



## EFFECTIVENESS OF SKILL DEVELOPMENT SCHEMES AND ITS IMPACT ON ENTREPRENEURSHIP

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**Abstract:** The aim of this paper is to evaluate the effectiveness of skill development schemes. How these schemes are effecting the startups and entrepreneur activities. Skills are important for being employable. The govt has started many skill development schemes in all the states. Authorized skill centers are providing training to youth in different disciplines. Entrepreneurship is a significant factor for making youth employable and to generate more employability opportunities and contribute to GDP and provide goods and services. To make it more effective many financial institutions provide financial help to those people who want to run their own business and want to contribute to the national economy. The present study was an attempt to know the effectiveness of various schemes launched by the Govt. To make youth ready for employment and how these schemes are affecting entrepreneurship. A quantitative approach is adopted to meet the present objective. Information was collected through primary as well as secondary sources which include the detailed literature review, visit of skill centers and a structured questionnaire on a scale of 5 has been used to collect the data from the students, skill centers and entrepreneur.

**Key Words:** Skill Development, Skill centers, Entrepreneurship, financial institutions, Skill Development Schemes

### I. INTRODUCTION

Entrepreneurship is very important for social economic development of any nation. According to Schumpeter, J. A (1954) entrepreneur can bring change in the economy by instituting new production combination. It creates new employment opportunities in any nation and contribute to the GDP, industrialization, technological development. It starts with an idea, innovation, implementation of the idea, the establishment of any enterprise and its nourishment. Entrepreneurship may vary from field to field. From economist to psychologist it may have different meaning. For psychologist an entrepreneur can be a person who work to achieve a particular job or objective.

To eradicate the problem of unemployment, GOI has started many skill development schemes. Hon'ble PM Sh. Narendra Modi while addressing the launch event of skill India in new said that It related facilities have been started since 2007 to make youth financially and socially secured. The ministry under its mandate, therefore, not only focus on Skilling, but also guiding the entrepreneur movement for enough employment opportunities for the skilled workforce. Which will help them to choose the path towards the sustainability and decent livelihood.

#### 1.1 ORGANIZATIONS WORKING FOR SKILL DEVELOPMENT

The Ministry (MSDE) is responsible for co-ordination of all Skill Development efforts across the country, removal of disconnect between demand and supply of skilled manpower, building the vocational and technical training framework, skill up- gradation, building of new skills and innovative thinking not only for existing jobs but also jobs that are to be created. The Ministry aims to skill on a large scale with speed and high standards in order to achieve its vision of a 'Skilled India'.

It is aided in these initiatives by its functional arms – Directorate General of Training (DGT), National Skill Development Agency (NSDA), National Council for Vocational Education and Training (NCVET), National Skill Development Corporation (NSDC), National Skill Development Fund (NSDF) and 38 Sector Skill Councils (SSCs) as well as 33 National Skill Training Institutes (NSTIs/NSTI(w)), about 15000 Industrial Training Institutes (ITIs) under DGT and 187 training partners registered with NSDC. The Ministry also intends to work with the existing network of Skill Development centers, universities and other alliances in the field. Further, collaborations with relevant Central Ministries, State governments, international organizations, industry and NGOs have been initiated multi-level engagement and more impactful implementation of Skill Development efforts.

a. **Department of Skill Development and entrepreneurship:** came into existence on 31<sup>st</sup> July 2014 and later on

November 10, 2014 it was created as Ministry(MSDE). It is responsible for coordination of all skill development efforts in the nation. Following organizations work for Skill Development and entrepreneurship in the nation: Directorate General of Training (DGT): it frame the overall policies, norms and standards for the vocational education in the nation. It conducts and organize training for women, provides vocational guidance and employment counseling.

b. **Directorate of Jan Shikshan Sansthan (DJSS):** it is responsible for approval of JJS. It gives recommendation for release of grants. It develops the curricula and coordinate with NSTI, NSDA, NSDC. National Council for Vocational Education and Training (NCVET): it regulates the functioning of entities which are in short term or long term vocational training.

c. **National Skill Development Corporation:** The National Skill Development Corporation India (NSDC) was set up as a one of its kind, the Public Private Partnership Company with the primary mandate of catalyzing the skills landscape in India.

