



Saud: The Journal of Commerce, Management and Economics, Vol. 1(I), 2025, 39-49

Saud:

The Journal of
Commerce,
Management and
Economics

Prospects and Problems of Rural Economic Development under Skill India Mission in Assam

Banashree Devi¹

Assistant Professor, Department of Geography, Kampur College

ARTICLE INFO

Article History:

Received 28 April
2025

Received in revised
form 20 May 2025

Accepted 21 May 2025

Keywords:

Rural Economy
Economic Development
Youth
Skill India Mission

ABSTRACT

The Skill India Mission is expected to play a crucial role in boosting the rural economy of Assam by equipping the rural workforce with employable skills, promoting entrepreneurship, and enhancing productivity in key sectors. Based on this presumption, the present study seeks to analyse the prospects of the rural economic transformation through skill-based interventions that improve productivity, introduce modern techniques, and foster value addition under the umbrella of the Skill India Mission. The study is descriptive in nature, based on secondary data. The study found that the mission's initiatives have the potential to provide substantial benefits, especially to the youth with the necessary skills to enhance employability and foster entrepreneurship. However, shortcomings in this direction must be addressed.

1. Introduction

Mahatma Gandhi, regarded as the Father of our Nation, famously remarked, "If the village perishes, India will perish too," further stressing that the nation's true advancement depends on the development of its rural villages, their economies, industries, and traditional skills. Although these words were originally directed towards encouraging *Khadi* production during the freedom struggle, they remain highly relevant to all-around rural economic development today.

¹E-mail Address: banashree1515devi@gmail.com (B. Devi)



Assam, a land blessed with breathtaking natural beauty and abundant resources, has long fostered a variety of economic activities rooted in its local natural wealth. Historically, these opportunities flourished; however, in recent times, the rural economy has witnessed a downturn due to multiple challenges. Issues such as a shortage of raw materials, outdated technologies and skills, a lack of a trained workforce, and limited capital investment have hindered progress.

Moreover, unemployment, particularly among the educated segment, has been steadily rising, leading to numerous social and economic challenges. In this critical situation, initiatives like the Skill India Mission hold the potential to rejuvenate Assam's rural economy. By equipping the youth with essential skills, the mission can unlock new employment avenues, thereby strengthening rural development and contributing to the state's broader economic prosperity.

The Skill India Mission, inaugurated on July 15, 2015, stands as a flagship program of the Government of India, designed to empower the nation's youth by providing them with skills aligned with industry requirements. This mission plays a crucial role in enhancing the capabilities of young individuals, thereby improving their employability and fostering entrepreneurship. Its key goals include upgrading workforce skills, boosting employment opportunities, promoting entrepreneurial ventures, and addressing regional disparities in skill development. Major initiatives under this mission include the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the National Skill Development Corporation (NSDC), the National Skill Qualification Framework (NSQF), Recognition of Prior Learning (RPL), and the establishment of Skill Development Centres (SDCs).

The rural economy refers to the economic activities, industries, and livelihoods that sustain rural areas. It includes agriculture, small-scale industries, handicrafts, rural services, and cottage industries, which form the backbone of rural communities. The key components of the rural economy in Assam are -Agriculture & Allied Sectors, Rural Industries & Handicrafts, Small-scale industries, Self-Employment & Entrepreneurship, Local tourism and eco-tourism ventures and Rural Services Sector etc.

The Skill India Mission has been instrumental in addressing key issues such as unemployment, underemployment, and the scarcity of opportunities in India's rural regions, including Assam. Given Assam's predominantly rural demographic and its wealth of cultural and natural resources, the state stands to gain significantly from the Mission's programs. The Mission's objectives are closely aligned with Assam's need for rural advancement by equipping young people with essential skills that boost their chances of employment and entrepreneurial success. Through the comprehensive framework of the Mission, there is a strong potential to rejuvenate Assam's rural economy and generate a wide array of development prospects.

As these opportunities expand, a large segment of the skilled workforce, trained under the Mission, can be productively engaged, thereby making a substantial contribution to the region's economic progress.

Several research studies have investigated the impact of skill development programs on rural youth. Kalita (2021) studied the revival of cottage industries in Assam through the government initiatives of Skill India Mission and thereby created employment opportunities among the youth in Assam. Kumar & Shobana (2023) conducted a brief study in North East India, examining the outcomes of the Skill India Mission on rural youth. Mochahari & Barman (2021) also analysed the positive impacts of this government initiative on the youth of Guwahati city in Assam.

