

**SKILL AND ENTREPRENEURSHIP DEVELOPMENT FOR  
RURAL YOUTH IN INDIA**

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**Abstract**

Rural youth constitute a significant segment of India's population and represent a vital resource for the country's economic development. However, rural areas face persistent challenges such as unemployment, underemployment, lack of market-oriented skills, and limited entrepreneurial opportunities. Skill and entrepreneurship development have emerged as key strategies to empower rural youth, enhance employability, and promote self-employment. India is home to one of the largest youth populations in the world, with a substantial proportion residing in rural areas. Rural youth play a critical role in agriculture, allied activities, micro-enterprises, and the informal sector. Despite their potential, rural youth face limited employment opportunities due to low levels of education, lack of skills, and inadequate access to finance and markets. As traditional agricultural activities alone cannot absorb the growing rural workforce, there is a pressing need to equip rural youth with relevant skills and entrepreneurial capabilities. Skill and entrepreneurship development are essential for harnessing India's demographic dividend. Skill development enhances employability and productivity, while entrepreneurship creates opportunities for self-employment and job creation. Together, they form a powerful mechanism for transforming rural livelihoods and promoting inclusive growth. This study examines the importance of skill and entrepreneurship development for rural youth in India.

**Keywords:** Rural Youth, Skill Development, Entrepreneurship and Employment

**Introduction**

Rural India, accounting for nearly two-thirds of the country's population, remains the backbone of its economy. Agriculture has traditionally been the predominant occupation in rural regions, but rapid socio-economic changes have shifted expectations. Rural youth today are both ambitious and aspirational, seeking meaningful employment and avenues for social mobility. However, limited access to quality education, inadequate skill training, and insufficient employment opportunities have created a considerable gap between their potential and opportunities. The skill and entrepreneurship development for rural youth has

emerged as a critical priority for inclusive growth, sustainable livelihoods, and overall national progress. The concept of skill development refers to the structured process of equipping individuals with technical and soft competencies that enhance their employability. Entrepreneurship development, on the other hand, focuses on nurturing the ability to conceptualize, launch, and grow business ventures. Together, these dual pathways empower young people to not only secure formal jobs but also to create jobs for others transforming them from job seekers into job creators. In rural India, the need for skill and entrepreneurship development is particularly urgent for several reasons. First, demographic trends reveal a burgeoning youth population, with a significant portion residing in rural areas. This youth bulge presents a golden opportunity for economic growth provided it is harnessed effectively. Without appropriate interventions, however, the same demographic dividend could turn into a social liability in the form of unemployment, underemployment, and social unrest. Second, traditional sectors such as agriculture and allied activities are no longer sufficient to absorb the growing labour force. The agriculture sector currently faces issues like fragmented landholdings, low mechanization, and fluctuating prices. As a result, rural youth increasingly migrate to urban centers in search of better opportunities, leading to distress migration and its associated social challenges. Skill development tailored to local needs can boost productivity within rural industries and reduce the dependency on agriculture alone. Simultaneously, fostering entrepreneurship can spur the growth of MSMEs, agro-processing units, service enterprises, and digital ventures rooted in rural areas. Third, there exists a pronounced mismatch between the skills acquired through formal education and those demanded by industry and markets. While rural youth may complete higher secondary or even tertiary education, they often lack practical or specialized skills such as digital literacy, vocational training, advanced manufacturing skills, or business management expertise that employers seek. To bridge this gap, India has adopted skill development initiatives that are market-relevant, demand-driven, and aligned with emerging sectors such as renewable energy, information technology, healthcare, hospitality, and sustainable agriculture.

The government schemes, regional innovation ecosystems and start-up incubators are gradually extending their reach into rural India. Many aspiring youth are receiving mentorship, seed funding, and networking support to launch ventures in areas such as agro-tech solutions, eco-tourism, handicrafts, and e-commerce. Digital platforms and mobile technology have further democratized access to knowledge, markets, and financial services reducing traditional barriers associated with geography and infrastructure.

### **Objectives of the Study**

- To study the LFPR, WPR, and UR in rural and urban areas of India.
- To analyze employment indicators in rural India.
- To examine rural youth employment indicators in the study area.

**Research Methodology**

The present study is based on secondary data. The data have been collected from various sources, including Government of India websites, the Periodic Labour Force Survey (PLFS, 2025), reports of the Ministry of Statistics and Programme Implementation, annual reports, journals, newspapers, and other relevant sources. Percentages and figures have been used to analyze the data.

