the year and demand technical knowledge of tissue culture, precision agriculture, micro irrigation & fertigation, practices for organic farming, for high density plantation, and mechanization and production of high-value crops in green houses. This further generates demand for skilled labour not just in Maharashtra but in all states with the launch of National Horticulture Mission at an all-India level.