



SKILL DEVELOPMENT AND ENTREPRENEURSHIP

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Abstract:

Today, the world and India need a skilled workforce. If we have to promote the development of our country then our mission has to be 'skill development' and 'Skilled India'. Millions and millions of Indian youth should acquire the skills which could contribute towards making India a modern country. The country presently faces a dual challenge of severe paucity of highly-trained, quality labour, as well as non-employability of large sections of the educated workforce that possess little or no job skills. The skill development issue in India is thus pertinent both at the demand and supply level. To meet the demand side challenge, consistent efforts are being made towards expansion of economic activities and creation of large employment opportunities. On the supply side, a simple look at the projected youth population provides a fair reason to believe that India has the strength to cater to this demand. However, the employability quotient is questionable and remains a major area of concern. Already huge gaps exist between the industry requirements and the level of skills of workers due to varied reasons including inadequate training infrastructures, inappropriate mix of skills and education, outdated curricula, limited industry interfaces, limited standards, etc.

Keywords: Skill India, Entrepreneurship

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Introduction

Skill development is critical for economic growth and social development. The demographic transition of India makes it imperative to ensure employment opportunities for more than 12 million youths entering working age annually. It is estimated that during the seven-year period of 2005-2012, only 2.7 million net additional jobs were created in the country. To enable employment ready workforce in the future, the youth need to be equipped with necessary skills and education. Ministry is an integral part of the government policy on "Sabka Saath, Sabka Vikaas" and its commitment to overall human resource development to take advantage of the demographic profile of our country's population in the coming years. Developing a comprehensive and holistic policy document is an integral part of the process. This requires a fresh look at the already existing National Policy on Skill Development



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(NPSD), 2009. The objective of the National Policy on Skill Development and Entrepreneurship, 2015 will be to meet the challenge of skilling at scale with speed and standard (quality). It will aim to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link the skilling with demand centres. In addition to laying down the objectives and expected outcomes, the effort will also be to identify the various institutional frameworks which can act as the vehicle to reach the expected outcomes. The national policy will also provide clarity and coherence on how skill development efforts across the country can be aligned within the existing institutional arrangements. This policy will link skills development to improved employability and productivity.

National Policy on Skill Development was formulated by the Ministry of Labour and Employment in 2009 and provided for a review after five years to align the policy framework with emerging national and international trends. The Vision of the Policy is *“to create an ecosystem of empowerment by Skilling on a large Scale at Speed with high Standards and to promote a culture of innovation based entrepreneurship which can generate wealth and employment so as to ensure Sustainable livelihoods for all citizens in the country”*.

Today, India is one of the youngest nations in the world with more than 62% of its population in the working age group (15-59 years), and more than 54% of its total population below 25 years of age. Its population pyramid is expected to bulge across the 15-59 age group over the next decade. It is further estimated that the average age of the population in India by 2020 will be 29 years as against 40 years in USA, 46 years in Europe and 47 years in Japan. In fact, during the next 20 years the labour force in the industrialized world is expected to decline by 4%, while in India it will increase by 32%. This poses a formidable challenge and a huge opportunity. To reap this demographic dividend which is expected to last for next 25 years, India needs to equip its workforce with employable skills and knowledge so that they can contribute substantively to the economic growth of the country. Our country presently faces a dual challenge of paucity of highly trained workforce, as well as non-employability of large sections of the conventionally educated youth, who possess little or no job skills. Ministry for Skill Development and Entrepreneurship (earlier Department of Skill Development and Entrepreneurship notified in July 2014) has been set up in November 2014 to give fresh impetus to the Skill India agenda and help create an appropriate ecosystem that facilitates imparting employable skills to its growing workforce over the next few decades. Apart from meeting its own demand, India has the potential to provide skilled workforce to fill the expected shortfall in the ageing developed world. As India moves progressively towards becoming a global knowledge economy, it must meet the rising aspirations of its youth. This can be partially achieved through focus on advancement of skills that are relevant to the emerging economic environment. The challenge pertains not only to a huge quantitative expansion of the facilities for skill training, but also to the equally important task of raising their quality.

