

Impact of Pradhan Mantri Kaushal Vikas Yojana on Income and Saving

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Abstract

For the growth and development of any economy skill and knowledge are the two significant driving forces. In the present-day world countries that possess higher levels of skills can better cope with the challenges. For the development of any country, it is significantly important to focus on the skill development of its people. In a country like India where the population is rising day by day and where the majority of the population is in the productive age group, skill development programs can provide a great opportunity as well as a challenge to the country. The country could reap the benefits only if our population is educated, healthy, and properly skilled.

The present paper is about the government of India's Scheme Pradhan Mantri Kaushal Vikas Yojana (PMKVY), which was launched in 2015 to promote and encourage skill development in the country. The government of India through PMKVY provides free short-duration skill training. The objective of this paper is to study the impact of PMKVY on the income and savings of the people in the Ranchi district of Jharkhand State.

A closed-ended questionnaire was prepared and interviewed 50 participants who have attended and completed at least one PMKVY program.

Keywords: Pradhan Mantri Kaushal Vikas Yojna (PMKVY), Skill Training, Income, Savings

Introduction

For the development of India skill development is an important aspect. The government of India should focus on skill development to make the Skill India campaign successful. Through the 'Skill India' initiative, the government is enabling millions of the population in the country to take up industry-relevant skill training and boost their job prospects which would lead to an increase in their income and saving and would positively boost the development of the economy as a whole. However, by analyzing the Periodic Labour Force Survey (PLFS) 2017-18 it became clear that only a small population received any vocational training under PMKVY, and a large share amongst them was unemployed or out of the labor force.

For the economic development of any country, skill development programs are enhancing competency levels by providing training that has helped the nations to develop a large skilled and talented pool. Many studies have revealed that there is a strong correlation between per capita income and vocational education. Studies have shown that vocational education affects the income level and employment positively which also increases the savings of the people.

The objective of Pradhan Mantri Kaushal Vikas Yojana is to skill the people and enable them to be able to earn a dignified means of living for themselves. It also helps people who are dropouts and do not have any certification but want to enter the labor market. PMKVY is conscious to address the above-mentioned issues by providing relevant skill development training. PMKVY is aimed to provide industry-relevant skills and make the population capable of jobs and livelihood.

Literature Review

R. Singh, & M. Mohanty (2012)¹ analyzed the crucial role of training in improving the productivity of the workers but then the supply of trained manpower needs to be impeccable by collaborative efforts by the academia, industry, and the government.

D. Chenoy (2012)² found in the study that Improving workers ' efficiency is a key task for any organization, business, and entity because of the opening of the economy and increasing trade. Furthermore, the growth of a country like India will require a big amount of qualified and skilled people.

H. Katole (2015)³ examined that the skills could be developed by providing education, training, and skill development programs to the people of the country which would lead to the overall development and growth of the country as a whole. Skill is the capability to perform better which is the result of training that is being provided for entrepreneurial and knowledge-related skill development.

T. Ansari, & M. Khan (2018)⁴ analyzed that skill development in India is an important tool for enhancing employability and competitiveness, reducing poverty, and promoting self-entrepreneurship among people.

Bhuvana S., Kavya, & Geetanjali P. (2019)⁵ studied the impact of the skill development programs that were done through observations and personal interviews of the respondents. They found that there are certain issues like the scarcity of time to learn the concepts and a requisite number of job roles that hinted at initiating new courses like cinematography, fashion industry, etc.

Mini Agrawal, & K.S. Thakur (2019)⁶ in their study assessed the impact of PMKVY training on the performance and productivity of trainees in the Gwalior region. Most of the respondents have confirmed the impact of the PMKVY in improving productivity. According to respondents training methods and activities usher in new possibilities for trainees while performing tasks that increased their productivity. They analyzed that training under PMKVY produces advantages for the understanding, capacity, abilities, and conduct of the people as well. They also found that most respondents highly agreed that training builds capabilities and abilities to enhance their performance, which is helpful for self-employment and also to earn a livelihood.

