

ENTREPRENEURSHIP AND SKILL DEVELOPMENT

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ABSTRACT

This article discusses a comprehensive outlook of correlation between Entrepreneurship & Skill development and Economic and Social Growth. Though India is a Young Country, only 2.3% of the total working population is formally Skilled whereas this percentage is quiet high when compared with developed countries. The government of India has aimed for imparting skill training to 50 Crore people by 2022 in various fields from rural and urban areas alike and help women, youth and deprived population in obtaining benefits from various schemes and institutions of the government so that they can live a dignified life. The article further discusses the challenges of skill development in India, its role in Women empowerment and the efforts of the government in combating the hurdles.

Keywords: *Entrepreneurship & Skill Development, Economic and Social Growth, Self-Employment.*

Introduction

The National Entrepreneurship Policy prepared and submitted by the Entrepreneurship Development Institute (EDI) of India to the Government will pave the way to implement the development agenda of our country with the help of Industrialists and Business Class of our country. These businesses act as source of Revenue and Taxes for the government because creation of wealth and employment opportunities in any country will depend upon the various goods and services offered by these entrepreneurs that help in promoting economic activities. Also, the process of entrepreneurship helps in transforming ideas to innovations thereby creating new economic opportunities and thus entrepreneurship plays a crucial role in the growth of any nation. But, in order to have a successful entrepreneurial and innovation friendly culture in a country, Skill and knowledge are of Utmost importance. Thus, Entrepreneurship, Skills and Knowledge are crucial for economic growth and social development of any country.

The Indian economy is currently valued at around 3 Billion USD and the government aims to be a Five Trillion USD by 2025. This aim can be achieved only if we are increasing economic activities and promote new business, ideas and provide industrial opportunities that form a basis for development. Besides, it will require factors like entrepreneurship, Skill development, Skilled Human resource, modern technologies, knowledge and innovation etc. this is because these modern business and industries are acting as a catalyst in promoting this aspiration amongst us towards that path. Or it can also be said that India, with its Unity in Diversity, is looking at entrepreneurship and skill development as those factors which will help in achieving National Integration via Economic Development. But for this purpose, we need skilled work force as any business will depend upon them for its uninterrupted operations and for providing goods and services as per the need and requirement of the customers.

Skill Development is an essential element for a **successful entrepreneurial culture** in a country, and, so both complement each other. The India Economic Survey 2018-19 has discussed the importance of Entrepreneurship and has called for making the Indian MSME sector more productive and competitive at the International Level. With this article, I will be discussing various factors related to Entrepreneurship and Skill development such as:

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- Why Entrepreneurship and Skill development are important in economy of a nation.
- Review of Policy and Institutional efforts taken by the government in promoting entrepreneurship and skill development and its challenges.
- Role of Entrepreneurship and Skill development in Women Empowerment and for youth.
- Potential efforts and areas for promoting Entrepreneurship and Skill development.
- Role of Entrepreneurship and Skill development in attainment of SDGs in the coming decade (2020-30).

Entrepreneurship refers to those business and industries that undertake different economic activities by utilization and effective management of available resources to provide for and fulfil needs of people and organizations by producing and distributing required goods & services. This is also marked by the risks of market Demand.

Skills can be defined as the capability acquired by a person to work in any particular field. Thus, Skill development can be defined as honing up of one's skills that will help him in becoming an efficient and able Human Resource.

As per the reports of National Skill development and Entrepreneurship policy-2015, India has the largest young working population between the age group of 15-59 i.e. Around 62% of our total population. Also, 54% of our population is below 25 years of Age.

So, this energetic and dynamic demographic dividend can be transformed a power house of human resource that will play a major role in Nation Building and eradication of poverty, unemployment and other social evils if they are provided with better skill training. The table (1) below shows the percentage of formally trained workforce in India which is abysmal when compared to other countries and that is our biggest challenge as well as opportunity.

S. No.	Country	Formally Trained Workforce out of total Workforce (%)
1.	India	2.3
2.	United Kingdom	68
3.	Germany	75
4.	USA	52
5.	Japan	80
6.	South Korea	96

So, the GoI has kept a target of imparting Skill Education in different fields to about 50 crore people by 2022. Under this, both Rural and Urban population will be provided with skill education under different schemes and Institutions to provide dignified means of livelihood to Youth, women and other people belonging to Backward classes and areas and convert them into Human resource.

