



Government Initiatives in Promoting Skill Development and Entrepreneurship

One of the biggest problems that industry captains in India have highlighted is the demand-supply gap within the workforce. This problem is exacerbated by the fact that most new hires usually lack the requisite skills to manage their assigned roles. With this lacuna in mind, the Government of India has been working diligently to upgrade the skills of workers across diverse domains.

***Rishikesh Patankar**

The Ministry of Skill Development and Entrepreneurship (MSDE) shoulders the overall onus for coordinating skill development initiatives across India. This is primarily meant to bridge the gap between demand and supply of skilled human resources by building a vocational and technical training framework, skill upgradation as well as the creation of new skills and innovative thinking not only for existing jobs but for employment opportunities likely to be created in future.

A forward-looking skill development programme is particularly important in the era of innovative changes and digital disruptions that are an ongoing process in today's dynamic business world. In a nutshell, MSDE

aims to skill people on a vast scale with speed and high standards to achieve the Central Government's vision of a 'Skilled India'.

Towards this end, MSDE is assisted by a multitude of skill-centric organisations, one of which is the National Skill Development Corporation (NSDC). NSDC is a joint public-private set up which has been playing a pivotal role in providing certified skilling, upskilling and reskilling courses, hands-on training and even international mobility under NSDC International. Additionally, 37 Sector Skill Councils (SSCs) plus 33 National Skill Training Institutes (NSTIs), around 15,000 Industrial Training Institutes (ITIs) under the DGT and 187 training partners are registered with NSDC.

** The author is Vice President of National Skill Development Corporation (NSDC).*

Take for instance, the recent skilled labour demand from Israel for 10,000 workers to help plug the workforce gap in the country. This was followed with an additional demand for 10,000 more workers along with 5,000 carers for its healthcare industry. Due to the government-to-government agreement in place, NSDC along with Israel's Population, Immigration and Border Authority (PIBA) arranged specific training courses across three States. Those who met the required level of skilling as set by PIBA were selected, given orientation of the local Israeli lingual, cultural customs, with assured wages for the workers and accommodation.

Additionally, the Ministry intends to work with the existing network of skill development centres, universities and other on-field alliances as well as Directorate General of Training (DGT), National Skill Development Corporation (NSDC), National Council for Vocational Education and Training (NCVET), National Skill Development Fund (NSDF). Collaborations with relevant Central Ministries, State Governments, international organisations, industry and NGOs have also been initiated for multilevel engagement plus more impactful implementation of skill development programmes.

However, expansive, ambitious, pan-India skill development programmes cannot be achieved without being steered by an overarching national vision. The MSDE has accordingly defined its Vision Statement 2025. This aims to unlock human capital by triggering a productivity dividend that offers aspirational employment opportunities and entrepreneurship pathways to all citizens.

MSDE's Vision 2025 leverages an ecosystem-enabling lens to transition the country to a high-skills equilibrium that helps create positive outcomes for individuals, enterprises and the economy at large. Three outcomes are sought to be achieved via its vision:

- Enabling individual economic gains that support social mobility;



- Creating a learner-centric, demand-driven skills market; and
- Facilitating the generation of aspirational employment and entrepreneurship opportunities, improving overall productivity for enterprises and catalysing economic growth.

As Prime Minister Shri Narendra Modi has repeatedly stressed, our people must develop an entrepreneurial mindset that makes one an entrepreneur generating employment for others, rather than merely being satisfied with seeking some job or the other.

Ongoing Initiatives to Boost the Entrepreneurial Ecosystem

Towards this end, the government has been focused on strengthening the entrepreneurial framework in the country. Therefore, MSDE seeks to create a vibrant, convergent entrepreneurial ecosystem that supports aspiring and existing entrepreneurs across all regions. This includes rural and urban areas, districts impacted by LWE (left-wing extremism), aspirational districts, vibrant villages, the Northeast region and the border areas.

