



Public Policy and Policy Institutions

1.0. Introduction

In any development debate, the role of institutions has a crucial place. This is because, it is institutionalized action, that turn public policy into strategies. India has a significant institutional network that cater to various functional areas relating to enterprise development, such as business development services, finance, and promotion in general. It is necessary to examine the current role and potential of these institutions, in a context where the MSME constituency is left with significant unutilized potential in waiting. The following pages attempts to look into the role of public policy and policy institutions in shaping the MSME geography of India, what it is today.

2.0. Macro Policy and the Flagship Programmes

In the overall schema of public policy in India, MSMEs do not have a stand-alone position. Policies relating to this sector, from time to time, are shaped in relation to the macro economic policy in the country. Macroeconomic policy in India today, is largely influenced by the few flagship programmes, which to, a large extent influences the working of the Ministries of the Union Government and of the States. Therefore, a discussion on these flagship programmes is important.

2.1. Flagship programmes.

2.1.1. Skill India

Prime Minister Mr. Narendra Modi launched the 'Skill India' programme on July 15, 2015, on the occasion of the first-ever World Youth Skills Day. The main goal of the Programme is to create opportunities, space and scope for the development of the talents of the Indian youth and to develop more of those sectors

which have already been put under skill development for the last so many years, and also to identify new sectors for skill development. The new programme aims at providing training and skill development to 500 million youth by 2020, covering every village. This campaign mode programme is expected to bring together key stakeholders that include the ministries, state governments, departments and other leading industrial bodies, and trainees under a single umbrella, thereby making the campaign a great success.

The launch of Skill India programme also marked, as its corollary, three schemes, proposed to achieve the objective of the Programme: 1) National Skill Development Mission; 2) National Policy for Skill Development and Entrepreneurship 2015; 3) Pradhan Mantri Kaushal Vikas Yojana (PMKVY); and 4) Skill Loan scheme. These schemes are being implemented by the Ministry of Skill Development and Entrepreneurship.

The Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the Ministry's flagship, demand-driven, reward-based skill training scheme, is meant to incentivise skill training by providing financial rewards to candidates who successfully complete approved skill training programmes. Over the next one year, PMKVY is expected to skill 24 lakh youth, across the country. Through an initiative known as 'Recognition of Prior Learning' (RPL), 10 lakh youth will be assessed and certified for the skills that they already possess.

Under the Skill Loan scheme, loans ranging from Rs 5,000-150,000 will be made available to 34,00,000 youth seeking to attend skill development programmes over the next five years.

Across India, special PMKVY mobilization camps are being organized at 100 locations with Nehru Yuva

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