1.1. Objectives of the study

The objectives of the study are as follows:

- i. To highlight the positive effects of the Skill India Mission on the rural economy of Assam.
- ii. Identify the key challenges related to its implementation.

2. Methodology and Database

The research paper relies on secondary data, which was collected from various books, journals, and credible websites. A thorough review of previous studies has been undertaken to facilitate the research and ensure a better understanding of the topic. The approach followed in the study is descriptive.

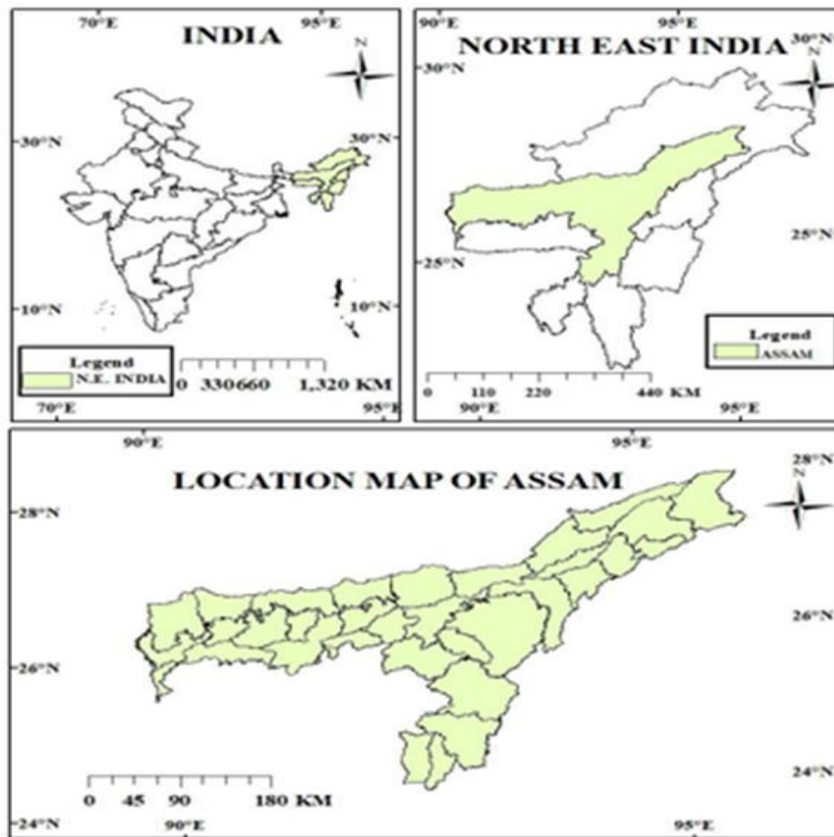
3. Study Area

Assam, known for its natural beauty and cultural richness, is located in the North-Eastern part of India and is one of the Seven Sister States. It shares borders with Bhutan and Arunachal Pradesh to the north, Nagaland and Manipur to the east, Tripura, Mizoram, Meghalaya, and Bangladesh to the south, and West Bengal to the west. The state extends between latitudes 24°N and 28°N and longitudes 89°45'E and 96°00'E, covering an area of 78,438 square kilometres, making it the second-largest state in the northeast.

The state is divided into three major physical regions: the Brahmaputra Valley in the north, the Barak Valley in the south, and the hilly areas, including the Karbi Plateau, in the south-central part. Assam experiences a monsoon climate with four distinct seasons.

Assam is the most populous state in the North-Eastern region. The population is a mix of various ethnic groups, including Mongoloid, Indo-Burmese, Indo-Iranian, and Aryan communities. The state is home to many distinct tribes, each with its unique customs, traditions, and ways of life. The indigenous people, known as "*Asomiya*," predominantly speak the Assamese language. Hinduism, mainly *Vaishnavism*, is the dominant religion, while approximately one-third of the population practices Islam, and many members of the Scheduled Tribes have converted to Christianity.

The economy of Assam is primarily based on agriculture and its related sectors. While there has been some shift toward the secondary and tertiary sectors in recent times, the transition has not been very significant. Industrial development in the state remains limited, with only a few large-scale industries making notable progress. However, the diversification of the rural economy plays an essential role in the overall economic development of the region.