Ashwani Kumar Josh, & K.N. Pandey (2020)⁷ concluded that the youth of Haryana are highly aware of the PMKVY training and are aware of the eligibility criterion for free training, enrolments, and other aspects of the PMKVY. Youths receive the appropriate training in the respected sectors desired by them and become employable in that particular sector which is important to build the acceptability of the youth. The youth should be provided with appropriate mentoring and counseling post-training also. This study propels light upon the skill sectors expected by the youth in Haryana.

Parveena, & Anamika Dabla (2021)⁸ found that 80% of respondents are completely aware of the scheme of Pradhan Mantri Kaushal Vikas Yojana while 15% are somewhat aware which is a very good sign for the country that people are taking an interest in building and enhancing their skill. This is important for the individual to the improvement of their potential as well as for businesses too to understand the responsiveness of training and learning investments.

Raj Nehru (2022)⁹ found that the trainees who have encountered various training under PMKVY have not found the result of the training, skilling, and learning impacting their employment and earnings. The respondents highlighted that the training attained has not helped them in finding employment. The skill and vocational education under PMKVY is facing the challenge of acceptance and recognition of these programs by potential employers. Many respondents were also concerned about improving their performance after training. There is a lack of quality in the skill upgradation, infrastructure facilities are also not up to the mark and there is also found a lack of faculty and updated curriculum as per the emerging trends. There is also the problem of alignment of new technologies that have a demand in the market.

Sakshi Malik (2023)¹⁰ studies that the training under Pradhan Mantri Kaushal Vikas Yojana helps to develop the skill that further helps to get a job. There are various courses available under PMKVY that help the beneficiaries to start their own business. After getting training under PMKVY trainees can get a lot of opportunities that help to grow the Indian economy.

Objectives

1. To study the demographic profile of the beneficiaries of Pradhan Mantri Kaushal Vikas Yojana (PMKVY).
2. To study the impact of Pradhan Mantri Kaushal Vikas Yojana (PMKVY) on the Income of the beneficiaries.
3. To study the impact of Pradhan Mantri Kaushal Vikas Yojana on the Savings of the beneficiaries.

Hypothesis

H1: There is no significant impact of PMKVY on the income of the beneficiaries.

H2: There is no significant impact of PMKVY on the savings of the beneficiaries.

Methodology

This study uses a descriptive framework to study the impact of PMKVY on the income and savings of the trainees in the Ranchi district of Jharkhand. The primary data was collected through personal interviews with the 50 respondents who have attended training programs under PMKVY. A close-ended questionnaire was designed for that purpose.

Data Analysis

Interpretation and analysis of data is a process of transforming the collected data into shreds of evidence. The following table shows the demographic profile of the respondents who have attended the training program in PMKVY in the Ranchi district.

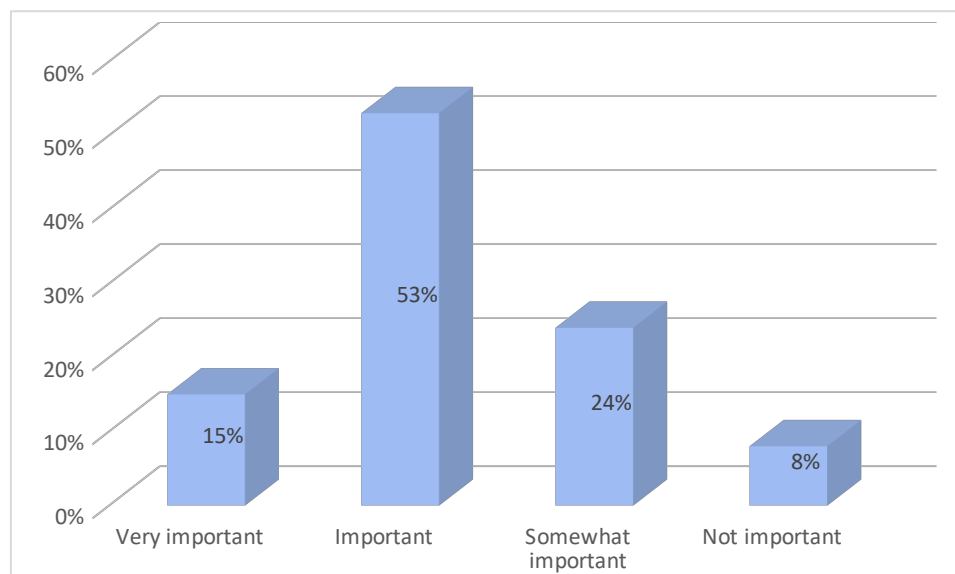
Demographic Characteristics of PMKVY Beneficiaries

