

# Impact of Pradhan Mantri Kaushal Vikas Yojana in Entrepreneurship Development with Special Reference to Chhindwara District

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**Abstract:** *Unemployed youth in India are looking to overcome financial constraints to set up start-ups. To encourage entrepreneurship, the Government of India has launched the Pradhan Mantri Kaushal Vikas Yojana (Prime Minister Skill Development Scheme). The objective of this research paper is to assess the effectiveness of "Pradhan Mantri Kaushal Vikas Yojana (Prime Minister Skill Development Scheme)" schemes for entrepreneurship development in Chhindwara district. A structured questionnaire was used to generate the data using the survey technique of inquiry. Statistical tables and one-way ANOVA were used in SPSS software to examine the data collected during the field activity. This study suggests PMKVY can improve youth empowerment (entrepreneurship development) in Chhindwara district. As a result, more young youth (especially those working in the informal sector) should take advantage of the program to avail the associated incentives. This also shows that PMKVY encourages entrepreneurs to innovate and come up with new business concepts. The investigation is unique and has the potential to influence policy design and execution in the area of entrepreneurship development.*

**Keywords:** PMKVY, Chhindwara district, entrepreneurship, Government, employment, entrepreneurship development

## I. INTRODUCTION

India is an independent nation since 1947, after this planning Commission (presently known as NITI Ayog) was set up on 1950 and it started making five-year plans for India from 1951. The major goals for these plans were to attain Growth, Modernization, Self-reliance and Equity. The five-year plans have been concerned with removing economic backwardness of the country and to make India a developed economy. So, it can be said that overall objective is to enhance the economic development of the nation.

In the financial investigation of public area, monetary and social advancement is the cycle by which the monetary prosperity and personal satisfaction of a country, district, neighbourhood local area, or an individual are worked on as per the designated objectives and targets. Different nations have different objectives and policies for development. The economic development of India depends upon many factors. For a better economic development, India needs to give due priorities in various issues like infrastructure, public sector reforms, reforms in lagging states, removal of labor regulation, decrease in poverty, more employment generation etc.

Human resources are vital from the point of view of economic development. The economic development of a country is possible only when there is optimum utilization of physical and human resources. Physical capital such as machines, tools etc. are meant to be discovered and operated by human capital. There are many sources of human capital formation such as education, health, on the job training, etc.

**“Pradhan Mantri Kaushal Vikas Yojana (PMKVY)”**



The Ministry of Skill Development and Entrepreneurship (MSDE)'s flagship program, PMKVY, is run by the National Skill Development Corporation (NSDC). It expects to empower countless Indian young people to take some expertise preparing pertinent to businesses with the goal that they can get a superior work. This program in a roundabout way produces work by giving more spotlight on expertise improvement.

This research study focuses on Pradhan Mantri Kaushal Vikas Yojana (Prime Minister Skill Development Scheme).

**Rationale of the Study**

This study has been conducted to study the Pradhan Mantri Kaushal Vikas Yojana (Pradhan Mantri Kaushal Vikas Yojana) implemented by the government in Chhindwara district of Madhya Pradesh state and its impact on the entrepreneurship development of the region, and to suggest improvements if any for the betterment of the people and development of the sector.

**II. LITERATURE REVIEW**

**Choudhury, S., & Ghosh, A. (2015)**- In this paper said the Author, Gandhiji frequently asserted that village economics is distinct from industrial economics and that self-sufficiency in the villages is the only way the nation can advance. To that end more fixation is given towards the provincial area of the Indian economy. The State India places a high value on the Khadi and Village Industries programs, which serve as the foundation for the growth of our nation's rural economy. In this paper, we examine how the Prime Minister's Employment Generation Program affected the Indian and Jharkhand State economies during the 11th Five Plan (2007–2012) in terms of the number of projects started, production, sales, employment, and earnings. The data on the production and employment generated by village industries in India, which are well divided into six zones by the commission—East, West, North, South, Central, and North East—are gathered using both an explorative and a descriptive research methodology.

In India, the correlation analysis reveals a very strong connection between the selected variables. Yet, in the event of Jharkhand there is areas of strength for a between Number of Town Ventures began and Creation from those town enterprises, and the item delivered and the deals of those item, yet the connection between's the task began and business produced from those ventures and work age and the profit from those business is very week, which shows that albeit the quantity of enterprises expanded under the PMEGP plot yet at the same time parcel must be finished to advance town ventures in the economy.