<p><b>National Skill Development Fund: The National Skill Development Fund was set up in 2009 by the Government of India for raising funds both from Government and Non Government sectors for skill development in the country.</b></p> <p><b>Schemes &amp; Initiatives through NSDC</b></p> <ul style="list-style-type: none"> <li>• Pradhan Mantri Kaushal Vikas Yojana (PMKVY)</li> <li>• Rozgar Mela( Job Fairs)</li> <li>• Pradhan Mantri Kaushal Kendras (PMKK)</li> <li>• Capacity Building Scheme</li> <li>• Udaan</li> <li>• School Initiatives and Higher Education</li> <li>• India International Skill Centers (IISCs)</li> <li>• Pre Departure Orientation Training (PDOT)</li> </ul>	<p><b>Schemes &amp; Initiatives through DGT</b></p> <ul style="list-style-type: none"> <li>• Craftsmen Training Scheme (CTS)</li> <li>• Crafts Instructor Training Scheme (CITS)</li> <li>• Apprenticeship Training under the Apprentices Act, 1961</li> <li>• Advanced Vocational Training Scheme (AVTS)</li> <li>• Vocational Training Programme For Women</li> <li>• Schemes for Up gradation of it is</li> <li>• Flexi MoUs</li> <li>• STRIVE</li> <li>• Initiatives in the North East and LWE Regions</li> <li>• Trade Testing</li> <li>• Current Initiatives in the DGT Landscape</li> <li>• Dual System of Training (DST)</li> <li>• Polytechnics</li> </ul>
<p><b>Schemes related to Entrepreneurship</b></p> <ul style="list-style-type: none"> <li>• Pradhan Mantri 'YUVA' Yojana</li> </ul>	<p><b>Other Schemes and Initiatives</b></p> <ul style="list-style-type: none"> <li>• Skill Loan Scheme</li> <li>• Indian Institute of Skills (IISs)</li> <li>• SANKALP</li> <li>• Academic Equivalence to Vocational Qualifications</li> <li>• Aspirational Districts</li> <li>• Swachh Bharat Abhiyan</li> <li>• Technology Initiatives</li> </ul>

Source: <https://msde.gov.in/en/about-msde>

Many Short term and long term training programme have been initiated by MSDE for skill development among the youth of the nation. Following is the list of training offered by AICTE,UGC, Higher Technical Institutions in the nation:

<b>Short Term Training</b>	<b>Long Term Training</b>
Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	Craftsmen Training Scheme (CTS)
Pradhan Mantri Kaushal Kendra	Crafts Instructor Training Scheme (CITS)
Jan Shikshan Sansthan (JSS)	Advanced Vocational Training Scheme (AVTS)
Capacity Building & Technical Assistance (CB & TA)	Vocational Training programme for women
Udaan	Scheme for upgradation of it is
School Initiatives and Higher Education	Flexi MoUs
India International Skill centers	STRIVE
Pre Departure Orientation Training (PDOT)	Initiative in North East and LWE region
	Dual system of Training
	Polytechnics

## 1.2 RECENT SCHEMES OFFERED IN ENTREPRENEURSHIP

According to the better India, there are total 50,000 startups in India and another 50,000 will add on by 2024. To encourage the new entrepreneurs to start the innovative businesses which will eventually create employment in the nation, the government offers innumerable schemes to make the process easy.

**1. Atal Incubation Centre (AIC) :** It covers the capital operational cost of any enterprise. Selected startups provided upto 10 crore for 5 years. Students, researchers and newly formed firms in the sector of education, health, energy, transport and water and sanitation can apply for this. The AICs can be set up either in Public funded institutions or Private sector funded institutions or in Public-Private Partnership (PPP) mode.

**2. NewGEN IEDC:** It promotes “knowledge-based and technology-driven start-ups” through mentorship, guidance and support. A one time cost of 25 lakhs granted in phases. The institution should be a University/Deemed University or a premier Institute/College offering Engineering, Technology, Science courses at degree level or above for at least 5 years.

**3. MSME Market Development Assistance:** startups, Micro, Small and Medium Enterprises (MSME) and retailers registered with Directorate of Industries/District Industries Centre can avail this scheme to expand their businesses across the world through international trade fairs and exhibitions. Companies registered with Directorate of Industries/District Industries Centre can get up to 100 percent reimbursement on air-fares and cost of placing their stalls in such fairs/exhibitions, all over the world.

**4. The Women Entrepreneurship Platform (WEP):** It is divided into three aspects:

- Iccha Shakti: motivating women entrepreneurs to start their business
- Gyaan Shakti: Provides knowledge and ecosystem
- Karma Shakti: Provides hands-on support to entrepreneurs to set up or scale business

The scheme includes benefits like free credit ratings, mentorship, funding support to women entrepreneurs, apprenticeship and corporate partnerships.