Skill development, however, cannot be viewed in isolation. Skills are germane to, but not always sufficient for securing adequate economic dividends. Skills need to be an integral part of employment and economic growth strategies to spur employability and productivity. Coordination with other national macroeconomic paradigms and growth strategies is therefore critical. It is estimated that during the five year period from 2004-05 to 2009-10, only 2.7 million net additional jobs were created in the country. For a skills strategy to be successful it should be



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complemented by commensurate creation of jobs in the primary, secondary and tertiary sectors which will be a key outcome of overall economic growth including entrepreneurship cutting across all sectors. The Indian capacity for harnessing entrepreneurship has not been fully realized the MSME (micro, small and medium enterprises) sector contributes to only 17% of GDP as compared to 85% in Taiwan, 60% in China and 50% in Singapore. Given the realities of rapidly changing economic landscape in the country, entrepreneurship opportunities have emerged as an important source of meeting the aspirations of the youth. An all inclusive approach to strengthen the entrepreneurship development scenario in the country which is competent, quality conscious, market savvy, innovative and has globally competitive entrepreneurs, needs to be carefully mentored and encouraged. Recognizing the imperative need for skill development, National Skill Development Policy was formulated in 2009. Given the vast paradigm shift in the skilling and entrepreneurship ecosystem in the country and the experience gained through implementation of various skill development programmes, there is an imminent need to revisit the existing policy. Moreover, the 2009 Policy itself provides for review every five years to align the policy framework with the emerging trends in the national and international milieu.

National Policy for Skill Development and Entrepreneurship 2015 supersedes the policy of 2009. The primary objective of this policy is to meet the challenge of skilling at scale with speed, standard (quality) and sustainability. It aims to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link skilling with demand centres. In addition to laying down the objectives and expected outcomes, the policy also identifies the overall institutional framework which will act as a vehicle to reach the expected outcomes. Skills development is the shared responsibility of the key stakeholders viz. Government, the entire spectrum of corporate sector, community based organizations, those outstanding, highly qualified and dedicated individuals who have been working in the skilling and entrepreneurship space for many years, industry and trade organisations and other stakeholders. The policy links skills development to improved employability and productivity in paving the way forward for inclusive growth in the country. The skill strategy is complemented by specific efforts to promote entrepreneurship in order to create ample opportunities for the skilled workforce.

Core Objective of the Entrepreneurship:

1. Promote entrepreneurship culture and make it aspirational.
2. Encourage entrepreneurship as a viable career option through advocacy.
3. Enhance support for potential entrepreneurs through mentorship and networks.
4. Integrate entrepreneurship education in the formal education system
5. Foster innovation-driven and social entrepreneurship to address the needs of the population at the bottom of the pyramid ☐.
6. Ensure ease of doing business by reducing entry and exit barriers
7. Facilitate access to finance through credit and market linkages.
8. Promote entrepreneurship amongst women
9. Broaden the base of entrepreneurial supply by meeting specific needs of both socially and geographically disadvantaged sections of the society including SCs, STs, OBCs, minorities, differently-abled persons.



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The entrepreneurship policy framework has been developed to address for the full ecosystem to be present to unlock entrepreneurial potential, proposes a nine part entrepreneurship strategy: [2]

1. Educate and equip potential and early stage entrepreneurs across India [2]
2. Connect entrepreneurs to peers, mentors and incubators. [2]
3. Support entrepreneurs through Entrepreneurship Hubs (E-Hubs). [2]
4. Catalyse a culture shift to encourage entrepreneurship. [2]
5. Encourage entrepreneurship among under-represented groups. [2]
6. Promote Entrepreneurship amongst Women
7. Improve ease of doing business. [2]
8. Improve access to finance. [2]
9. Foster social entrepreneurship and grassroots innovations

Social enterprises have emerged as important business instruments to address the issues of poverty, unemployment and inequity in society, through socially oriented business innovations. Social innovation seeks to answer these social problems by offering new products and services which allow the poor to interact with markets as active participants rather than passive recipients. Considering the need to encourage such social enterprises, the following will be undertaken:

- Encourage universities and academic institutions to launch a course on 'Social Entrepreneurship', including through online distance education, to actively promote social entrepreneurship in the country.
- Foster a social capital market place by offering fiscal incentives to attract investors and make provision for funding support under a separate scheme(s) like social venture fund, to facilitate social entrepreneurs' access to credit.
- Facilitate creation of Social Enterprises even with a modest capital base, through social incubates across the country.
- Encourage innovators, universities and institutions to patent innovative entrepreneurship ideas and technologies by promoting and strengthening Intellectual Property Rights.
- Create grass-root technology innovation hubs to harness the innovation potential of grassroots innovators.
- Promote and encourage grass-root innovations and assist innovators to commercialise and up-scale their products and services.
- To encourage innovation, collaborate with organisations such as the National Innovation Foundation to encourage grassroots technological innovation and integrate with the national research and innovation ecosystem. Using the national network of E-Hubs and other platforms, assist entrepreneurs in commercializing and scaling up their products and services.