		N	%
Gender	Female	17	35.00
	Male	33	65.00
Educational Qualification	Illiterate	12	23.00
	Primary	26	53.00
	Secondary	4	8.00
	Intermediate	6	12.00
	Graduation or more	2	4.00
Work Status	Student	14	28.00
	Self Employed	25	49.00
	Paid Employed	11	23.00

Source: Author's Calculation

Q. 1: Do you think, training provided by PMKVY is important?

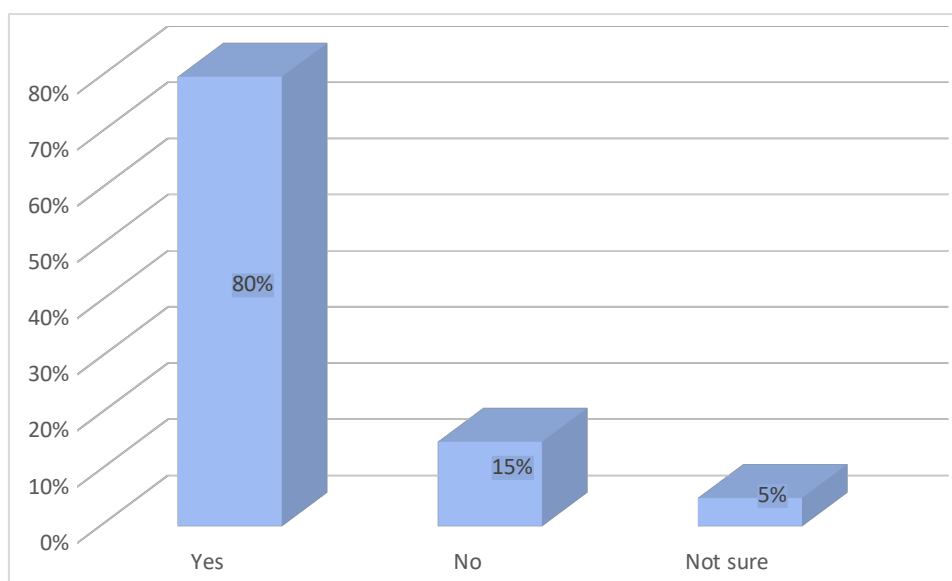
Option	Percentage
Very important	15%
Important	53%
Somewhat important	24%
Not important	8%



From the above table and chart, we can interpret that the training program provided under PMKVY are found important by 53% of the respondent whereas according to 8% of the respondents, it is not important.

Q.2: Is the training program effectively facilitating your work?

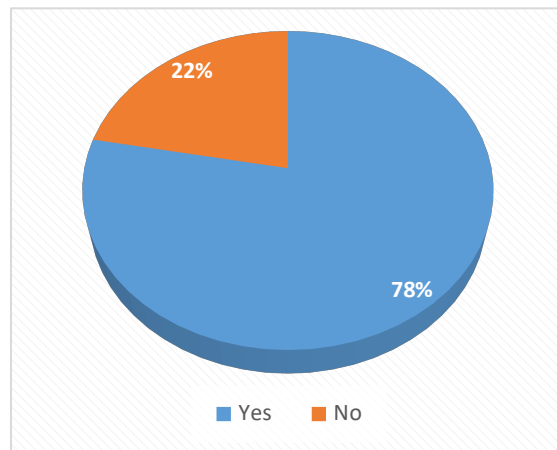
Option	Percentage
Yes	80%
No	15%
Not sure	5%



From the given table and chart we can interpret that 80% of the respondents agree that the training program effectively facilitates their work and help them efficiently perform their task. It helps them gain hands-on knowledge in the workplace. However, 15% of respondents denied it. 5% of respondents are not sure of their answer.