**Bannigol & Kirankumar in (2018)**- In this paper the Author has stated the One of the most important indicators of an economy's success, financial inclusion is a multifaceted phenomenon that is receiving a lot of attention these days. The youth who received microcredit from the government of India (GoI) as part of the Prime Minister Employment Generation Programme (PMEGP) scheme and their perceptions of actual financial inclusion are the focus of this paper. In addition to making use of secondary data sources, it makes use of the survey regarding an analysis of India's Prime

Minister Employment Generation program and Financial Inclusion. Alongside graphic investigation, grounded hypothesis approach was utilized to investigate new subjects concerning monetary consideration plan's i.e., PMEGP miniature credit recipients. Four Unmistakable subjects were risen up out of the information worried to the topics arose were:

- (a) People's perception of being unaware of Financial Inclusion Plans (FIP);
- (b) Bank employees' perceived lack of interest in providing guidance;
- (c) A perceived abundance of paperwork and red tape;
- (d) Literacy is misunderstood as the term "financial literacy." Furthermore, in view of the discoveries of the review, the potential methodologies to be embraced by strategy creators.

**R.S Negi, Santosh Singh, Rekha Dhanai (2015)**- In this paper the Author has stated that the execution of MGNREGA works under the plan, for example, water protection, dry spell sealing, water system, redesign of conventional water bodies, capacity of ground water and so on. The plan can be a vital job on redesign of customary water bodies through improvement work on water preservation and dry season sealing works for the shortage of water in the sloping region of the bumpy district.

**2.1 Research Gap**

The need of the hour is to “give importance to promoting entrepreneurs and self-employment activities which will help stem the flow of migrant youth to urban areas in search of jobs.” Thusly, the formative plans of the public authority ought to be assessed by the goals for which they were sent off and their effect in the areas where they were being executed, there exists a gigantic examination hole. Because no such research or study has been done by any researcher to evaluate the effectiveness of PMKVY with respect to employment generation capabilities in Chhindwara district of Madhya Pradesh. As a result, it is essential to investigate PMKVY's performance in the subject matter in terms of its impact on enhancing entrepreneurial capabilities and creating employment opportunities.

**2.2 Objectives of the study**

The main objective of the research is to find out the impact of PMKVY on entrepreneurship and socio-economic progress of the beneficiaries in the study area.

**III. MATERIAL AND RESEARCH METHODOLOGY**

Entrepreneurs of new business ventures and startups were also selected to research government policies (PMKVY) and activities related to business development. PMKVY beneficiaries were administered a structured questionnaire in Google Form to collect primary data. To improve the survey technique, interviews will be conducted with the employees and beneficiaries of the enterprise. We received responses from 120 PMKVY beneficiaries out of total 278 PMKVY beneficiaries.

The data collected during the research activity was examined using statistical tables and one-way ANOVA. SPSS software was used for this purpose. The dependent variable mean variation was examined using descriptive statistics. Univariate tests and pairwise comparison tests were used to identify differences in response variability and significance levels of the dependent variables. The difference in their responses is statistically significant at 0.05. These helped researchers to formulate and reach conclusions.

**IV. DATA ANALYSIS AND RESULTS**

**Table 1: Socio-economic characteristics of the respondents**

Variables	Category	Percent	Frequency
<b>Gender</b>	Male	55.3	83
	Female	24.7	37
	<b>Total</b>	<b>100.0</b>	<b>120</b>
<b>Age group</b>	18-28 yrs.	21.3	32
	28-38 yrs.	28.0	42

	38-48 yrs.	17.3	26
	48 yrs. and above	13.3	20
	<b>Total</b>	<b>100.0</b>	<b>120</b>
<b>Education</b>	Primary (up to 8 <sup>th</sup> )	6.7	10
	SSC (up to 10 <sup>th</sup> )	17.3	26
	HSC (up to 12 <sup>th</sup> )	23.3	35
	Graduation and above	32.7	49
	<b>Total</b>	<b>100.0</b>	<b>120</b>
<b>Caste type</b>	General	30.7	46
	Reserved	49.3	74
	<b>Total</b>	<b>100.0</b>	<b>120</b>
<b>Marital status</b>	Married	51.3	77
	Single	28.7	43
	<b>Total</b>	<b>100.0</b>	<b>120</b>
<b>Family type</b>	Joint Family	63.3	95
	Nuclear Family	16.7	25
	<b>Total</b>	<b>100.0</b>	<b>120</b>
<b>Residential status</b>	Urban	52.0	78
	Rural	28.0	42
	<b>Total</b>	<b>100.0</b>	<b>120</b>
<b>Nature of business or start-up</b>	Manufacturing sector	13.3	20
	Agriculture and allied sector	12.7	19
	Service sector	29.3	44
	Retailing	7.3	11
	Small, micro, and medium sector	17.3	26
	<b>Total</b>	<b>100.0</b>	<b>120</b>

Source: Authors' calculations based on field data.

