



REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.7631 (UIF)

VOLUME - 15 | ISSUE - 8 | MAY - 2026



ENTREPRENEURSHIP DEVELOPMENT THROUGH VOCATIONAL EDUCATION IN INDIA

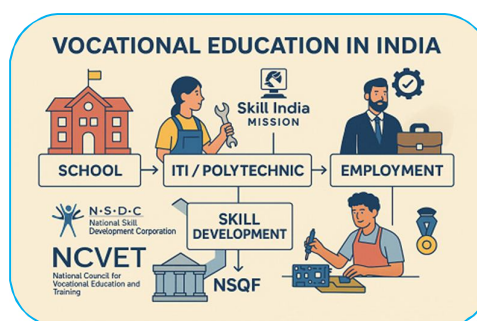
Dr. Jyoti K. S.

Assistant Professor,

Department of Economics, Government Women's First Grade College Kalaburagi.

ABSTRACT

Government of India through Ministry of Skill Development and Entrepreneurship provides the overall framework for skills development in the country. Its institutions notify/develop courses, fund, assess and certify the courses. In addition, the MSDE and MHRD run a nationwide Apprenticeship Training system since 1961 (under the Apprenticeship Act), which has remained confined to the organized segment of economic activity, which accounts for only 15% of India's workforce of 466 mn. Here too, it is known that only the large enterprises (mainly public sector ones and some corporate) offer apprenticeships; the registered SMEs, which barely account for 3% of all non-agricultural establishments in India, rarely do (97% of India's non-farm enterprises are unregistered). In other words, the vast majority of youth, if they acquire any vocational skills, do so on-the-job in the 85% of units that employ them in the unorganized sector enterprises in industry and services. In higher education, vocational education, and training (VET) is essential for developing students' skills and entrepreneurship culture, which helps them meet the changing demands of the job market. According to recent studies, vocational and early training programs (VETs) not only increase employment and incomes but also develop the practical business and management skills necessary for successful entrepreneurship. Therefore study focused on the concept of entrepreneurship, increasing labour employability and the vocational education and entrepreneurship in India.



KEYWORDS: entrepreneurship, labour employability, vocational education etc.

1) INTRODUCTION:

Ten years ago, there was very little TVET available in India, except for Industrial Training Institutes (ITI), mostly government-financed and managed. The 11th Five Year Plan of India was the first one ever to devote a separate chapter on Skill Development, followed by another one for the 12th Plan (Planning Commission, 2013).¹ The challenge was to expand the system, while consistently improving quality of provisioning (Mehrotra, 2014a). India's TVET has evolved and grown rapidly in the last decade or so, though in an extremely ad hoc and unplanned manner, despite efforts to guide the process through first one national skills policy (Ministry of Labour and Employment, 2009) and then another (Ministry of Skill Development, 2015). Since about 2011, five pillars of TVET in India have emerged: a. vocational education in schools and higher education (of the Ministry of Human Resource Development (MHRD), Government of India (GOI)), b. vocational education by National Skill Development Corporation's (NSDC) Private Training Partners (NSDC VTPs), c. Public and private

Industrial Training Institutes (ITI) (of the Ministry of Skill Development & Entrepreneurship, MSDE, GOI), In plant training by companies and e. the skill development schemes of 16 ministries of the GOI.

Government of India through Ministry of Skill Development and Entrepreneurship provides the overall framework for skills development in the country. Its institutions notify/develop courses, fund, assess and certify the courses. In addition, the MSDE and MHRD run a nationwide Apprenticeship Training system since 1961 (under the Apprenticeship Act), which has remained confined to the organized segment of economic activity, which accounts for only 15% of India's workforce of 466 mn. Here too, it is known that only the large enterprises (mainly public sector ones and some corporates) offer apprenticeships; the registered SMEs, which barely account for 3% of all non-agricultural establishments in India, rarely do (97% of India's non-farm enterprises are unregistered). In other words, the vast majority of youth, if they acquire any vocational skills, do so on-the-job in the 85% of units that employ them in the unorganized sector enterprises in industry and services. Not surprising, therefore, that NSS 2011-12 (Employment-Unemployment Survey, 68th Round) us that only 2.3% of the total workforce of India has acquired any formal vocational education/training. Despite "Skill India", the GOI's much-advertised programme, that share went up in 2017-18 (Periodic Labour Force Survey, NSS) to merely 2.4%. For a country where the educational level of the workforce has remained abysmally low since independence, with precious little improvement except within the last 15 years, the lack of a vocationally skilled force is an added disadvantage. This is so for at least two reasons: one, it entrenches informality in the workforce, since one needs at least 8 years of education to become even eligible for organized sector work; and two, low education levels remain a barrier to raising income levels of the poor, which reduces the poverty-elasticity of GDP growth.