**Results and Discussion**

This section presents the labour market indicators—Labour Force Participation Rate (LFPR), Worker Population Ratio (WPR), and Unemployment Rate (UR)—for persons aged 15 years and above in India during 2025. These indicators are analyzed based on rural–urban residence and gender. The details of labour market indicators by age and residence, as per usual status in India, are presented in Table 1.

**Table 1**

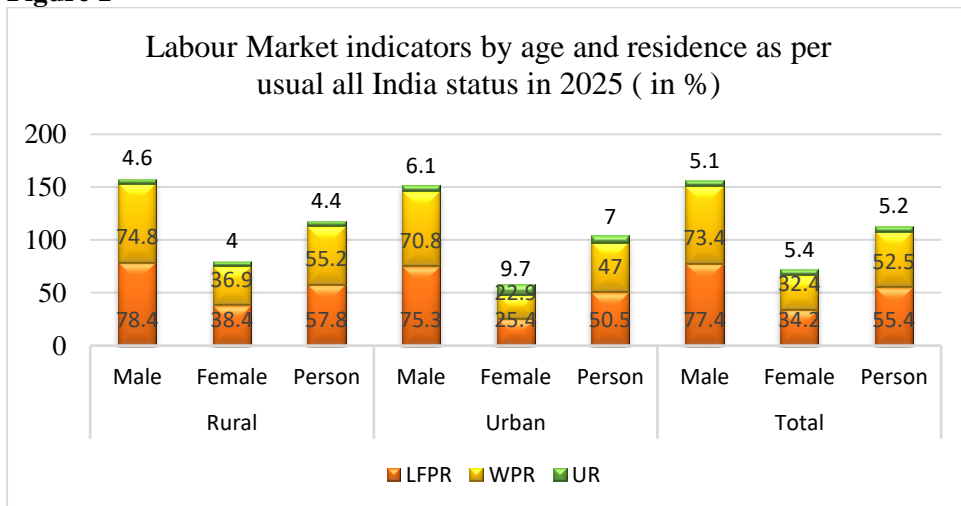
**Labour Market Indicators By Age And Residence As Per Usual All India Status In 2025( In %)**

15 Years & Above									
Indicators	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Lfpr	78.4	38.4	57.8	75.3	25.4	50.5	77.4	34.2	55.4
Wpr	74.8	36.9	55.2	70.8	22.9	47.0	73.4	32.4	52.5
Ur	4.6	4.0	4.4	6.1	9.7	7.0	5.1	5.4	5.2

**Source:** Plfs, 2025, Ministry Of Statistics & Programme Implementation

**Note:** 1) Lfpr – Labour Force Participation Rate, 2) Wpr – Worker Population Ratio  
3) Ur – Unemployment Rate

**Figure 1**



## Results and Discussion (Continued)

Table 1 and Figure 1 indicate that rural areas show higher labour force participation and employment levels than urban areas. The total Labour Force Participation Rate (LFPR) in rural India is 57.8 per cent, compared to 50.5 per cent in urban areas, indicating greater workforce engagement in rural regions. This pattern is also reflected in the Worker Population Ratio (WPR), which stands at 55.2 per cent in rural areas against 47.0 per cent in urban areas.

A significant gender disparity is evident across both rural and urban areas. Male LFPR is substantially higher than female LFPR. In rural areas, male LFPR is 78.4 per cent, while female LFPR is only 38.4 per cent. The gap is even wider in urban areas, where male LFPR is 75.3 per cent compared to a low 25.4 per cent for females. These figures highlight persistent structural and social barriers that limit women's participation in the labour market.

Employment levels, measured by WPR, follow a similar trend. Rural male WPR (74.8 per cent) is much higher than rural female WPR (36.9 per cent). In urban areas, the disparity is sharper, with male WPR at 70.8 per cent and female WPR at only 22.9 per cent. This suggests that fewer women are not only participating in the labour force but are also securing employment, especially in urban India.

The Unemployment Rate (UR) is relatively higher in urban areas compared to rural areas. Urban UR for persons is 7.0 per cent, whereas rural UR is lower at 4.4 per cent. Female unemployment is notably higher than male unemployment, particularly in urban areas, where female UR is 9.7 per cent compared to 6.1 per cent for males. This indicates greater job search difficulties for women, especially in cities.

At the aggregate level, India's total LFPR is 55.4 per cent, WPR is 52.5 per cent, and UR is 5.2 per cent. These figures suggest moderate labour force engagement but underline concerns regarding low female participation and higher urban unemployment.

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## Rural Employment in India

This section examines the employment indicators for rural India—Labour Force Participation Rate (LFPR), Worker Population Ratio (WPR), and Unemployment Rate (UR)—disaggregated by gender for the period 2017–18 to 2023–24. The trends in rural employment indicators during this period are presented in Table 2.