Furthermore, the objective is to foster and strengthen women's entrepreneurship through targeted initiatives, mentorship programmes and easy access to finance. The government also aims to foster a conducive policy environment for entrepreneurship via the implementation of regulatory reforms that simplify procedures, curb bureaucratic hurdles and enhance the ease of doing business. This could be done by helping

establish a regulatory sandbox environment that allows new enterprises to test novel products and services in a controlled environment with regulatory relaxations. Thereby, innovation will be encouraged while ensuring proper consumer protection.

Platforms to drive collaboration and knowledge exchange between different stakeholders, such as government agencies, industry experts, financial institutions and academia, will also be established, creating a unified approach to nurture entrepreneurship. Moreover, collaboration and consultation with States regarding their innovation policies will be undertaken.

Access to credit finance for nano and micro-entrepreneurs is also being improved, especially for those from marginalised communities and under-represented segments, through the promotion of financial inclusion and by creating customised financial products. Convergence between skill development and credit finance is being facilitated by developing seamless linkages between training programmes and financing opportunities to support aspiring entrepreneurs in using their skills to run viable operations.

Capacity building of non-banking finance companies (NBFCs) along with interest subvention schemes for NBFCs and nano-entrepreneurs are being introduced to curb lending costs and encourage these entrepreneurs to access and use formal credit avenues.

Besides this, there are ongoing measures to build a strong support system for entrepreneurship by setting up incubators and accelerators at two levels:

1. Industrial Training Institutes (ITIs), National Skill Training Institutes (NSTIs), Rural Self-Employment Training Institutes (RSETIs), Krishi Vigyan Kendras (KVKs) and
2. The Indian Institute of Technology and Higher Educational Institutes (HEIs) to offer budding entrepreneurs support by establishing high-quality counselling, training, coaching and mentorship networks and collaboration with the National Livelihood Mission on entrepreneurial training for Self Help Groups, Cooperatives and Farmer Producer Organisations (FPOs).

Efforts are also on to strengthen ITI-industry partnerships with strategic industries (e.g., electronics or semiconductors) by creating strong linkage with the industry by inviting them to set up centres in ITIs and

NSTIs as well as encouraging them to promote the establishment of manufacturing chains for ancillary product components. This could include an ancillary for EVs, solar plants, refrigerators, etc. For industries in defence, electronics, solar, EVs, etc., these incubators and accelerators could be built in higher educational institutions such as IITs.

Training programmes could also be revamped to focus on nurturing practical entrepreneurial skills that include design and critical thinking, problem-solving, market research and financial literacy.

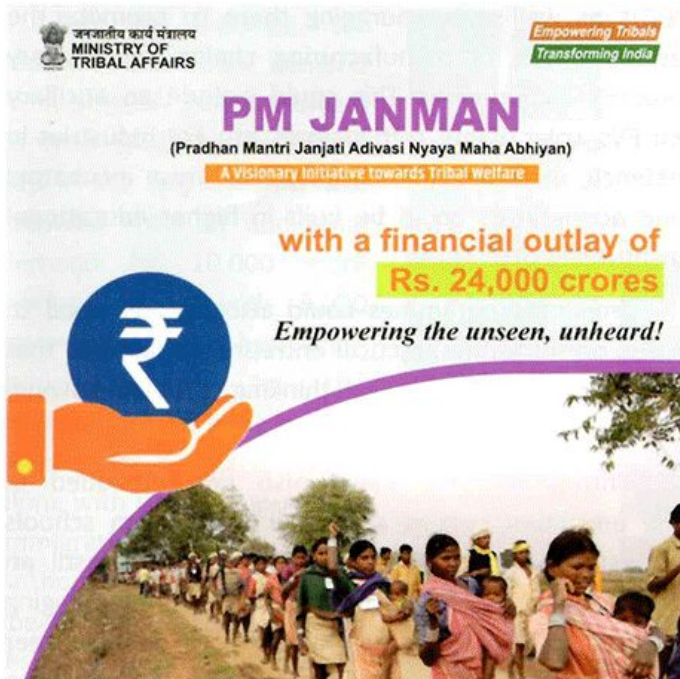
Entrepreneurship could also be embedded in the education system across all levels from schools to institutions of higher learning. This will instil an entrepreneurial mindset among students, encouraging them to pursue entrepreneurship as a viable career alternative. Annual national hackathons can also be organised so entrepreneurship becomes more aspirational.