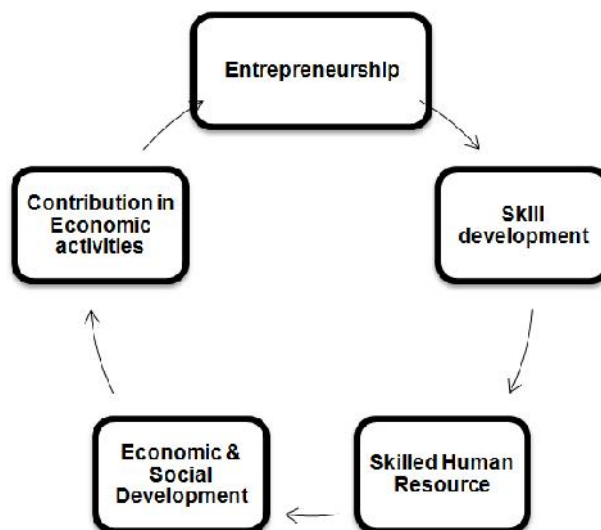


Diagram1: Entrepreneurship, Skills and Human Resource Development

Role of Entrepreneurship and Skill Development in Economy of a Country

- To assist in elimination of social problems like Poverty, Hunger, Unemployment etc. in both urban and rural settings.
- Changes in the lifestyle of common man and participation in Nation Building through economic activities.
- Providing opportunity for young entrepreneurs to showcase their talent through various creative activities.
- Important contribution in providing skilled work force in various fields.
- To ensure social integration by providing better livelihood activities to all including women, Specially-abled people, Transgender etc.
- To promote Innovation and help in raising living standards of the people.
- Encouraging Industrial and commercial activities in rural and urban areas that will help our youth in becoming self-reliant.
- Development of MSMEs especially in rural sectors and encourage them to take risks and ensure growth.
- Important role in eradication of various social evils.

Policy Efforts undertaken to promote Entrepreneurship and Skill Development

It is evident that Industries, Businesses and other commercial activities are always possible due to high quality skills and workmanship. The reason India was called as '**Golden Bird**' was its abundant resources, entrepreneurial environment and market opportunities. And hence, various efforts have been undertaken to promote Entrepreneurship and Skill Development in our country since Independence.

Also, after the New Economic Policy of 1991-92 that initiated liberalization, Privatization and Globalization, the Government, private Sector and people in general were drawn towards realizing their goals of better living standards and economic growth. The decade from 2011-2019 has been quite important with respect to **Entrepreneurship and Skill Development** in rural and urban areas alike as it was pushed greatly due to e-commerce and Information & communication technology. The Central and various state Governments have played an important role in providing conducive environment for growth of Entrepreneurship and Skill Development.

National Skill Development Policy-2009: Salient Features

- Focus on providing wholesome employment to people depending upon their skills and Knowledge.
- Special emphasis on Institution based Skill Development.
- Unified Cooperation of various interest holders in the process of Skill Development.
- Empowering the backward communities, Minorities, specially Aabled people, women, and BPL population for Inclusive skill development.
- Formation of National Skills Qualification Framework.
- Policy Initiative for enhancing skills of people working in the unorganized sector.

National Skill Development and Entrepreneurship Policy-2015: Salient Features

- Promoting innovation-based entrepreneurship for providing sustainable employment and livelihood opportunities to people.
- Swift promotion of Skill Development on Large Scale.
- Ensuring focus and coordination among factors responsible for increasing entrepreneurship.
- To integrate skill development with formal education.
- The policy aims at providing equal skill development and entrepreneurial opportunities for people who are socially/geographically backward, deprived and for women.

Start-Up Policy by All India Council for Technical Education (AICTE): Salient Features

- Developing an ecological system for promoting entrepreneurship in all Indian Educational Institutions of Higher Education.
- Stronger Inter-Institutional partnership among leading Educational Institutions of India to promote Entrepreneurship and Skill development.

- The policy aims at providing 10 lac employment opportunities by 2025 and also incubates 1 lakh Tec based student Start-Ups.
- To promote idea of entrepreneurship among the students of Science and Technology.
- To provide self-employment opportunities amongst students of rural India by identifying various commercial activities at the Regional/local level.
- To link entrepreneurship, skill development and human resource development to promote latest Industrial opportunities.