The socio-economic status of beneficiaries of the government scheme (Pradhan Mantri Kaushal Vikas Yojana) can be better understood by looking at their social (gender, education), economic (experience, nature of business, skill level), and demographic (age, marital status, residential status, family background, family type) characteristics. Table 1 displays the socioeconomic characteristics of the 120 Pradhan Mantri Kaushal Vikas Yojana recipients who responded.

According to statistics, males account for 55.3 percent of PMKVY recipients, while women account for 24.7 percent. Furthermore, 32 respondents, or 21.3 percent, are between the ages of 18 and 28 years; 42, or 28.0 percent, are between the ages of 28 and 38 years; 26, or 17.3 percent, are between the ages of 38 and 48 years; and 20, or 13.3 percent, are between the ages of 48 years and above.

Educationally, 10 respondents (6.7 percent) have a primary education; 26 respondents (17.3 percent) have basic secondary education (SSC); 35 respondents (23.3 percent) have basic higher secondary education (HSC), and 49 respondents (32.7 percent) have acquired graduation and above education. Based on their age and educational data, the participants are both enthusiastic and educated enough to grasp the nature, needs, and methods via which government money may be received.

In addition, Table 1 shows the nature of business or start-up, 20 (13.3 percent) are manufacturing sector concerns, 19 (12.7 percent) are in the agriculture, and allied sector, 44 (29.3 percent) are in the service sector, 11 (7.3 percent) are retailing businesses, and 26 (17.3 percent) are in the small, micro, and medium (MSME) sector.

According to the data, 46 respondents (30.7 percent) fall into the general group, while 74 respondents (49.3 percent) fall into the reserved category. Statistics show that 77 (51.3 percent) of recipients are married. Single people make up

43 (28.7 percent) of the population. According to the findings, the majority of respondents, 78(52 percent), reside in urban areas, while 42 (28 percent) live in rural areas. According to the results, 95 (63.3 percent) of respondents live in a joint family, while 25 (16.7 percent) live in a nuclear family. The majority of the respondent (62.7 percent) has business experience in the range of 0- 5 yrs. At the same time, 26 (17.3 percent) respondents have experience in the range of 5- 10 yrs. Further investigation reveals that the majority of respondents, 83 (55.5 percent), are semi-skilled, with only 26 (17.3 percent) being highly competent.

**Table 2: Impact of Pradhan Mantri Kaushal Vikas Yojana in Entrepreneurship Development with Special Reference to Chhindwara District**

Sr. No.	Impact of Pradhan Mantri Kaushal Vikas Yojana	Grand mean	Tests of between subject's effects	Significance
1	You have full knowledge of the PMKVY Scheme.	1.96	9.460	0.000
2	You have a fair knowledge of the PMKVY Scheme.	3.41	20.385	0.000
3	PMKVY scheme is accessible and affordable to your business	1.93	21.592	0.000
4	The government's PMKVY Programmed aids in the economic growth of new businesses.	1.98	10.951	0.000
5	The government plan (PMKVY) has the potential to create new jobs.	2.14	13.390	0.000
6	PMKVY is a government programmed that encourages entrepreneurs to innovate and come up with new business concepts.	1.77	15.343	0.000

Source: Authors' calculations based on research questions responses

**“Pradhan Mantri Kaushal Vikas Yojana (Prime Minister Skill Development Scheme)” well-publicized, affordable, and accessible to entrepreneurs:** Table 2 shows the finding of univariate analysis. It demonstrates that (Question 1) most beneficiaries do not have full knowledge of the PMKVY for entrepreneurship development. Their replies had a 1.96 grand mean and a 0.099 standard error, which corresponded to the "Disagreed" response of the questionnaire frame using the Likert scale. The level of significance was found at 0.000. The pairwise comparison test had no effect on confidence intervals (CI).

According to the findings of the analysis of Question 2, most beneficiaries acknowledged that they have a fair understanding of the Government's funding scheme (PMKVY) for entrepreneurship development. This conclusion was reached based on their replies, which had a 3.41 grand mean and 0.118 standard error, which corresponded to the "Agreed" response of the questionnaire frame using the Likert scale. The level of significance was found at 0.000. The confidence intervals (CI) were unaffected by the pairwise comparison test. Public awareness programmed assists entrepreneurs in gaining a thorough understanding of the PMKVY system.

