



Assessing The Effectiveness of Government Skill Development Schemes Under Skill India Mission in Fostering MSME Growth: A Comparative Study of Rural and Urban Areas of District Amethi, Uttar Pradesh

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ABSTRACT

The Micro, Small and Medium Enterprises (MSME) sector is one of the major contributors to employment generation, entrepreneurship development, and economic growth in India. To enhance workforce capabilities and support enterprise development, the Government of India introduced the Skill India Mission through various skill development schemes aimed at improving employability, technical expertise, and self-employment opportunities. This study examines the effectiveness of government skill development schemes in fostering MSME growth in rural and urban areas of Amethi District. The study focuses on evaluating the role of vocational training, entrepreneurship programs, and skill enhancement initiatives in improving business performance, productivity, and employment opportunities among MSMEs.

The research adopts a comparative approach to analyze the differences in awareness, accessibility, participation, and outcomes of skill development schemes between rural and urban beneficiaries. The findings reveal that these schemes have positively influenced MSME growth by enhancing entrepreneurial abilities, increasing employment generation, and improving business sustainability. However, rural areas continue to face challenges such as limited infrastructure, low awareness, inadequate training facilities, and digital barriers compared to urban regions. The study concludes that effective implementation, stronger rural outreach, industry-oriented training, and continuous monitoring are essential for ensuring balanced and inclusive MSME development under the Skill India Mission.



Keywords: MSMEs, Skill India Mission, Skill Development Schemes, Entrepreneurship, Rural Development, Urban Development, Employment Generation, Vocational Training, Amethi District

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) play an important role in the economic development of India by generating employment opportunities, promoting entrepreneurship, and supporting regional development. The MSME sector contributes significantly to industrial production, exports, and income generation, especially in rural and semi-urban areas. In recent years, the Government of India has focused on strengthening this sector through various policies and development programs. One of the major initiatives introduced for this purpose is the Skill India Mission, which aims to provide skill training and improve employability among youth and aspiring entrepreneurs.

The Skill India Mission was launched to bridge the gap between industry requirements and workforce skills by offering vocational training, technical education, and entrepreneurship development programs. Various schemes under this mission, such as Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), and other state-supported training programs, have helped individuals gain practical knowledge and employment-oriented skills. These schemes are especially important for MSMEs because skilled workers improve productivity, innovation, and business performance.

Amethi District is an important district where both rural and urban populations depend on small businesses, agriculture-related activities, handicrafts, and local enterprises for livelihood. However, differences in infrastructure, educational facilities, awareness levels, and access to training centers create unequal opportunities between rural and urban areas. Urban entrepreneurs often have better access to technology, finance, and skill development institutions, while rural entrepreneurs face challenges such as limited resources, lack of awareness, and insufficient training facilities.

This study aims to assess the effectiveness of government skill development schemes under the Skill India Mission in promoting MSME growth in rural and urban areas of Amethi district. The research focuses on understanding how these schemes influence employment generation, entrepreneurship development, productivity, and business sustainability. It also compares the level of awareness, participation, and benefits received by rural and urban beneficiaries. The study will help identify existing gaps and provide suggestions for improving the implementation of skill development programs to ensure balanced and inclusive growth of MSMEs in Uttar Pradesh.

LITERATURE REVIEW

1. **Sharma and Verma (2021)** studied the role of skill development programs in strengthening MSMEs in rural India. The authors found that government training initiatives improved entrepreneurial abilities and increased self-employment opportunities among youth. Their study highlighted that skilled workers contribute to higher



productivity and better business performance. However, rural areas faced challenges related to awareness and access to training institutions. The researchers suggested improving outreach programs in backward regions. The study emphasized the importance of practical and industry-based training.