In higher education, vocational education, and training (VET) is essential for developing students' skills and entrepreneurship culture, which helps them meet the changing demands of the job market. According to recent studies, vocational and early training programs (VETs) not only increase employment and incomes but also develop the practical business and management skills necessary for successful entrepreneurship. Eichhorst et al. (2015) claim that graduates of VET programs have superior industry adaptability and higher job placement rates. Additionally, incorporating entrepreneurship education within VET curricula has a major impact on students' attitudes and intents regarding entrepreneurship, encouraging a culture of creativity and taking calculated risks (Bae et al., 2014). Since areas with robust frameworks for entrepreneurship education have greater rates of startup activity and firm viability, this entrepreneurial culture is critical to economic success.

2) OBJECTIVES OF THE STUDY:

This study based on following objectives.

- 1) To study the concept of entrepreneurship
- 2) To study the vocational education and entrepreneurship in India.
- 3) To analyses the increasing labour employability

3) METHODOLOGY:

The present study is based on the data obtained from secondary sources. The secondary data has been collected from various journals, articles, books, government reports, annual survey of industries and education, economic survey, etc. This study analyzed the entrepreneurship development through vocational education in Karnataka state.

4) CONCEPT OF ENTREPRENEURSHIP:

Entrepreneur is an Economic Agent who plays a vital role in the economic development of a country. Economic development of a country refers steady growth in the income levels. This growth mainly depends on its entrepreneurs. An Entrepreneur is an individual with knowledge, skills, initiative, drive and spirit of innovation who aims at achieving goals. An entrepreneur identifies opportunities and seizes opportunities for economic benefits. Entrepreneurship is a dynamic activity which helps the entrepreneur to bring changes in the process of production, innovation in production,

new usage of materials, creator of market etc. It is a mental attitude to foresee risk and uncertainty with a view to achieve certain strong motive. It also means doing something in a new and effective manner. Entrepreneurship arises when someone dares to develop new businesses and ideas. The entrepreneurial process includes all functions, activities, and actions, which are related to the acquisition of opportunities and the creation of business organizations. Therefore, entrepreneurs are people who seize opportunities and create organizations to pursue those opportunities, Bygrave in (Arfan, 2019). There are some experts stated that Entrepreneurship, at least in all no authoritarian societies, constitutes a bridge between society as a whole, especially the economic aspects of that society, and the profit-oriented institutions established to take advantage of its economic endowments, and to stratify, as bees they can, its economic desires Cole in (Darajat & Sumiyati, 2015). Another expert explained that In entrepreneurship, there is agreement that we are talking about a kind of behavior that includes: (1) initiative taking, (2) the organizing or reorganizing of social economic mechanisms to turn resources and situations into practical accounts, and (3) the acceptance of risk of failure Shapero in (Darajat & Sumiyati, 2015).

5) VOCATIONAL EDUCATION AND ENTREPRENEURSHIP IN INDIA:

Entrepreneurship education offers solutions for global economic crisis as students learn leadership and management skills, as well as interpersonal skills. Entrepreneurship education seeks to prepare people, particularly youths, to be responsible and enterprising. Entrepreneurship education further provides opportunities for work based experience. Students who participated in Technical Education programmes with work experiences are more likely to be employed than students who did not participate in such activities. Students with such opportunities are called entrepreneurs. Iyekiolor in Elebe (2011) defines an entrepreneur as the originator of a new business. An entrepreneur is one who organizes, manages and assumes the risks of a business. One common characteristic of all entrepreneurs is risks taking abilities. Entrepreneurs are risk takers who see problems as opportunities and entrepreneurial success being dependent on identifying the opportunities in the market place and initiating change to create values for all (Vincent et al 2013). They manage and assume the risks of the-enterprise. They improve on established products and services and also create new ones. Entrepreneurs draw up initial plan; some design the machine; develop the process and organize the workers.