**Table 2**  
**Employment Indicators For Rural In India**  
**(In Per Cent)**

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	Year	Lfps			Wpr			Ur		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
1	2017-18	78.0	29.5	54.8	75.6	28.1	52.9	3.1	4.7	3.5
2	2018-19	76.4	24.6	50.7	72.0	23.7	48.1	5.7	3.8	5.3
3	2019-20	76.4	26.4	51.5	72.2	25.5	48.9	5.5	3.5	5.0
4	2020-21	77.9	33.0	55.5	74.4	32.2	53.3	4.5	2.6	3.9
5	2021-22	78.1	36.5	57.4	75.1	35.8	55.5	3.8	2.1	3.3
6	2022-23	78.2	36.6	57.5	75.3	35.8	55.6	3.8	2.1	3.2
7	2023-24	80.2	41.5	60.8	78.0	40.7	59.4	2.7	1.8	2.4

**Source:** PLFS Report, Ministry of Statistics & Programme Implementation

## Note:

1. LFPR – Labour Force Participation Rate
2. WPR – Worker Population Ratio
3. UR – Unemployment Rate

## Analysis of Table 2

Table 2 shows a clear upward trend in the Labour Force Participation Rate (LFPR) over the years for both males and females. Male LFPR increased steadily from 78.0 per cent in 2017–18 to 80.2 per cent in 2023–24, indicating consistently high participation of men in the rural labour force. Female LFPR recorded a sharper rise, from 29.5 per cent in 2017–18 to 41.5 per cent in 2023–24. This significant improvement reflects the increasing participation of rural women in economic activities. Consequently, the total LFPR rose from 54.8 per cent to 60.8 per cent, highlighting overall improvement in labour force engagement in rural areas.

The Worker Population Ratio (WPR) also exhibited a positive trend. Male WPR increased from 75.6 per cent to 78.0 per cent during the study period, while female WPR rose substantially from 28.1 per cent to 40.7 per cent. The rise in female WPR closely follows the increase in female LFPR, suggesting that a large proportion of women entering the labour force are also securing employment. The total WPR improved from 52.9 per cent in 2017–18 to 59.4 per cent in 2023–24, indicating enhanced employment generation in rural India.

The Unemployment Rate (UR) shows a declining trend for both genders. Male unemployment declined from 3.1 per cent in 2017–18 to 2.7 per cent in 2023–24, while female unemployment reduced more noticeably from 4.7 per cent to 1.8 per cent over the same period. The total unemployment rate decreased from 3.5 per cent to 2.4 per cent, reflecting better absorption of the labour force into employment, particularly after 2020–21.

### Youth Employment in India

This section examines the trends in youth employment indicators in India—Labour Force Participation Rate (LFPR), Worker Population Ratio (WPR), and Unemployment Rate (UR)—for the period from 2017–18 to 2023–24. The year-wise youth employment indicators in India are presented in Table 3.

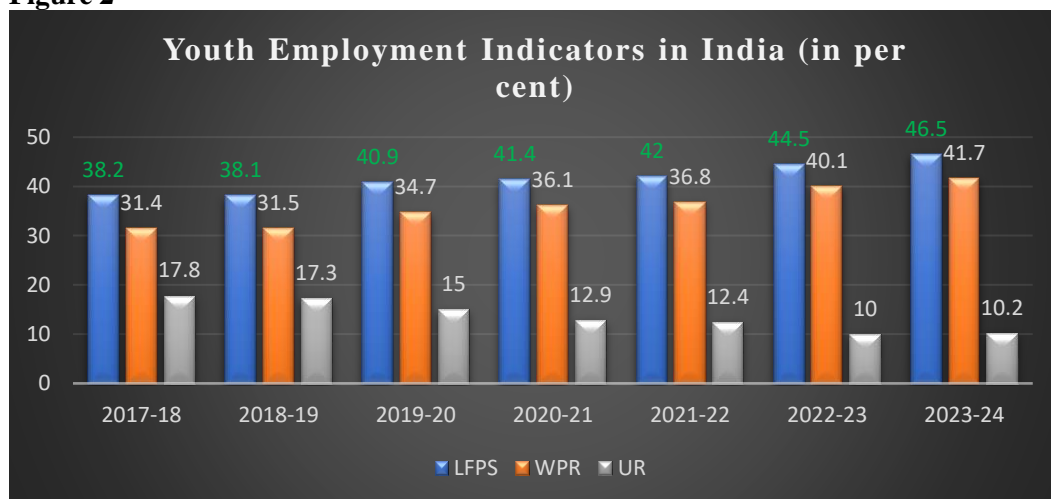
**Table 3**

**Youth Employment Indicators In India (In Per Cent)**

	Year	Lfps	Wpr	Ur
1	2017-18	38.2	31.4	17.8
2	2018-19	38.1	31.5	17.3
3	2019-20	40.9	34.7	15
4	2020-21	41.4	36.1	12.9
5	2021-22	42.0	36.8	12.4
6	2022-23	44.5	40.1	10
7	2023-24	46.5	41.7	10.2