Important Programs for promotion of Entrepreneurship and Skill Development in India

Numerous programs for entrepreneurship and skill development etc. have been taken up by various ministries of the Union Government as well as different State Governments. Some of these are discussed below in **Table 2**.

S. No.	Program/ Scheme	Description
1.	Start-Up India	Launched on 16 th January, 2016. It aims at developing the Start-Up ecosystem, providing assistance to entrepreneurs, and to create Job-Givers rather than Job-Seekers. It helps in providing easy compliance, dissolution of firms and other legal assistance, grants etc.
2.	Stand-Up India	This scheme is aimed at helping Women and people belonging to SC/ ST category by providing those loans ranging from 10 lacs to One Crore in sectors related to Manufacturing, Services and other trades.
3.	PM MUDRA Scheme	Launched on 8 th April, 2015. This scheme provides loans under three categories: Shishu (Upto 50,000), Tarun (Upto 5 lacs) and Kishore (Upto Ten Lacs) for Non-Corporate and non-agricultural MSMEs. These loans will be provided by Commercial Banks, Regional Rural Banks, Small MFIs and NBFGs.
4.	Atal Innovation Mission Incubation Centers (AIC)	It aims at developing Tech and Innovation based enterprises/ Start-Ups by providing assistance related to commercial planning, market entry and financial Advises etc.
5.	PMKVY (2.0)	Launched in 2015-16. It was the first step in the direction to provide skill training to youth and create opportunities for employment. The Second edition 2.0 (2016-20) aims at providing skill training to 1 Crore individuals by training them in skill development courses of 2-6-month duration.
6.	SANKALP	This program is being carried out with the help of World Bank and aims at promoting Skill development and entrepreneurship by strengthening national and state level institutions; providing skills, training and education to the deprived sections of the society and helping in making 'Make in India' program a success by providing skilled human resource.
7.	Deendayal Upadhyay Gramin Kaushal Yojna	This scheme is related to various social and economic initiatives of the government like Make in India, Digital India, Smart Cities, Stand-Up India etc. and is dedicated to youth between the age group of 15-35 years. It is an empowerment scheme to provide employment generated skill development scheme and creating a Market oriented skilled workforce.

These programs aim at developing a positive outlook regarding entrepreneurship amongst the middle class and common people, initiate calculated risk-taking capacity amongst them and a chain of first Generation Entrepreneurs. As per the Annual Report of Ministry of Skill Development and Entrepreneurship, GoI, the primary challenges for promoting entrepreneurship and skill development are:

- Attitude of people towards skill development activities is negative believing that it is for the deprived and uneducated community.
- Need for enhancing capabilities of the coordination and surveillance system for skill development programs of Government of India.

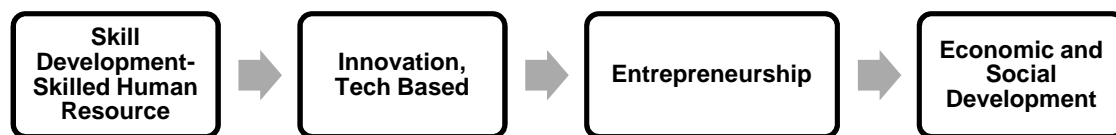
- Plurality in certification and evaluation of skill development programs that result in different outcomes for the employers which causes misconception for them.
- Lack of Skilled Trainers and inability to attract best professional talent for this purpose from the industry.
- Fall in participation of women in total labour force.
- Lack of integration of entrepreneurship in formal education system.
- Lack of financial resources and technical expertise for new ventures.
- Insufficient push to innovation-based entrepreneurship.
- Inability of Higher education and Skill development in promoting Employment, Self-employment and entrepreneurship.

Ministry of Skill Development and Entrepreneurship MoS Sh. R.K. Singh told the Indian Parliament that around 60 lakh people had enrolled under the Pradhan Mantri Kaushal Vikas Yojna (PMKVY) and some 52 lacs of them were provided with Skill Training. i.e 90% of the enrolled candidates were provided with the benefits of this scheme and only some 9.75% people left midway of training. The main reasons for such leave were lack of interest among candidates, imbalance between expectations and aspirations, absence during the course, failure and lack of awareness etc.