Skill India and Make in India

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 – National Skill Development Agency (NSDA), National



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Skill Development Corporation (NSDC), National Skill Development Fund (NSDF) and 33 Sector Skill Councils (SSCs) as well as 187 training partners registered with NSDC. The Ministry also intends to work with the existing network of skill development centres, universities and other alliances in the field. Further, collaborations with relevant Central Ministries, State governments, international organizations, industry and NGOs have been initiated for multi-level engagement and more impactful implementation of skill development efforts.

Make in India and Skill India are complementary to each other. The key objective of Make in India is to promote manufacturing in 25 sectors of the economy, which will lead to job creation and consequently need for skilled manpower. Some of these sectors include automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, auto components, design manufacturing, renewable energy, mining, bio-technology, and electronics. Correspondingly, Skill India aims at preparing a highly skilled workforce which is completely aligned to the requirements of industry so as to promote growth through improved productivity. 4.4.7 Skilling efforts will be completely aligned with the requirements of 25 key identified sectors of Make in India. A joint committee of stakeholders under both initiatives will be constituted to closely monitor growth of manufacturing activity under Make in India programme and anticipate skill requirements for such initiatives so that the same can be developed in coordination with various SSCs and training institutions. Pre-assessment of skill requirements for all manufacturing activities at proposal stage will be made mandatory in order to ensure an industry ready workforce once the manufacturing facilities have been set up. States will also be encouraged to align their skilling efforts with upcoming industrial activities in the State. 4.4.8 Make in India could be leveraged to increase industry participation in skills through PPP mode viz. setting up of ATIs/MSIs with priority Make in India projects. 4.4.9 All new industrial/development clusters will be mandated to set up quality training institutes in the area to take care of skilling needs of the region.

Governance Structure Ministry of Skill Development and Entrepreneurship:

It has been created to fulfill the vision of a "Skilled India" where human resource development is the primary focus. MSDE will be responsible for coordination with all concerned for evolving an appropriate skill development framework, removal of disconnect between demand for, and supply of, skilled manpower, skill up-gradation, building of new skills, innovative thinking and talents for existing and future jobs. MSDE will also play the lead role in ensuring the implementation of the National Policy for Skill development and Entrepreneurship 2015.

Skill development and entrepreneurship are complementary to each other. The key stakeholders include Central Ministries/Departments, State Governments, and industry/employers. There is a need to ensure alignment of the efforts of all stakeholders in skill and entrepreneurship landscape towards a common goal. While, MSDE will coordinate and converge all efforts in this space, the relevant Central Ministries/Departments, State Governments and industry/employers are expected to fulfil the roles and responsibilities pertaining to their domain as laid down in the National Policy for Skill Development and Entrepreneurship.

Conclusion:

National Skill Development Initiative will empower all individuals through improved skills, knowledge, nationally and internationally recognized qualifications to gain access to decent employment and ensure India's competitiveness in the global market. Skilling and Entrepreneurship complete each other! Skills are fundamental



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to, but not sufficient for, gaining decent jobs. Improved productivity through skill development must be complemented by economic growth and employment opportunities. They are, collectively, a prerequisite to the Government's pursuit of holistic development of the nation. The Ministry under its mandate, therefore, not only focuses on skilling but also guides the entrepreneurship movement in the country for speedy reorganization of the entrepreneurship ecosystem. This will ensure sufficient employment opportunities for the skilled workforce. Unleashed entrepreneurship, besides employment generation, will also utilize the youth power for productivity improvement and wealth creation; thus, stimulating equitable development and a sustainable path for decent livelihood creation for the country. Technology and resources have to be judiciously harnessed to achieve the same. Furthermore, endeavors need to be aligned to ensure the outreach of opportunities and services to the bottom of the economic pyramid, facilitated by enterprises.

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