However, most of them disputed that the PMKVY is accessible and affordable to their organizations in response to Question 3. The results of their replies indicate a 1.93 grand mean and a 0.094 standard error, which corresponds to the "Agreed" response of the questionnaire frame using the Likert scale. The level of significance was found at 0.000, with no alteration revealed by the pairwise comparison test.

This analysis finds that, while the Government marketed its PMKVY, which finally grabbed the interest of potential entrepreneurs, such awareness efforts are partially ineffectual in terms of information, terminology, or coverage. This is because it lacked to provide comprehensive data that might have encouraged or motivated entrepreneurs to join PMKVY. The scheme is designed in such a manner that it slowly improves the project's total capital need. As a result, this programmed is not well publicized but accessible and affordable in some manner.



Pradhan Mantri Kaushal Vikas Yojana (Prime Minister Skill Development Scheme) (PMKVY) enhanced the growth and development of entrepreneurs in the Chhindwara district: based on the results of a study of Question 4 responses, Table 2 shows that the PMKVY programmed did not raise the total capital of beneficiaries' businesses. As a result, respondents disagreed on the role of PMKVY in new company economic growth. This conclusion was reached based on their replies, which had a 1.98 grand mean and a 0.109 standard error, which corresponded to the "Disagreed" response of the questionnaire frame using the Likert scale. The level of significance was found at 0.000, with no alteration revealed by the pairwise comparison test.

Similarly, the findings of Question 5's analysis, which aimed to determine the government scheme (PMKVY) has the potential to create new jobs, indicate a 2.14 grand mean score and a 0.094 standard error, and "Strongly Agreed" response to the questionnaire frame using the Likert scale. The level of significance was found at 0.000. The degree and form of adjustment required due to the level of significance were determined using a pairwise comparison test, which revealed that they were not subject to change. As a result, we find that the government scheme (PMKVY) has the potential to create new jobs.

Table 2 shows the results of the evaluation of replies to Question 6 which aims to determine whether PMKVY encourages entrepreneurs to innovate and come up with new business concepts., indicates a 1.77 grand mean and a 0.107 standard error, which represents the "Agreed" response of the questionnaire frame using the Likert scale. The level of significance was found at 0.000, The pairwise comparison test, which was used to see if the mean could be adjusted due to the degree of significant difference, revealed that it could not be changed. As a result, we find that PMKVY encourages entrepreneurs to innovate and come up with new business concepts.

Despite the fact that this research was conducted in various contexts and cultures, the common thread is that such funds were obtained and used in their own situations. We conclude that PMKVY for the development and growth of entrepreneurs in the Chhindwara district is effective, based on the inferences that PMKVY has the potential to create new jobs and it encourages entrepreneurs to innovate and come up with new business concepts, although PMKVY did not raise the total funds of respondents' businesses. In the face of two good and effective effects of PMKVY, we may ignore one negative thought. Finally, we conclude that Pradhan Mantri Kaushal Vikas Yojana (Prime Minister Skill Development Scheme) (PMKVY) enhanced the growth and development of entrepreneurs in the district.

## V. CONCLUSION

Entrepreneurs in India are experiencing difficulties as a result of the Government's failure to provide timely financial assistance. Finance is regarded as the lifeblood of any company enterprise. The creation of productive and well-paid jobs is a critical element of the battle against poverty, which the PMKVY has kindly addressed by establishing a financial assistance system for the jobless and economically inactive. PMKVY has been proven to be a successful livelihood tool in reducing unemployment, poverty, and social and economic disparities among participants. Many educated young people, including women, have benefited from this programmed in order to live decent lives in society.

PMKVY assists in the resolution of operational and initial fund issues. PMKVY encourages entrepreneurs to innovate and come up with new business concepts. The government scheme (PMKVY) has the potential to create new jobs in the Chhindwara district.

According to the findings of this study, the Government should enhance funding under the PMKVY to improve job possibilities in rural regions, therefore contributing to overall GDP growth. The Government should focus on decreasing and modifying the strict nature of capital criteria and conditions to provide entrepreneurs with easier and wider access. To improve awareness and knowledge of the funds of PMKVY, the entire awareness system and plan must be reworked and modified. To raise awareness of the schemes among entrepreneurs, exhibitions and programmed should be organized. The Bank should focus on modifying the stringent nature of the project and loan approval criteria with easier and wider access to beneficiaries of PMKVY.

Banks should establish a special desk for the PMKVY lending plan in various locations to foster an entrepreneurial environment. This study shows that PMKVY programmed assistance can improve youth empowerment (entrepreneurial development) in the Chhindwara district. As a result, more young youth (particularly those working in the informal sector) must take advantage of the programmed in order to reap the benefits of the related incentives.

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