Q. 3: Is the Pradhan Mantri Kaushal Vikas Yojana scheme helpful to get a job?

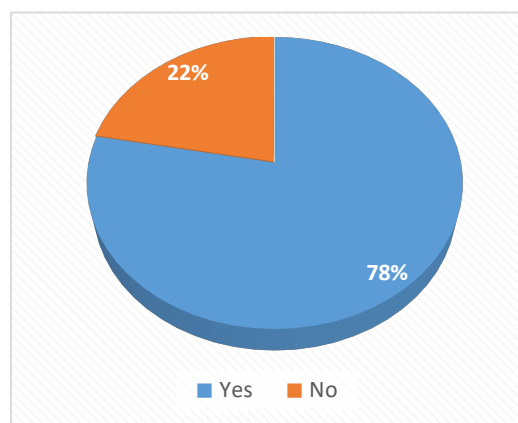
Option	Percentage
Yes	69%
No	31%



The above table and diagram show that 69% voted that training in Pradhan Mantri Kaushal Vikas Yojana is helpful to get a job and 31% voted against it.

Q. 4: Do you think that training programs under PMKVY are helpful in self-employment:

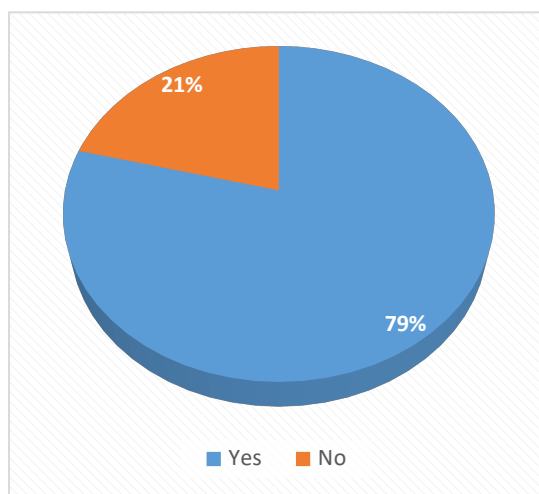
Option	Percentage
Yes	78%
No	22%



From the given table and diagram, it is seen that 78% of respondents believe that the training program by PMKVY help to become self-employed while 22% deny it.

Q. 5: Do you think this type of scheme is helpful for skill development courses for unskilled labor?

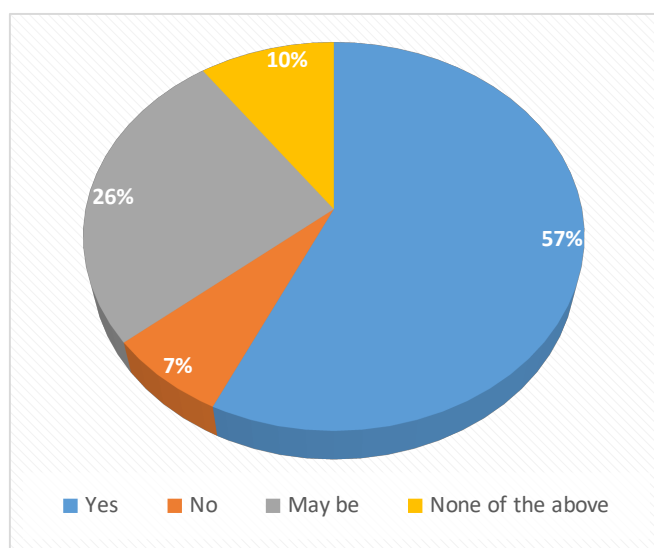
Option	Percentage
Yes	79%
No	21%



From the given table and diagram, it can be interpreted that 79% of respondents found that it's a helpful scheme for uneducated and unskilled people, who are in search of a job. While 21% say that this type of scheme is not helpful.

Q. 6: Do you think the government should put more effort into the awareness of the scheme Pradhan Mantri Kaushal Vikas Yojana?