Apart from the above, the government plans to engage actively with local communities and grassroots entrepreneurs to comprehend their unique aspirations and challenges. This would help in designing entrepreneurship support schemes via cluster-based entrepreneurship development programmes.

New-age technologies like AI, IoT, blockchain and digital platforms could also be leveraged to boost the delivery of entrepreneurship training, mentorship and business development services. The creation of a national digital platform for Digital Public Goods can also help entrepreneurs connect with peers, experts and mentors, promoting knowledge sharing, networking and collaboration. Likewise, creative and digital service providers and freelancers could be connected with global clients through dedicated platforms like Skill India Digital Hub. This would include matching entrepreneurs with mentors based on their industry, stage of the business and specific needs.

The Role of MSDE's Entrepreneurship Division

In addition to the above, the MSDE's Entrepreneurship Division has created a series of programmes to foster entrepreneurship among women, individuals from lower socioeconomic backgrounds and marginalised communities. This is being actioned through autonomous Institutes such as the National Institute for Entrepreneurship and Small Business



Development (NIESBUD) and the Indian Institute of Entrepreneurship (IIE).

The Ministry has ensured special attention to the inclusion of Scheduled Castes (SC), Scheduled Tribes (ST), minorities and differently-abled people throughout the country. While these groups have been prioritised in delivering entrepreneurship awareness and development programmes, special measures have been introduced to build the entrepreneurial capacity of women.

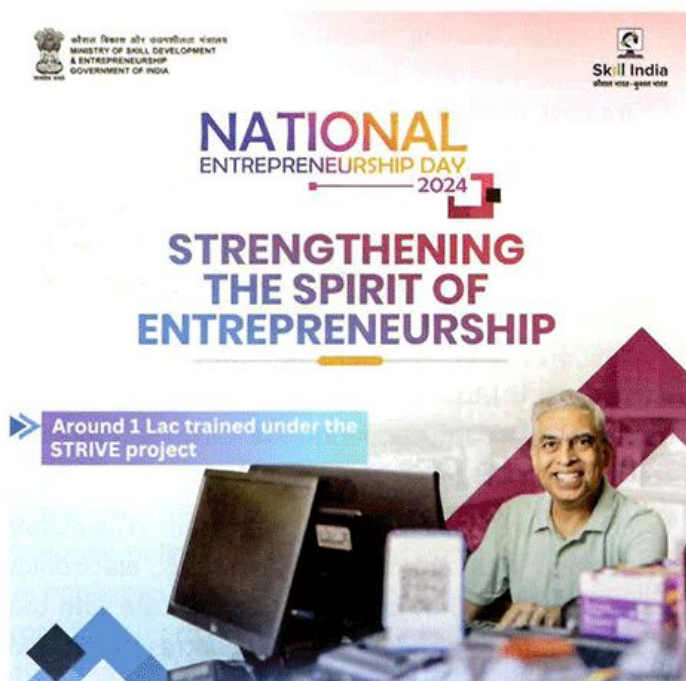
Various Entrepreneurship Development Programmes and Entrepreneurship Skill Development Programmes have been used to enhance the skills of participants through interventions like digital marketing, financial/credit, market linkages and industry connections. In this way, the Division has built an ecosystem that supports the upskilling and reskilling of target beneficiaries, enhancing their competencies to meet evolving market demands while promoting the creation of enterprises.