The Ministry is trying hard to overcome all the aforesaid hindrances and skill development ecosystem is being developed by ensuring better human resource training and effective partnership and involvement of the industrial sector. For this purpose, three Indian Skill Development Institutes are proposed to come up at Kanpur, Ahmedabad and Mumbai by the Union Cabinet. These upcoming centres will focus on fulfilling international level skill development requirements; quiet differently than the existing Industrial Training Institutes (ITI's), Poly-Technic and other training centres. The Government of India is providing short term and long term loans as well as training facilities via different schemes to promote employment, self-employment and entrepreneurship opportunities to Indian Youth. Training programs are prepared as per the industry needs after having close conversation with industrial honchos by various institutes like Rural Self-employment Training Institutes, PM Entrepreneurship Development Program, National Career Service etc.

The **Table 3** indicates all those businesses that are skill based and tech based and which are important in creating employment, self-employment and entrepreneurship opportunities.

S.No.	Area
1.	Tech-based e-Commerce, Online Retail Business.
2.	Travel, transportation and Delivery of Goods.
3.	Hotel and Lodging
4.	Processing and Marketing of food and other perishable goods.
5.	Fashion, Clothing and Apparels
6.	Banking and Payment Services.
7.	Logistics, Transportation & Warehousing
8.	Travel and Tourism
9.	Beauty and Wellness
10.	Furniture and Furnishing.
11.	Healthcare



Role of Entrepreneurship & Skill development in empowerment of Women and Youth

The Union Government is carrying out varied programs to make the women and youth of our country as self-reliant. These programs not only help these sections in creating employment and business opportunities and assist them in availing required assistance also.

These programs are providing assistance to Women Self-Help Groups and loans to youth are willing to set up new businesses in order to create new employment opportunities and eradication of

poverty. But, these processes are being marked by various institutional and non-institutional hindrances. Moreover, a Global Entrepreneurship Summit was jointly organized by NITI Ayog and US government in Hyderabad in 2017 and an idea to set up a Women Entrepreneurship Platform was conceived. This platform was officially launched on 8th March 2018 by our Pm Shri Narendra Modi to ensure increased women Participation in social entrepreneurship, and awareness about markets and financial planning and literacy.

Therefore, Entrepreneurship and Skill Development not only make women and youth self-reliant but also provides them confidence, Managerial Skills, power of decision Making and innovating goods and services so that a dignified life can be reaped out by producing and distributing them. In the past decade, the use of IT by numerous enterprises in delivering various goods and services has led to a positive impact in our lives and has benefitted them at the same time. These new ventures are giving pace to economic activities in our country and providing employment. Also, they are inculcating confidence and positive outlook regarding self-employment and entrepreneurship among common people as these small ventures are proving an important cog in the entire supply chain machinery.

Entrepreneurship & Skill Development, Sustainable Development Goals- 2030 and Rural India

The role of **Entrepreneurship & Skill Development** will be crucial in the forthcoming decade if we are to achieve SDG-2030. This is because **Entrepreneurship & Skill Development** are determining factors for Social and economic growth of any nation. This can be explained in the following way:

There are Sixteen Sustainable Development Goals as per the Agenda-2030. These include: Poverty Alleviation, Food Security & Nutrition, Better Healthcare facilities, Inclusive and Quality based Livelihood, Women Empowerment and Gender Equality, Water & Cleanliness management, Energy Security, Sustainable economic growth, Innovation, reducing inequality and a Peaceful and Inclusive Society.

Now the role of **Entrepreneurship & Skill Development**: The Integrated efforts of Government, Civil Society, Private Sector and other interest holders will act as directives and guidelines in order to achieve the SDG-2030 and ensure social, political, economic and cultural growth, strengthening and awakening of common people especially in Rural and Remote Areas. The time bound achievement of SDG will directly or indirectly depend upon **Entrepreneurship & Skill Development** because it is related to some important aspects of people's lives such as better means of livelihood, employment, healthcare etc. which are at the centre of SDGs. Also, **Entrepreneurship & Skill Development** strengthens confidence and liberty in people by ensuring their economic independence.

Conclusion

Entrepreneurship & Skill Development are considered as the backbone of any country for achieving economic and social development. India is taking great efforts to promote Industries, businesses and other commercial activities and at the same time emerging entrepreneurs are being felicitated, attracted and provided assistance also. On the other hand, it is an opportunity to carry out the ground work which is required to interlink Education and Skill development to Entrepreneurship, employment and self-employment so that we are able to provide quality and sustainable lifestyle to our future generations.

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