**5. Self Employment Lending Schemes, Credit Line 2 – Micro Financing Scheme:** The National Minorities Development & Finance Corporation (NMDFC) scheme provides loan at the doorstep of the beneficiaries. Only NGOs and Self-Help Groups (SHGs) are eligible to apply. Each member of the organization will get small loans up to 1.50 lakhs and 30 lakhs per group of 20 women. The loans will have to be repaid within a period of 36 months. The interest rate for men will be not more than 10 per cent p.a. and 8 per cent p.a. for women beneficiaries

**6. Swarajgar Credit Card:** Small artisans including micro-entrepreneurs, Mall artisans, Handloom weavers, Service sector, Fishermen, self-employed persons, rickshaw owners, other micro-enterprises are eligible for the Swarajgar Credit Card. Under this scheme, a loan of Rs 25,000 will be given per person and the interest and margin will be as per RBI's norm.

**7. Venture Capital Scheme for Agribusiness Development:** this scheme aims at providing the farmers a market where they can get benefit. This scheme assist the farmers by providing upto 50 lakhs depends on the project cost.

**8. Raw Material Assistance scheme:** In order to encourage entrepreneurs to improve the quality of their products, this scheme under the National Small Industries Corporation finances the purchase of indigenous and exported raw materials. Only entrepreneurs of micro, small and medium scale industries can apply for the scheme. The scheme covers the material procurement in bulk and cash discounts for a period of 180 days.

**9. Pradhan Mantri Mudra Yojana:** To support the micro-enterprise sector MUDRA scheme provides loans upto ten lakhs without collaterals. The scheme is divided into three modules:

- Shishu : covering loans upto Rs 50,000/-
- Kishor : covering loans above Rs 50,000/- and upto Rs 5 lakh
- Tarun : covering loans above Rs 5 lakh and upto Rs 10 lakh

**10. Sustainable Finance Scheme:** This scheme provides financial assistance in the form of loans for sustainable development projects that contribute to energy efficiency and cleaner production.

## 2. STATEMENT OF THE PROBLEM

There are many short term long term training programme are offered by MSDE and many schemes are offered by GOI for entrepreneurs. The present study deals with the effectiveness of skill development schemes and how these schemes are affecting the entrepreneurship. This research will be helpful to the skill centers for further improvement required and also to understand the overall results of the skill training.

## 3. OBJECTIVES

1. To Know the effectiveness of the Skill Development Schemes
2. To know how skill development schemes are affecting entrepreneurship

#### 4.SCOPE OF THE STUDY

This study provides the researcher with an opportunity to explore the effectiveness of skill development schemes offered by the Governmental and non-Governmental agencies and it will also be useful for future researchers as a reference.

#### 5.LITERATURE REVIEW

Skill development aims to create skilled and employable youth by equipping it with proper and relevant skills.

**Gurupandi Muthhukkannu(2019)** in his study on “Effectiveness Of Skill Development Programme For Entrepreneurs In Coimbatore” explore the effectiveness of training programme offered by the Governmental and non-Governmental agencies. Researcher found that the candidates are highly satisfied with the knowledge gained from the skill development programme.He, further, suggested that the time allotted for training should be increased understanding the production process.

**Manish Kr. Jindal(2016)** in his study “Entrepreneurship development in India: a new paradigm suggested that a proper supervision and monitoring mechanism should be set to analyze the skill initiative on periodic basis and to avoid the overlapping of the activities. From the survey he found that 59% people still feel that corruption and policies prevent the growth of the entrepreneurship. Policies should be beyond the digital startups or technological startup with main focus on manufacturing and to provide self employment opportunities to technology deficient youth of the nation.

**Sanjeeb Hazarika (2016)** in his study “skill development for rural entrepreneurship: a study on state institute of rural development, assam” found that only 13 % of the respondent were aware about the skill programme. The rest of the candidate got to know from the friends and for some recommendations. Further, he suggested that there should be more training programme separately divided into professional and technical wings can create more awareness and entrepreneurship opportunities. Successful entrepreneurs should invite to the institute to share their success stories with the youth and to motivate them.

**Eze, T. I., Ezenwafor, J. I., Igheraharha, C. O. (2016)** in their study of “assessment of entrepreneurial skills needed for self-employment by business education Graduates in delta state, Nigeria” found that accounting, management, technology and office skills are required by business graduate for self employability.Further, they suggested that educators should be more innovative and creative in their instructions, they should add more training courses on entrepreneurship in their curricula and got. Should provide more funding for the same.