Source: Plfs Report, Ministry Of Statistics & Programme Implementation

**Figure 2**



**Analysis of Table 3 and Figure 2**

Table 3 and Figure 2 show that the Labour Force Participation Rate (LFPR) among youth has increased consistently over the years. It rose from 38.2 per cent in 2017–18 to 46.5 per cent in 2023–24. This indicates a growing proportion of young people either working or actively seeking work, reflecting increased engagement of youth in the labour market. This trend may be attributed to improved education–employment linkages and expanding economic opportunities.

The Worker Population Ratio (WPR) also improved steadily during the period, increasing from 31.4 per cent in 2017–18 to 41.7 per cent in 2023–24. The rise in WPR suggests that a larger share of the youth population is actually employed. The improvement is particularly notable after 2020–21, indicating recovery and expansion of employment opportunities for youth in the post-pandemic period.

The Unemployment Rate (UR) among youth shows a significant declining trend. Youth unemployment was high at 17.8 per cent in 2017–18 but gradually declined to 10.2 per cent in 2023–24. Although there was a temporary increase during 2019–20 and 2020–21 due to economic disruptions, the subsequent decline highlights improved absorption of young workers into the labour market.

### **Government Skill Development Schemes for Rural Youth**

The Government of India has recognized the importance of skill development and entrepreneurship in empowering rural youth, generating employment, and fostering inclusive economic growth. Several key schemes have been implemented to address skill gaps and promote employability and entrepreneurship:

1. **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):**  
Launched in 2015 under the Ministry of Skill Development and Entrepreneurship, this flagship scheme aims to train, certify, and upskill youth. It provides vocational training in areas such as retail, construction, agriculture, automotive repair, and digital skills, thereby enhancing employability and entrepreneurial potential among rural youth.
2. **Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY):**  
Implemented by the Ministry of Rural Development, this scheme targets rural youth aged 15–35 years. It aims to transform rural youth into a skilled workforce by providing market-oriented training and placement support, thereby bridging the rural–urban employment gap.
3. **National Rural Livelihood Mission (NRLM) / Aajeevika:**  
This programme focuses on reducing rural poverty by promoting self-employment and livelihood opportunities. It strengthens the capacity of rural youth to start micro-enterprises and engage in income-generating activities.

4. **Stand-Up India Scheme:**

Launched in 2016, this scheme promotes entrepreneurship among women and SC/ST communities by providing bank loans for starting new enterprises. It helps rural youth overcome financial barriers and encourages inclusive entrepreneurship.

5. **Atal Innovation Mission (AIM):**

Initiated by NITI Aayog, AIM promotes innovation and entrepreneurship across the country. It fosters an innovation culture, supports grassroots entrepreneurial ideas, and provides infrastructure and mentorship for start-ups.

6. **National Apprenticeship Promotion Scheme (NAPS):**

This scheme promotes apprenticeship training by integrating classroom learning with practical industry experience, thereby improving employability among rural youth.

7. **Start-Up India:**

This initiative aims to build a strong ecosystem for innovation-driven enterprises by offering financial support, mentorship, and simplified regulatory frameworks. It enables rural youth to transform innovative ideas into scalable businesses.

**Conclusion**

In conclusion, this study highlights three major issues in India's labour market in 2025: higher labour force participation in rural areas compared to urban areas, significant gender disparities in employment, and relatively higher unemployment in urban and female segments. These findings underscore the need for targeted employment strategies and gender-inclusive labour policies.

The study also indicates improving rural labour market conditions in India. Rising LFPR and WPR, particularly among women, along with declining unemployment rates, reflect increased economic participation, better employment opportunities, and a gradual narrowing of gender gaps in rural areas.

Furthermore, the analysis reveals positive trends in youth employment. Increasing LFPR and WPR, along with a notable decline in unemployment, suggest strengthening labour market conditions for youth. However, youth unemployment remains relatively high compared to overall unemployment levels, indicating the continued need for skill development initiatives, employment generation, and youth-focused policy interventions.

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