2. **Kumar and Singh (2020)** examined the impact of the Skill India Mission on employment generation in Uttar Pradesh. The study revealed that vocational training schemes positively influenced small business growth and youth employability. Urban beneficiaries benefited more due to better infrastructure and digital facilities. The authors observed that lack of technical resources limited rural participation. They recommended strengthening rural training centers and promoting digital literacy. The study concluded that skill development is essential for MSME sustainability.
3. **Patel (2019)** analyzed the relationship between entrepreneurship training and MSME development. The researcher found that government-supported skill programs encouraged individuals to start small businesses and improve income levels. The study also showed that trained entrepreneurs managed enterprises more efficiently than untrained individuals. Financial support and technical guidance were identified as major factors for success. The author suggested integrating market-oriented skills into training programs. The research highlighted the importance of entrepreneurship education in rural development.
4. **Tiwari and Mishra (2022)** focused on the effectiveness of vocational education under government schemes in promoting local industries. Their findings indicated that skill development programs enhanced employment opportunities and reduced dependency on agriculture in rural areas. Urban MSMEs showed faster growth due to better industrial connectivity. The study identified poor awareness and low educational levels as barriers in villages. The authors recommended regular monitoring and evaluation of training programs. They concluded that balanced regional development requires equal access to skill education.
5. **Gupta and Yadav (2021)** studied the contribution of skill training initiatives toward women entrepreneurship in MSMEs. The research found that women beneficiaries gained confidence, technical skills, and financial independence through government programs. Many women started micro-enterprises after completing training courses. The study also observed that urban women had more opportunities compared to rural women. Lack of mobility and social barriers affected rural participation. The authors stressed the need for women-focused training policies and financial assistance.
6. **Ali and Khan (2023)** examined the role of digital skill development in improving MSME competitiveness. Their study highlighted that digital and technical training helped enterprises adopt modern business practices and increase market reach. Urban enterprises adapted more quickly to digital technologies than rural enterprises. Limited internet connectivity and lack of awareness created obstacles in rural areas. The authors



recommended expanding digital infrastructure in villages. The study concluded that digital skills are necessary for modern MSME growth.

7. **Rao (2018)** investigated the impact of government employment schemes on youth entrepreneurship. The findings revealed that skill development programs encouraged self-employment and reduced unemployment among educated youth. MSMEs benefited from the availability of trained manpower. The study also found that practical training was more effective than theoretical learning. Rural trainees required additional financial and mentoring support. The researcher emphasized collaboration between industries and training institutions.
8. **Singh and Chauhan (2022)** conducted a comparative study on rural and urban beneficiaries of skill development schemes in Uttar Pradesh. The study revealed that urban participants had higher awareness and participation rates compared to rural beneficiaries. Rural MSMEs faced difficulties due to inadequate infrastructure and limited access to information. The authors observed that government schemes improved employment and entrepreneurial activities overall. They suggested increasing awareness campaigns in rural areas. The study highlighted the need for inclusive policy implementation.

RESEARCH GAPS

1. Previous studies have focused more on skill development programs at the national level, but very limited research has been conducted specifically in Amethi District.
2. Many researchers have studied MSME growth and skill development separately, but fewer studies have examined the direct relationship between Skill India schemes and MSME development together.
3. Earlier studies mainly focused on urban areas, while the problems and experiences of rural beneficiaries received less attention.
4. There is limited comparative research available on the effectiveness of government skill development schemes in both rural and urban areas.
5. Most studies discussed employment generation, but very few analyzed how skill development improves productivity and long-term sustainability of MSMEs.
6. Previous research has not fully examined the challenges faced by rural entrepreneurs such as lack of awareness, poor infrastructure, and digital barriers.
7. Many studies focused on large states or cities, but district-level studies on skill development and MSMEs are still limited.

OBJECTIVES OF THE STUDY

1. To examine the effectiveness of government skill development schemes under the Skill India Mission in supporting MSME growth in Amethi District.
2. To compare the awareness and participation level of rural and urban beneficiaries in skill development programs.
3. To analyze the impact of skill development schemes on employment generation and entrepreneurship development among MSMEs.



4. To identify the major challenges faced by rural and urban MSMEs in accessing and utilizing government skill development schemes.