MSDE's Key Programmes and Achievements

- Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan:** Through its autonomous institutes NIESBUD and IIE, MSDE is implementing the skilling and entrepreneurship component of Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyaan (PM-JANMAN) scheme of the Ministry of Tribal Affairs for the uplift of Particularly Vulnerable Tribal Groups. Undertaken as a Special Project under Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the project is

being implemented with the support of the Tribal Cooperative Marketing Development Federation of India (TRIFED) in 18 States and one Union Territory across India. NIESBUD and IIE have imparted training programmes for 36,462 beneficiaries across India till November 2024.

- Rastriya Udyamita Vikas Pariyojana on Pilot Basis for PM SVANidhi Beneficiaries:** Collaborating with the Ministry of Housing and Urban Affairs to train PM-SVANidhi beneficiaries via a pilot project, Rastriya Udyamita Vikas Pariyojana. Under implementation by NIESBUD and IIE, the project includes one week of classroom programme plus 21 weeks of mentoring and hand-holding support. Beginning in February 2024, the project has an allocation to train 2,050 beneficiaries of PM SVANidhi, with more than 40% female participation. Out of the targeted 2,050, training has been imparted to 1,744 candidates.
- STRIVE Project:** Under MSDE's STRIVE (Skill Strengthening for Industrial Value Enhancement) project, NIESBUD and IIE are undertaking Entrepreneurship Awareness, Entrepreneurship Development Programme (EDP), Mentoring and Handholding of trainees (and future trainers) in the Industrial Training Institute and National Skill Training Institute across India. Under STRIVE, NIESBUD has trained 45,339 out of its 100,000 target while IIE has trained 11,000 from its 29,000 target through Entrepreneurship Awareness Programmes. NIESBUD has trained 32,091 overall



from its 50,000 target and IIE has trained 8,342 from its 14,000 target via Entrepreneurship Development Programmes. After completion of the EDP, they also provide mentoring and handholding support to trainees to establish their enterprises. The Institutes also extend handholding support to the beneficiaries for one year.

- **Augmenting the Entrepreneurial Environment via Capacity Building, Mentoring, Incubation Support and Handholding under the SANKALP Scheme:** Through IIE and NIESBUD, MSDE is working to empower, uplift and develop entrepreneurs, including SCs and STs, across India through SANKALP (Skills Acquisition and Knowledge Awareness for Livelihood Promotion). The project plans to strengthen the entrepreneurship ecosystem of diverse marginalised groups. NIESBUD has undertaken an Entrepreneurship Development Programme for 482 candidates (target 15,000) and IIE has completed training 9,444 candidates (target 10,000) till September 2024.
- **Entrepreneurship Development in Six Holy Cities:** A pilot project on Entrepreneurship Promotion and Mentoring of Micro and Small Businesses in six temple towns – Haridwar, Bodh Gaya, Kollur, Puri, Pandharpur and Varanasi – is being implemented by MSDE via NIESBUD and IIE. It can boost local entrepreneurial activities by involving potential and current entrepreneurs, college dropouts, unemployed youth, including youth from backward communities, etc. Across these six locations, 11,897 participants were trained overall, with 2,482 new enterprises established and 2,532 existing ones scaled up, highlighting the programme’s success in driving entrepreneurial growth.