#### 6.RESEARCH METHODOLOGY

The present study is empirical and descriptive in nature. Quantitative approach has been used. Primary data have been collected from 50 entrepreneurs who have started their own enterprise after taking skill development training from any institutions or skill centers. Secondary data have been collected from the various websites i.e NSDC, Skill missions, institutions, published data available online and offline.

##### 6.1. POPULATION AND SAMPLE

The sample is selected from the population of entrepreneurs who have taken skill training from any institute. 50 entrepreneurs were selected to collect the data by using a structured questionnaire.

##### 6.2. DATA AND SOURCE OF DATA

Secondary data have been collected from the website of MSDE, Skill India reports, research papers, PhD thesis. And primary data were collected through observation and questionnaire.

#### 7.ANALYSIS AND FINDINGS

Data was collected with the help of structured questionnaires from the 50 entrepreneurs who are involved in a different sector, i.e. Service, Education, healthcare, Beauty & wellness, Manufacturing, Agriculture, Hospitality and service. Respondents were from the designation of owner to managing director and all.

1. From the analysis result, it was found that respondents are from different locations of the India and abroad.
2. Based on the result, it is clear that respondents are working as managing Director to Owner of the firm. 68% respondents are owner of their firms. After taking skill training they started their business. 10% are founder and managing director of the firm.
3. All the entrepreneurs started their business from 2007-2021 different years.
4. Entrepreneurs started their business after taking short term and long term skill training from different Govt. and private educational institutions, skill centers.
5. 80% of the respondents took skill training and 20% did not take any skill training due to any reasons, i.e. fee of the course, duration of the course, their liking towards the course.
6. 98% respondents agree with that skill development training helped them to start their own business.
7. 75% respondents got the financial assistance from the Govt and private agencies for starting their business.
8. 90% respondents agree that skill training helped them to understand firm organization methods.
9. It is found that skill training helped the 90 % responded to handle their organization without any supervision.
10. 96% respondents of the view that skill training helped them to gain the understanding about financial matters, marketing strategies and helped to improve the productivity.
11. 88% respondents were satisfied with the training methods, behaviors of the trainer and study material provided to them by the institution.
12. 98% respondents said that they will recommend these courses to others also for their overall development and growth.
13. 34% respondents strongly agree with the liking of the course. They joined the course because they like to study

and taking training related to their choice of course. 32 % also agree that they joined the course because of their liking.

14. 44% respondents were strongly agreed with that skill training have more opportunities of employment.

15. 10 % respondents agreed with that because they did not get admission to their choice of course and financial problems they choose to attend short term skill training course.

16. From the analysis It is found that after taking skill courses some of the entrepreneurs are having turnover upto 3 crores and some are having turnover upto 1 lakh depends the tenure of the training.

17. It is observed from the analysis that some of the entrepreneurs are having work experience with skill training and a few are working with renowned organizations while working their own. Those who opted long term training from the educational institution whether govt. or private they are having more turnover than those who took short term training.

## 8. SUGGESTIONS

From the analysis results researcher tried to suggest few points which can help in improving the productivity of the skill enters and skill courses.

- a. There should be increased in duration of the training. So that young entrepreneurs can gain more knowledge and increase self confidence among them.
- b. Skill training should increase the duration of the internship to improve the more productivity among the candidates.
- c. Skill centers should provide proper infra and facilities for overall growth of the candidate.
- d. Educational institutions and skill centers should provide financial assistance to budding entrepreneurs for the establishment of their ideas at institutional level.
- e. Skill institute should involve more courses so that more students can opt the areas of their choice.
- f. There should be regular updating in the course content and instructional methods as per industry needs.
- g. Skill institutions should invite young and successful entrepreneurs to their institute for interactive interaction with the candidates for their motivation.
- h. There should be regular physical checking of the skill institutions by the regulatory body to check the quality and operations of the institute.
- i. Skill institutions should take regular feedback from trainer about the institution and students, from students regarding institute and trainer and from industry where students got placed regarding student for overall improvement and growth. And it will surely increase the productivity among the students institute and trainer.

## 9. CONCLUSION

This study is carried out to know the effectiveness of the skill development courses and how skill development schemes are affecting the entrepreneurship. Data was collected to achieve the desired objectives. From the result analysis, research found that the skill development courses are effective for getting employed and for more employability opportunities. If young entrepreneurs can get the proper financial assistance from the govt and financial institutions they can be the job providers for other and can contribute to the economy of the nation. These schemes can be more effective if the above mentioned suggestions can be implemented and these could bring change in the overall development.

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