Successful TVET systems in the world are those where TVET is provided mainly by employers (as we noted in section 1), as that ensures a demand-based SD system. In the previous section we noted that most of India's TVET provisioning is done by the government. While there is some industry involvement in provision of vocational training, it is confined to a limited share of all registered enterprise; the latter account for barely 3% of India's 66 million non-agricultural enterprises. In 2014 only 36% of all registered enterprises were providing enterprise-based training, which means that the majority were not. There is evidence to suggest that most enterprise-based training is confined to large public sector undertakings, and large corporate entities; the small and medium enterprises (SMEs) have tried to avoid providing training (a subject we will return to later). Meanwhile, in this section we focus on government provision of TVET in the remaining four pillars of the TVET system. Till 2014 there was practically no vocational education in schools. The only VE available was at senior secondary level for 17-18 year olds (classes 11-12), which attracted no more than 3% of total senior secondary enrolment in India. It offered poor quality VE, and hence did not attract many. However, since 2014, after the acceptance of a vocational qualification framework (called the National Skills Qualification Framework, henceforth NSQF), VE was introduced at secondary level for 15-16 year olds, in classes 9 and 10.2 The number of secondary schools that offer VE has grown since then in 2020 to about 10 000; or still only 10% of the total government secondary schools in India. VE is offered as one of the subjects; it is not a separate stream in VE (unlike, say, in China).

India does the first NEP in 30 years offer any hope of a serious vision, let alone a strategy of reform that TVET desperately needs? The NEP begins by recognizing that less than 5 % of India's workforce has formally acquired any vocational education/training (MHRD, 2020). The actual figure was 2.3% in 2012 (NSS, 68th Round). However, after six years of Skill India, a national government

programme started 2015, the share of formally trained in the workforce rose barely 0.1% to 2.4% in 2018. Given this appalling performance of the government-managed, government financed TVET, it is unfortunate that the NEP 2020 of the Government of India does not even begin to recognize the nature of the challenge, and has therefore, little hope to offer. NEP recognizes that VE in schools was also not designed to provide openings in tertiary education to school students who had vocational education qualifications, which put them at a disadvantage relative to the students from mainstream education. "This led to a complete lack of vertical mobility for students from the vocational education stream, an issue that has only been addressed recently through the announcement of the National Skills Qualifications Framework (NSQF) in 2013", the NEP claims. We have already demonstrated above that the vertical mobility was not really contributed by NSQF itself; it was achieved despite NSQF, not because of it. The authors of NEP clearly seem oblivious to, or wish to ignore, the problems with NSQF in India, its design as well as its inadequate mode of implementation.

In its National Education Policy (NEP, 2020), the government of India has recognized the increasingly vital role of vocational education in realizing the full potential of India's demographic dividend. The policy outlines the need to reimaging vocational education by making vocational courses available to students enrolled in all bachelor's degree programmes, including the four-year multidisciplinary bachelor's programmes. HEIs (Higher Education Institutes) can also conduct short-term certificate courses in various soft skills (Ministry of Education, 2020). The National Policy for Skilled Development and Entrepreneurship, 2015, further outlines the lack of a trained workforce and the large unemployability of conventionally educated Indian workforce who possess few job skills. As the country progressively moves towards a knowledge economy, the nation must meet the youth's aspirations by promoting skills that are relevant to a knowledge economy. However, skills do not exist in isolation. Skills alone are not always sufficient for securing adequate economic dividends. Skills must be integral to employment and economic growth strategies to spur employability and productivity. The Indian capacity for harnessing entrepreneurship has not been fully realised. The MSME (micro, small and medium enterprises) sector contributes only 17% of GDP compared to 85% in Taiwan, 60% in China and 50% in Singapore (Skill India "failing" as It's Considered a Social Stigma for Less-academically Able Students, 2019). Given the realities of the rapidly changing economic landscape in the country, entrepreneurship opportunities have emerged as an essential source of meeting the aspirations of the youth (Ministry of Skill Development and Entrepreneurship, 2015).