- **Capacity Building Programme for Fair Price Shop Owners:** In collaboration with the Department of Food and Public Distribution, MSDE has undertaken a Capacity Building Programme project for Fair Price Shop (FPS) owners. Pan-India, the programme will cover 3,000 FPS owners in its first phase. The first Capacity Building batch was held from 27 to 31 May 2024 for 70 beneficiaries. The project is under implementation as a Special Project under the PMKVY scheme. The programme will enable FPS owners to run their businesses in line with contemporary practices adopted by retail entrepreneurs. Participants will be armed with deep knowledge regarding various aspects of entrepreneurship, as well as financial and digital literacy alongside a government support system.
- **Establish, Develop and Manage EDCs and ICs in Northeast Educational Institutions:** The IIE will establish, develop and manage Entrepreneurship Development Centres (EDCs) and Incubation Centres (ICs) in educational institutions across the Northeast region. The project includes managing 30 EDCs and four ICs in eight Northeast states, identifying and training 600 mentors and 3,600 youth, respectively, from 30 target districts, incubating 100 business ideas in four ICs, supporting 900 business ideas in 30 EDCs through convergence and seed fund for top 50 incubates in four ICs.
- **Pradhan Mantri Dakshata Aur Kushalata Sampanna Hitgrahi (PM-DAKSH) Yojana:** NIESBUD and IIE have implemented training under the aegis of NBCFDC, NSFDC and NSKFDC while providing skill development sessions to Backward Class youth under the PM-DAKSH scheme. The objective is to uplift these youth by skilling them so they can



PM-DAKSH

(Pradhan Mantri Dakshta Aur Kushalta
Sampann Hitgrahi) Yojana

- ▶ Provides skill training to SCs, OBCs and Safai Karamcharis
- ▶ Focuses on both short-term and long-term courses
- ▶ Enhances employability in various sectors
- ▶ Promotes self-reliance through skill-based employment
- ▶ Free training with placement assistance



generate sustainable livelihoods and become self-reliant. Under NBCFDC (National Backward Classes Finance and Development Corporation), IIE has imparted skill development training to 305 beneficiaries in Entrepreneurship Development and 250 in Skill Development across Tripura and Assam in 2022-23, with an additional 649 trained in Entrepreneurship Development in 2023-24.

Through NSFDC (National Scheduled Castes Finance & Development Corporation), IIE has given short-term training to uplift SCs under PM-DAKSH, training 120 beneficiaries in Manipur (2022-23) and 240 in Entrepreneurship Development in Assam (2023-24).

The NSKFDC (National Safai Karamcharis Finance & Development Corporation) programme has enabled skill development training for *safai karmacharis* to provide sustainable livelihood and financial independence, with 120 trainees in Manipur in 2022-23. NSKFDC programmes reached 553 beneficiaries in 2021-22, 972 in 2022-23 and 675 in 2023-24. Through targeted programmes, NIESBUD and IIE have contributed substantially to empowering marginalised groups.

- **ESDP on Solar Entrepreneurship:** Supported by MSDE, NIESBUD is implementing a project for the Entrepreneurship-based Skill Development Programme (ESDP) on Solar Entrepreneurship in collaboration with the Ministry of New and Renewable Energy under the PM-Surya Ghar Muft Bijli Yojana. Undertaken as a Special Project under

PMKVY, the project will nurture skilled entrepreneurs capable of installing and maintaining solar PV systems. Till September 2024, 437 candidates were trained out of the target of 10,000.

- **Entrepreneurship-cum-Skill Development Programmes sponsored by NSDC:** NIESBUD has been allocated Entrepreneurship-cum-Skill Development Programmes under a Special Project of PMKVY 4.0 sponsored by NSDC. The Institute holds training programmes in roles such as Bridal Fashion and Portfolio Makeup Artist as well as futuristic jobs like LED Light Repair Technician, Solar LED Technician and Solar PV Installer – Electrical. Till September 2024, 1,050 candidates were trained out of the 10,000 target.
- **Developing Entrepreneurship among Jail Inmates:** With MSDE's support, NIESBUD has executed a project for promoting entrepreneurship development among jail inmates through capacity building, mentoring, handholding and incubation support. This project has already been implemented in the Central Jail (Varanasi) plus the Model Jail and the Nari Bandi Niketan (both in Lucknow). From the target of 600 candidates, 480 were trained till September 2024.
- **Training of Trainers and ED Programme in Jan Shikshan Sansthan:** Through NIESBUD, MSDE is creating an Entrepreneurial Climate by Training of Trainers (ToTs) and Entrepreneurship Development Programme (EDP) in Jan Shikshan Sansthan (JSSs). The project had different components as Training of Trainers Programmes for 2,000 trainers of JSS and EDP to impart training among 4,000 JSS trainees, undertaken in the financial year 2022-23. The project was aimed at fostering and promoting the spirit of entrepreneurship among various target groups via capacity building, incubation support, mentoring and handholding.
- **Nodal Agency for MSMEs' SFURTI Programme:** SFURTI (Scheme of Fund for Regeneration of Traditional Industries) was launched by the Government of India's Ministry of Micro, Small and Medium Enterprises (MSME) to develop and modernise traditional industries in India, focused on cluster-based development. To date, IIE Guwahati has functionalised 55 of the 61 clusters approved by the MSME Ministry. The 61 clusters have an overall