4. Rural Economy in Assam: An overview

The rural economy of Assam is primarily agrarian, with agriculture and allied activities forming the backbone of livelihoods. Additionally, industries like handloom, handicrafts, tourism, and tea plantations also play a crucial role in the rural economic set-up. The key components of the rural economy in Assam are -

4.1. Agriculture & Allied Sectors

Agriculture is the backbone of the rural economy in Assam. Traditionally, it provides livelihood opportunities to the majority of people in Assam. At present, various allied sectors of agriculture are also developing in full swing. This sector covers the following components such as -

- Farming (crops, horticulture, organic farming)
- Dairy, poultry, fisheries, and animal husbandry

- Agro-processing and food industries

4.2. Rural Industries & Handicrafts

Assam's cottage industries are diverse and deeply rooted in the region's cultural identity. These industries are typically small-scale, labour-intensive, and create significant employment opportunities, particularly in rural areas. Historically, these industries have played a crucial role in Assam's rural economy by providing livelihoods to many people and helping to preserve local traditions and crafts. However, despite their cultural and economic value, Assam's cottage industries face numerous challenges that threaten their sustainability in today's rapidly evolving global and local economic landscapes.

Below are some of the prominent industries in the region:

4.2.1. Handloom Industry and Sericulture

The handloom sector is one of Assam's most iconic cottage industries, showcasing the rich textile traditions of the state. Assam's *Muga* silk, often called the "Golden Silk of Assam," has gained global recognition, and the demand for *Eri* silk has also been increasing in recent years due to promotional efforts. Additionally, *Pat* silk remains a vital component of Assamese culture. While women are primarily involved in this sector, men also play a significant role.

Assam is renowned for its silk production, particularly *Muga* silk, which is unique to the state. In addition to *Muga*, Assam also produces *Eri* and *Tussar* silks. The handloom industry depends on the sericulture sector for raw materials, which provides support to numerous families in rural Assam.

4.2.2. Cane-Bamboo & *Sital Pati* Craft

Cane and bamboo are abundant in Assam's forests, making the craft industry around these materials prominent in the region. A variety of products, including household, agricultural, and decorative items, are made from cane and bamboo. Among these, *Sital pati*, a traditional mat, stands out as a well-known and valuable craft product. Unlike other mats woven in the northeast, *Sital pati* is relatively expensive due to its superior quality.

4.2.3. Brass and Bell Metal Craft

Another traditional craft in Assam is brass and bell metal work, which is particularly associated with the *Sarthebari* area. This craft produces a wide variety of items such as utensils, religious artefacts, and decorative pieces, all of which are widely used in Assamese households and rituals.

4.2.4. Traditional Jewellery Making

Assam also has a rich tradition of making traditional jewellery, which reflects the state's cultural heritage. The village of *Ranthali* in Nagaon is particularly famous for its distinctive jewellery designs.

4.2.5. Pottery and Terracotta

In rural Assam, artisans produce various pottery and terracotta items, including pots, vases, toys, idols, and decorative pieces, thanks to the availability of quality clay.

4.2.6. Japi Making Industry

The creation of *Japis*, traditional conical sunshades made from bamboo and palm leaves, is a significant cottage industry in Assam. These brightly coloured, decorative items are widely used during cultural events and celebrations, symbolising Assamese pride and heritage.

4.2.7. Tourism, especially Eco-Tourism

Assam's national parks, wildlife sanctuaries, tea tourism, and river tourism attract visitors, generating employment in rural areas. Rural homestays and eco-tourism initiatives offer local communities alternative means of livelihood.

4.2.8. Tea Industry

Assam stands as the largest tea producer in India, with a vast number of small tea cultivators spread across rural areas. Tea estates provide jobs to a significant portion of the rural population, with many women actively involved in this sector.

5. Opportunities for Rural Economic Growth through the Skill India Mission

Despite the gradual rise of urban populations, majority of Assam's residents still live in rural areas, highlighting the critical role of the rural population in the economy. Thus, the Skill India Mission has mostly impacted the rural area, which can be summarised as follows:

- i. The Mission could generate employment by providing jobs, particularly in agriculture and small-scale industries.
- ii. It could support agricultural production, helping sustain the national food supply and contributing to food security.
- iii. By strengthening rural industries and local employment, the mission helps in reducing migration, and preventing excessive movement to cities.
- iv. A robust rural economy contributes significantly to India's overall economic progress, playing a vital role in the nation's GDP growth.
- v. It promotes sustainable development, fostering eco-friendly businesses and preserving local crafts and traditions.

The rural economy of Assam has expanded to include self-employment and entrepreneurship in recent years. This includes several key areas, such as:

- i. Rural micro, small, and medium enterprises (MSMEs)
- ii. Women-led businesses through Self-Help Groups (SHGs)
- iii. Rural banking and finance, including microfinance and cooperative banks
- iv. Development in sectors like education, healthcare, and infrastructure
- v. Digital services, such as e-commerce, rural BPOs, and fintech.

