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## **Role on empowering employment through entrepreneurship in India**

**Mood Prashanthi**

Department of Commerce and Business Management, Kakatiya University, Warangal, Telangana, India

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### **Abstract**

Skilling India to empower its citizens and to equip them to compete and excel on a global stage is a multi-pronged challenge. India has witnessed rapid growth in recent years driven by the increase in new-age industries. The increase in purchasing power has resulted in the demand for a new level of quality of service. However, there is a growing shortage of skilled manpower in the country. In the wake of the changing economic environment, it is necessary to focus on inculcating and advancing the skill sets of the young population of the country. India lags far behind in imparting skill training as compared to other countries. Reports indicate that only 10 per cent of the total workforce in the country receives some kind of skill training (2 per cent with formal training and 8 per cent with informal training). Further, 80 per cent of the entrants into the workforce do not have the opportunity for skill training. But all that is changing. National Skill Development Agency is encouraging innovation in skills development and promoting entrepreneurship in the country.

**Keywords:** skill India, self - employment, training, entrepreneurship

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### **Introduction**

Entrepreneurs provide a large number of employment opportunities to the people to manage their business activities. They generate direct as well as indirect employment to the unemployed persons by setting up more and more units of production at small- and large-scale levels. Unemployment of youth is a ticking time bomb that is perilously close to exploding with the young population that we have. Soon, three of every four people will be 20 years of age. Despite growing as a developing country, the economy has not created youth friendly labour market where millions of young Indians descend every year, creating rising youth unemployment. The lack of jobs or a limited number of jobs, ineffectual vocational training, lack of skills development, unrealistic expectations from jobs, lack of entrepreneurship, absenteeism in school, early dropouts and a myriad of other factors have given rise to youth unemployment. Growth in economies has not led to a resultant increase in formal jobs or a youth-friendly labor market. As in other developing countries and countries that have recently bridged the chasm to become developed nations, the problem perhaps also lies in perception and inadequate transition from school to the workplace. Youth are keen to get employment in formal sectors to get full-time employment, which may even offer benefits such as healthcare and paid holidays, instead of pursuing jobs in the informal or traditional sectors that may be seasonal. The main objective is to focus on Job Creation, Skill Development and Enhancement and to study the changing scenario of Employment and Entrepreneurship the biggest challenge in the Indian ecosystem lies in finding out how to make skilling programmes inspirational? How do you create a desire or need in the mind of people to get pursue skill development programmes vis-à-vis a pure educational course? Another big challenge facing the implementation and execution of any skills development-related scheme is reaching out, educating and motivating youth in the rural and remote parts of the country.

Since India is a developing nation, the importance of entrepreneurship is significant, and entrepreneurs are essentially national assets. New business ventures enable the growth of new markets and the creation of fresh wealth. Most importantly, they create jobs – a national priority –and higher incomes. Entrepreneurship is good for economic growth and they convert the ideal resources like land, labour and capital into national income and wealth in the form of goods and services. They help to increase net national product and per capita income not only in the state but also in the country.

Providing jobs for a growing population has been one of the most pressing challenges facing the developing world for some time. Employment is crucial to economic development. Jobs promote social cohesion, reduce poverty and improve gender equality. The obstacles that developing countries face in creating employment opportunities have been related in part to large population growth, lack of capital accumulation and poor educational services. While population growth rates in many countries have been slowing in recent years, they continue to be high in developing countries. This has led to a swell in the proportion of youth within the population.

### **Role of entrepreneurship in increasing employment**

Initiatives that focus on increasing entrepreneurship and increasing employment share a great deal in common, as entrepreneurship can be seen as a special form of employability. Entrepreneurship has often been cited as a key factor to improving economic growth in developing countries. Entrepreneurship is also seen as an important way to deal with issues relating to poverty, as entrepreneurship creates new jobs, fosters a climate of innovative thinking, and can lead to the launch of pioneering and cutting edge companies. There is also evidence to suggest that entrepreneurs create more employment than non-entrepreneurs. Entrepreneurial activities encourage the development of new enterprises. In turn, the establishment and growth of SMEs leads to the creation of jobs. As mentioned earlier, SMEs have been found to be responsible for a large percentage of the formal jobs in the developing world. Therefore supporting the creation of SMEs and their ability to grow into larger businesses can be an effective way to create jobs. Another key factor in strengthening economic growth in developing countries is innovation. While research on the intersection of entrepreneurship and innovation, particularly in developing countries, is in the early stages, there is nonetheless a consensus that entrepreneurship encourages high levels of innovation. Innovation is important because it can lead to more high-value productivity chains and technological change, resulting in a wider range and better quality of goods and services. Entrepreneurs stimulate innovation as they are responsive to potential new markets and seek opportunities to create new ventures, products and services.