6) INCREASING LABAOUR EMPLOYABILITY IN INDIA:

In India 68% of the population is between the ages of 15 and 64, 7% is above 65, and 25% is between 0 and 14 (United Nations Population Fund, 2023). India will only harness its demographic dividend if it employs this growing youth population in the next 25 years. Therefore, the employability of the youth joining the labour force must grow by equipping students with knowledge and skills to make them job-ready (Mehrotra, 2014). Due to the outlined inadequacies of vocational education in India, the current system will be incapable of meeting the employability challenge. As mentioned before, in Mercer India's Graduate Skill Index 2023, 45% of all graduates who apply for jobs are employable (Mercer, 2023). Meanwhile, the India Skills Report 2023 reports that youth employability has improved to 50.03% in 2023. ITI students have an employability percentage far below those pursuing professional degrees in universities and colleges (Wheebox, 2023).

The Indian economy shifted from agriculture to services, leapfrogging manufacturing. A major obstacle to quality employment generation is the small share of manufacturing in total employment (Afroz, 2018). A closer look at the sectoral composition suggests that the main driving force of the Indian economy is the services sector (54.27%), followed by the manufacturing sector (29.35%) and the agricultural sector (16.38%) (India GDP Sector-wise 2021 - StatisticsTimes.com, n.d.). While agriculture absorbs 45.6% of workers, it cannot generate productive employment, and the manufacturing sector only absorbs 23.7% of workers (Chand & Singh, 2022). The global connectivity of the Indian economy has grown, especially in knowledge intensive services such as information technology-enabled services (ITES), healthcare, retail, and financial services. However, its manufacturing sector and physical infrastructure have lagged (Afroz, 2018) (Bandura & Sword, 2018)

(Calvão & Thara, 2019). Furthermore, government policies to develop smart cities that are sustainable and citizen-friendly, production-linked incentives to spur manufacturing, and many more reforms to agricultural markets have failed to make any notable impacts (Raghuram & Lamba, 2024; Mercer, 2023; Wheebox, 2023).

7) REFERENCES:

1. Debaditya Sekhar (2024) Jena Future of Vocational Education in India, Submitted to OCAD University in partial fulfillment of the requirements for the degree of Master of Design in Strategic Foresight & Innovation Toronto, Ontario, Canada, 2024 PP-1-47.
2. Ugochukwu Chinonso Okolie and Dr. Charles Ogbaekirigwe (2014) Entrepreneurship Development through Vocational Education Training: Issues and Roles in Skills Acquisition and Manpower Development in a Developing Economy, *Journal of Educational Policy and Entrepreneurial Research (JEPER)* Vol.1, N0.2, October 2014. Pp 151-157.
3. Santosh Mehrotra (2021) Technical & Vocational Education and Training in India: Lacking Vision, Strategy and Coherence, Centre for Sustainable Employment, February 2021.
4. Alkaf Tuzzahara, F. (2019). Modul 1: Konsep Dasar Kewirausahaan. Fakultas Ekonomi & Bisnis Universitas Pancasila Jakarta.
5. Arfan, I. (2019). Konsep Dasar Kewirausahaan.
6. Darojat, O., & Sumiyati, S. (2015). Konsep-konsep Dasar Kewirausahaan/ Entrepreneurship. In *Pendidikan Kewirausahaan*.
7. Esthirahayu Dwi Putri, Ekawati Shella, Haerani Rizkya, P. N. (2012). Konsep Dasar Kewirausahaan Dan Proses Kewirausahaan.
8. Maigida, J. F. Saba, T. M. & Narnkere, F. U. (2013). Entrepreneurship Skills in Technical Vocational Education and Training as a Strategic Approach for Achieving Youth Empowerment in Nigeria. *International Journal of Humanities and Social Sciences* 3(5)303-310.