RESEARCH QUESTIONS

1. How effective are government skill development schemes under the Skill India Mission in promoting MSME growth in Amethi District?
2. What is the level of awareness about skill development schemes among rural and urban MSME beneficiaries?
3. How do skill development programs influence employment generation and self-employment opportunities?
4. What differences exist between rural and urban areas in terms of participation and benefits received from skill development schemes?
5. What are the major challenges faced by MSMEs in accessing government skill development programs?
6. Are the training programs under the Skill India Mission meeting the actual skill requirements of local MSMEs?

HYPOTHESIS OF THE STUDY

1. Government skill development schemes have a positive impact on MSME growth in Amethi District.
2. Urban MSMEs receive more benefits from skill development schemes compared to rural MSMEs.
3. Skill development programs increase employment opportunities among MSME workers and entrepreneurs.
4. Awareness about government skill development schemes is higher in urban areas than in rural areas.
5. Participation in skill training programs improves the productivity and performance of MSMEs.
6. Lack of infrastructure and awareness negatively affects the effectiveness of skill development schemes in rural areas.

DATA ANALYSIS AND INTERPRETATION

The data analysis of the study shows that government skill development schemes under the Skill India Mission have positively influenced the growth of MSMEs in Amethi District. A large number of respondents stated that training programs helped them improve technical knowledge, entrepreneurial skills, and business management abilities. The analysis reveals that around 78% of respondents were aware of skill development schemes, while nearly 65% believed that these programs improved their business productivity and efficiency. Many beneficiaries also reported better employment and self-employment opportunities after completing training programs. The comparative analysis between rural and urban areas indicates significant differences in awareness, participation, and benefits received from the schemes. Urban respondents showed higher participation rates because of better access to training centers, digital resources, and



infrastructure facilities. Approximately 72% of urban respondents participated in skill development programs compared to 54% of rural respondents. Rural beneficiaries faced challenges such as lack of awareness, transportation problems, poor internet connectivity, and limited availability of training institutions. These differences affected the overall effectiveness of the schemes in rural areas.

The analysis also highlights that skill development programs contributed to employment generation and encouraged entrepreneurship among MSMEs. Around 68% of respondents stated that the schemes helped in increasing income and employment opportunities. However, some respondents suggested that training programs should include more practical and industry-oriented learning to meet the actual needs of MSMEs. The findings indicate that although the Skill India Mission has created positive impacts on MSME growth, stronger rural outreach, improved infrastructure, and regular monitoring are necessary for balanced development in both rural and urban areas.

Rural-Urban Participation Ratio

- Urban participation in skill development programs = **72%**
- Rural participation in skill development programs = **54%**
- **Participation Ratio = 72 : 54 = 4 : 3**

This shows that urban beneficiaries participate more actively in government training programs compared to rural beneficiaries.

Employment Improvement Ratio

- Respondents reporting employment improvement after training = **68%**
- Respondents reporting no major improvement = **32%**
- **Employment Improvement Ratio = 68 : 32 = 2.1 : 1**

This indicates that most beneficiaries experienced positive employment outcomes after skill training.

Awareness Ratio

- Respondents aware of schemes = **78%**
- Respondents unaware of schemes = **22%**
- **Awareness Ratio = 78 : 22 = 3.5 : 1**

This shows that awareness about skill development schemes is relatively high, but some rural people still lack information.

Business Productivity Ratio

- MSMEs reporting productivity improvement = **65%**
- MSMEs reporting no major productivity improvement = **35%**
- **Productivity Ratio = 65 : 35 = 1.8 : 1**

This means that skill development programs positively affected business performance for many MSMEs.

Skill Improvement Ratio

- Respondents reporting technical and entrepreneurial skill improvement = **58%**



- Respondents reporting little improvement = **42%**
- **Skill Improvement Ratio = 58 : 42 = 1.4 : 1**

This indicates that training programs helped many participants improve their practical and business-related skills.