Entrepreneurship thus forms part of the process in shifting developing countries from factor-driven economies based on natural resources and unskilled labor, to innovation-driven economies which compete by providing new and unique products and services. In order to be successful, entrepreneurs need skills such as creativity, problem solving and communication skills. Many times these skills are learned through experience – often from entrepreneurial failures – that help an entrepreneur finally arrive at a successful venture. These skills can also be developed through entrepreneurship education and training programs specifically targeting enterprise founders and owners. Such programs focus on providing individuals with practical education and experiential learning that builds both soft skills, such as communication, social intelligence, and critical thinking, as well as hard skills like accounting and financial management. Additionally, such programs foster networks of like-minded individuals that support each other and can lead to the creation of entrepreneurial ecosystems which can promote increased entrepreneurial activity. Increasing the number of students exposed to entrepreneurship can also be an effective way of improving the level of soft skills among all types of graduates. The kinds of practical competencies entrepreneurship training focuses on are as valuable to those seeking employment within existing organizations as they are to those seeking to start their own enterprise. Entrepreneurial training develops the right skills for the jobs being created, whether in formal employment or entrepreneurial self-employment.

### **Recent policy reforms for entrepreneurship development in India**

#### **Ministry of skill development and entrepreneurship (MSDE)**

It came into existence as Department of Skill Development and Entrepreneurship on 31st July 2014 and later was created as Ministry on 10th November 2014. It 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. It is aided by following functional arms:

#### **National skill development agency (NSDA)**

is an autonomous body which coordinates and harmonizes the skill development efforts of the Government and the private sector to achieve the skilling targets of the 12th Plan and beyond, and attempts to bridge the social, regional, gender and economic divide. It acts as a nodal agency for State Skill Development Missions. The main functions of NSDA is to evaluate existing skill development schemes, create and maintain a national data base related to skill, ensure that the skilling needs of the disadvantaged and the marginalized groups are taken care of etc.

#### **National skill development corporation (NSDC)**

is a one of its kind, Public Private Partnership in India which acts as a catalyst in skill development by providing funding to enterprises, companies and organisations that provide skill training. NSDC with 160 training partners and 1722 training centres has so far trained around 35 lakh persons across India. NSDC has taken few initiatives such as Innovations for Skills Marketplace” and Innovations for Skills Challenge. Udaan a special industry initiative for Jammu & Kashmir implemented by NSDC which aims to provide skills training and enhance the employability of unemployed youth of J&K.

### **Conclusion**

Economists consider entrepreneurs a crucial ‘ingredient’ in determining a country’s or a region’s economic prosperity. Entrepreneurs are thought to be conveyors of innovation, engines for job creation and sparks for economic growth. Unsurprisingly, a large empirical and theoretical literature on the characteristics and functions of the entrepreneur, as well as on the effects of dense entrepreneurial environments, has emerged over the recent decades. Despite the self-evident interest and importance of the role of the entrepreneur in policy making and economics thinking, relatively little conclusive evidence has been gathered on the subject. This is because

research in the field is hampered by the fundamental issue of defining and identifying who the entrepreneurs are. While the vast majority of the empirical investigations in this area rely on self-employment data to study entrepreneurship, the link between these two variables is far from proven. Skilling India to empower its citizens and to equip them to compete and excel on a global maidan is a multi-pronged challenge. We need our engineers and doctors and business executives and we also need many times those who bring a rainbow of heterogeneous skills to drive the engine that is India. And sometimes we discover in ourselves skills and talents for which we were not necessarily trained, but which constitute a coming together of head and heart.

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