SFURTI Scheme

Financial Assistance :

Type of Clusters	Per Cluster Budget Limit
Heritage Clusters (1000 – 2500 artisans)	Rs. 8 crore
Major Clusters (500 – 1000 artisans)	Rs. 3 crore
Mini – Clusters (Upto 500 artisans)	Rs. 1 crore

Eligible Entities

- Corporates and Corporate Responsibility (CSR) Foundations
- Field functionaries of State and Central Governments
- Institutions of the Central and State Governments
- Non-Government Organizations (NGOs)
- Panchayati Raj institutions (PRIs)
- Semi-Government Institutions
- Private sector by forming cluster-specific SPVs

artisans and producer base of around 30,000, whose livelihoods have benefited from an increase in income, technology upgradation and common facilities (in functional clusters).

- Entrepreneurship Awareness Programmes supported by HUL:** NIESBUD has collaborated with Hindustan Unilever Ltd (HUL) to organise entrepreneurship awareness programmes for 100,000 youth at the pan-India level under HUL’s CSR initiative. Till September 2024, 95,500 candidates were trained out of a 100,000 target.

Some New Initiatives to Support Entrepreneurship

- NITI Aayog’s Project SWAVALAMBINI**

MSDE will be collaborating with NITI Aayog’s Women Entrepreneurship Platform to implement the SWAVALAMBINI Project. This is designed to foster an entrepreneurial mindset among female students, enlightening them about available support mechanisms, resources, schemes and networks required to pursue entrepreneurship as a career. This project envisions providing capacity-building training for specific female student entrepreneurs across six identified key needs to prepare them for a career as an entrepreneur. It will also aim to ink collaborations with universities in India to boost the focus on entrepreneurship development among female students.

- The Pradhan Mantri Janjatiya Unnat Gram Abhiyan**

MSDE is also supporting the Pradhan Mantri Janjatiya Unnat Gram Abhiyan of the Ministry of

Tribal Affairs, which was announced in the Union Budget of FY2024-25. This initiative seeks to improve the socioeconomic conditions of tribal communities via saturation coverage for tribal families in tribal-majority villages and aspirational districts and blocks.

To achieve convergence, MSDE proposes to support the scheme by establishing 30 new skilling centres in 30 identified tribal districts across the country. It will also support the capacity building of 1,000 Van Dhan Vikas Kendras (VDVKs) under the scheme, aligned with the capacity-building efforts for VDKs already ongoing as part of the PM JANMAN Scheme.

- Proposed MoU with the Ministry of Rural Development**

MSDE and the Ministry of Rural Development are in the process of signing an MoU promoting skill development and entrepreneurship for Self-Help Groups (SHGs) and their members. The initiative proposes to equip them with the skills necessary to capitalise on new economic opportunities while driving sustainable growth in their communities, in turn enhancing rural livelihoods.

Given the plethora of ongoing initiatives undertaken by MSDE in collaboration with other government departments and institutional stakeholders, including NSDC, one remains hopeful that these measures will be pivotal in bridging the skills gap between industry requirements and the existing and upcoming workforce available across industries. □