It can be concluded that the Skill India Mission is instrumental in promoting the rural economic development of Assam by tackling several critical issues. The mission offers support in the following ways:

5.1. Improving Employment Opportunities

- i. **Agriculture & Allied Sectors:** Providing training in modern farming techniques, organic farming, beekeeping, dairy farming, and fisheries can boost productivity and increase income levels.
- ii. **Handloom & Handicrafts:** Assam boasts a rich heritage in handloom industries, such as *Muga* and *Eri* silk. By offering skill development programs in advanced weaving, dyeing, and marketing, artisans can increase their earnings. The mission also focuses on enhancing traditional cottage industries like handloom weaving, bamboo crafts, pottery, and sericulture by teaching modern techniques that improve both productivity and quality, all while preserving traditional craftsmanship.
- iii. **Tourism & Hospitality:** With Assam's rich cultural heritage and natural beauty attracting tourists, offering training in hospitality, eco-tourism, and tour guiding can help create more employment opportunities.
- iv. **Tea Industry:** By providing training in sustainable tea cultivation and processing, the mission helps improve the efficiency and income of tea workers.

5.2. Fostering Rural Entrepreneurship

The mission encourages entrepreneurship by offering training in business management, financial literacy, and marketing skills. It also helps artisans and small producers access government schemes such as Mudra loans and other forms of financial assistance.

- i. **Startups & MSMEs:** Skill India's programs focus on training rural youth in entrepreneurship, empowering them to start businesses in sectors like food processing, bamboo crafting, and dairy farming.

- ii. **Financial & Digital Literacy:** Teaching rural entrepreneurs about financial management, digital marketing, and e-commerce helps them expand their ventures and reach broader markets.

5.3. Closing the Skill Gap

- i. **Industry-Specific Training:** Collaborations with local industries like tea estates, handicrafts, and tourism ensure that training is aligned with industry needs, leading to better job opportunities for participants.
- ii. **Empowering Women:** Providing specific training for women in areas such as tailoring, food processing, and self-help groups (SHGs) enhances female participation in the workforce and strengthens their economic role.

5.4. Development of Infrastructure & Technology

- i. **Rural BPOs & IT Centres:** Establishing skill development centres in rural areas focused on IT-related jobs like data entry, digital marketing, and e-commerce provides local youth with employment opportunities.
- ii. **Renewable Energy Training:** Training rural communities to install and maintain solar panels supports the transition to renewable energy while creating job opportunities in sustainable energy sectors. By providing training that leads to local employment opportunities, the Skill India Mission can help reduce distress migration to urban areas, keeping rural Assam's workforce engaged and employed.

5.5. Enhancing the Standard of Living

The creation of better job opportunities results in higher wages, better access to healthcare, and improved education for rural households.

5.6. Expanding Market Access & Digital Platforms

Training artisans to sell their products online helps them reach wider markets. Additionally, Skill India collaborates with various organisations to develop supply chains and market linkages for handcrafted goods from Assam.

5.7. Collaborating with Local Governments

The Skill India Mission works alongside the Assam Skill Development Mission (ASDM) to align training programs with the state's specific industries. This collaboration enhances the employability of local

individuals while fostering the growth of Assam's cottage industries.

5.8. Empowering Women

By focusing on skill development programs tailored to rural women, the mission enhances their economic participation and contributes to family income.

5.9. Digital Literacy Initiatives

Providing rural youth with basic digital skills opens doors to online employment opportunities and broader access to markets.

The Skill India Mission is designed to address these challenges by offering a comprehensive framework.

Thus, the mission can play a significant role in enhancing Assam's rural economy by:

- i. Filling the skill gap
- ii. Encouraging self-employment, particularly for youth
- iii. Boosting confidence and social mobility
- iv. Reducing unemployment
- v. Implementing skill development initiatives
- vi. Creating market access
- vii. Improving infrastructure
- viii. Supporting innovation and sustainability
- ix. Providing financial backing

If successfully executed on the ground, the Skill India Mission has the potential to transform Assam's rural economy. By meeting the growing need for skilled professionals in various sectors, the mission fosters economic growth and enhances the capabilities of youth and marginalised communities.

6. Challenges of the Skill India Mission

Despite these benefits, the rural economy in Assam faces significant challenges, especially in terms of modernisation. Some of the primary challenges include low agricultural productivity, limited access to markets, seasonal employment, migration, limited job opportunities, and infrastructure deficiencies such as poor roads, inadequate electricity, and a lack of internet connectivity.