Options	Percentage
Yes	57%
No	7%
May be	26%
None of the above	10%



The given table and diagram reveal that there is a different opinion of the respondents in this regard. 57% of the respondents think that the government should put more effort In the awareness of Pradhan Mantri Kaushal Vikas Yojana, however, 7% of the respondents denied it. Whereas 26% of the respondents say that the government may or may not put an effort into awareness of PMKVY and 10% have not responded.

Impact of PMKVY on Income

Income	Mean	N	Std. Deviations	t'-Value	Df	P'-Value
Before PMKVY	5550	50	3100.68	-4.15	49	0.000
After PMKVY	8900	50	2605.15			

n_1 = Size of Sample 1 = 50

n_2 = Size of Sample 2 = 50

\bar{x}_1 = Mean of Sample 1 = 5550

\bar{x}_2 = Mean of Sample 2 = 8900

σ_1 = Standard Deviation 1 = 3100.68

σ_2 = Standard Deviation 2 = 2605.15

Analysis of the Data

$$Z = \frac{(\bar{x}_1 - \bar{x}_2) - (\mu_1 - \mu_2)}{\sqrt{\frac{\sigma_1^2}{n_1} + \frac{\sigma_2^2}{n_2}}} = \frac{(5550 - 8900) - (0)}{\sqrt{\frac{3100.68 * 3100.68}{50} + \frac{2605.15 * 2605.15}{50}}}$$

$$Z = \frac{(5550 - 8900)}{\sqrt{\frac{9614200}{50} + \frac{6786800}{50}}} = \frac{-3350}{439+368} = \frac{-3350}{807}$$

$$Z = -4.15$$

The critical value of Z at a 5% level of significance is ± 1.96 . As the absolute computed value of Z is more than the absolute critical value, the null hypothesis is rejected. Therefore, there is a significant change in income after joining Pradhan Mantri Kaushal Vikas Yojana.

Impact of PMKVY on Savings

Saving	Mean	N	Std. Deviations	t'-Value	Df	P'-Value
Before PMKVY	1110	50	817.66	-3.27	49	0.000
After PMKVY	1810	50	694.33			

n_1 = Size of Sample 1 = 50

n_2 = Size of Sample 2 = 50

\bar{x}_1 = Mean of Sample 1 = 1110

\bar{x}_2 = Mean of Sample 2 = 1810

σ_1 = Standard Deviation 1 = 817.66

σ_2 = Standard Deviation 2 = 694.33

Analysis of the Data

$$Z = \frac{(\bar{x}_1 - \bar{x}_2) - (\mu_1 - \mu_2)}{\sqrt{\frac{\sigma_1^2}{n_1} + \frac{\sigma_2^2}{n_2}}} = \frac{(1110 - 1810) - (0)}{\sqrt{\frac{817.66 * 817.66}{50} + \frac{694.33 * 694.33}{50}}}$$

$$Z = \frac{(-700)}{\sqrt{\frac{668568}{50} + \frac{482088}{50}}} = \frac{-700}{115.63 + 98.19} = \frac{-700}{213.83}$$

$$Z = -3.27$$

The critical value of Z at a 5% level of significance is ± 1.96 . As the absolute computed value of Z is more than the absolute critical value, the null hypothesis is rejected. Therefore, there is a significant change in saving after joining Pradhan Mantri Kaushal Vikas Yojana.

Suggestions

- The infrastructure facility needs to be upgraded.
- To reap the benefit of the demographic dividend (since India is a highly populated country and 68% population is working population), so, skilling and re-skilling of the youth must be given top priority to solve the unemployment problem in the youth
- Vocational training should be treated as industry and private investments from domestic and foreign investors should be encouraged.
- The curriculum should be updated according to the changing need of the market.
- There must be an adequate number of trainers.
- The training schemes under PMKVY need to be developed in rural areas.
- The skill development schemes should be focused on the improvement of skills in situations of natural calamities.

Conclusion

It can be concluded from the given data that the people who have undergone the training program by PMKVY have a positive impact on their employability and earnings. Respondents have revealed that the certificate they attained after the completion of the training program has helped them in getting jobs, but there is also a challenge of acceptance of these training programs by employers. However, these training programs helped them to be skilled which further helped them to become self-employed, which raises their income and savings as well.

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