While Assam's rural economy holds vast potential, it has yet to be fully explored. The poor state of the rural economy in Assam can be attributed to factors such as lack of modernisation, insufficient financial backing, weak marketing and branding, declining availability of raw materials, migration of skilled labour, limited governmental support, and lack of innovation.

Although the Skill India Mission has significant potential to uplift Assam's rural economy, it faces various obstacles, including:

- i. Mismatch between skills and industry demand
- ii. Geographical imbalances in skill development programs
- iii. Limited awareness and outreach
- iv. High dropout rates among trainees
- v. Limited job opportunities
- vi. Lack of soft skills development
- vii. Underutilization of technology
- viii. Funding challenges

Addressing these challenges is essential to maximise the mission's impact on Assam's rural economy.

7. Conclusion

The Skill India Mission represents a major initiative to harness India's diverse potential by closing the skill gap and promoting sustainability and innovation. Through ongoing efforts to tackle challenges, the mission has the capacity to reshape Assam's rural economy, turning it into a vital contributor to both economic growth and social progress. The mission has been crucial in addressing issues such as unemployment, underemployment, and the scarcity of opportunities in the rural economy. Given Assam's predominantly rural population and its rich cultural and natural resources, the mission's initiatives have the potential to provide substantial benefits. The mission is well-aligned with the state's needs for rural development by equipping youth with the necessary skills to enhance employability and foster entrepreneurship. It is, however, essential to address the mission's current shortcomings. By aligning skill development with Assam's traditional industries, natural resources, and emerging sectors, the Skill India Mission can generate sustainable livelihoods, reduce unemployment, and provide a significant boost to Assam's rural economy.

References

- Kaur, R. (2016). Skills Development in India. *International Journal of Transformations in Business Management*, 4(2), 25–33
- Hazarika, S. (2016). Skill development for rural entrepreneurship: A study on State Institute of Rural Development (SIRD), Assam. *International Journal of Research and Analytical Reviews*, 3(3), 61–66.
- Kalita, D. (2021). Promoting & reviving cottage industries through Skill India Mission: Avenues of employment generation among youth in Assam. *ShodhKosh: Journal of Visual and Performing Arts*, 2(2), 293–297.
- Kaur, R. (2016). Skills development in India. *International Journal of Transformations in Business Management*, 4(2), 25–33.

- Kumar, J., Suresh, D., & Shobana. (2023). A study on impact of Skill India on rural youth of North East India. *International Journal for Multidisciplinary Research*, 5(4), 1–9.
- Maqbool, M., & Khan, M.A. (2019). Skill development programmes in India–A literature review. *Research Review International Journal of Multidisciplinary*, 4(3), 459–467.
- Mochahari, S., & Barman, J. (2021). Impact of Assam Skill Development Mission among the youth of Guwahati city. *The Journal of Contemporary Issues in Business and Government*, 27(1).
- Okada, A. (2012). Skill development for youth in India: Challenges and opportunities. *Journal of International Cooperation*, 15(2), 169–193.
- Pandey, A., & Nema, D.K. (2017). Impact of Skill India training programme among the youth. *International Journal of Multidisciplinary Research and Development*, 4(7), 294–299.
- Sharma, L., & Nagendra, A. (2016). Skill development in India: Challenges and opportunities. *Indian Journal of Science and Technology*, 9(48), 1–8.
- Sharma, V. (2023). The agenda for youth empowerment through market-relevant skill training: A case study of Skill India Mission. *Advances in Management*, 16(2), 10–13.
- Singh, R. P. P., & Pathak, D. M. (2019). Complementarity of qualitative higher education and Skill India Mission: An evaluation in the light of opportunities and challenges. *Jamshedpur Research Review*, 2, 14–19.

Websites:

- India Brand Equity Foundation. (n.d.). *Skill India*. <https://www.ibef.org/government-schemes/skill-india>
- Testbook. (n.d.). *Skill India Mission –UPSCNotes*. <https://testbook.com/ias-preparation/skill-india-mission-upsc>
- Industries & Commerce Department, Government of Assam. (n.d.). *Old handicrafts industries in Assam*. <https://industriescom.assam.gov.in/portlet-innerpage/old-handicrafts-industries-in-assam>
- The Sentinel Assam. (n.d.). *The future of Assam’s cottage industries*. <https://www.sentinelassam.com/more-news/editorial/the-future-of-assams-cottage-industries>
- Vikaspedia.(n.d.). *National Skill Development Mission*. <https://socialwelfare.vikaspedia.in/viewcontent/social-welfare/skill-development/national-skill-development-mission?lgn=en>