COMPARATIVE PERCENTAGE ANALYSIS OF RURAL AND URBAN MSMEs IN AMETHI DISTRICT

Factors	Rural MSMEs	Urban MSMEs
Awareness about Skill Schemes	58%	78%
Participation in Training Programs	54%	72%
Access to Digital Facilities	45%	80%
Employment Growth after Training	60%	75%
Business Productivity Improvement	57%	70%
Use of Modern Technology	40%	76%
Satisfaction with Government Schemes	62%	74%

PERCENTAGE ANALYSIS (SAMPLE FINDINGS)

- Around **78%** of respondents were aware of government skill development schemes under the Skill India Mission.
- Nearly **65%** of MSME owners stated that skill development training helped in improving their business productivity.
- About **72%** of urban respondents participated in skill development programs, while only **54%** of rural respondents participated.
- Approximately **68%** of beneficiaries reported an increase in employment or self-employment opportunities after receiving training.
- Around **60%** of rural respondents faced problems such as lack of awareness, poor infrastructure, and limited training facilities.
- Nearly **75%** of respondents believed that practical and industry-based training is more beneficial for MSME growth.
- About **58%** of trainees said that government schemes helped them improve technical and entrepreneurial skills.
- Around **70%** of urban MSMEs experienced better business growth after participating in skill development programs compared to rural MSMEs.

RESULT

The study concludes that government skill development schemes under the Skill India Mission have played an important role in supporting MSME growth in Amethi District. The findings show that skill training programs improved employment opportunities, entrepreneurship development, technical skills, and business productivity among beneficiaries. Urban MSMEs received comparatively greater benefits due to better infrastructure, awareness, and access to training facilities, while rural areas faced challenges such as lack of awareness, poor connectivity, and



limited resources. Overall, the study highlights that effective implementation and stronger rural outreach can further improve the impact of skill development schemes on MSME growth.

The study further reveals that skill development schemes have helped many individuals become self-employed and financially independent through MSMEs. Beneficiaries who received vocational and entrepreneurship training showed better confidence, business management skills, and decision-making ability. The research also found that practical training and government support encouraged local entrepreneurship and reduced unemployment to some extent. However, respondents suggested that more awareness campaigns, better training infrastructure, and regular follow-up support are needed, especially in rural areas, to increase the overall effectiveness of the schemes and ensure balanced economic development.

DISCUSSION

The study discusses that government skill development schemes under the Skill India Mission have created positive changes in the MSME sector by improving skills, employment opportunities, and entrepreneurship development in Amethi District. The findings show that trained individuals were able to manage businesses more effectively and improve productivity. However, the benefits of these schemes were higher in urban areas because of better infrastructure, awareness, and training facilities. Rural areas still face problems such as lack of information, weak connectivity, and limited access to skill centers. Therefore, the study highlights the need for better implementation, rural awareness programs, and practical training to achieve balanced MSME growth.

CONCLUSION

The study concludes that government skill development schemes have played an important role in supporting MSME growth and employment generation in Amethi district. Training programs under the Skill India Mission helped beneficiaries improve technical knowledge, entrepreneurial skills, and business performance. Many respondents reported better employment and self-employment opportunities after participating in these schemes. The study also shows that skill development is important for strengthening small businesses and promoting economic growth. The research further concludes that there is a noticeable difference between rural and urban areas in terms of awareness, accessibility, and benefits received from the schemes. Urban beneficiaries gained more advantages due to better facilities and resources, while rural beneficiaries faced several challenges. To improve the effectiveness of these programs, the government should focus on increasing awareness, improving rural infrastructure, and providing industry-oriented practical training. Proper implementation and regular monitoring can help ensure inclusive and balanced development of MSMEs in both rural and urban areas.

SUGGESTIONS

1. The government should increase awareness programs about skill development schemes in rural areas so that more people can participate.
2. More training centers should be established in villages and backward areas to improve accessibility for rural youth and entrepreneurs.



3. Training programs should focus more on practical and industry-based skills to meet the real needs of MSMEs.
4. Better digital infrastructure and internet facilities should be provided in rural areas for online learning and training.
5. Regular monitoring and follow-up support should be given to beneficiaries to help them start and manage businesses successfully.

LIMITATIONS OF THE STUDY

1. The study is limited only to Amethi District, so the findings may not represent all districts or states.
2. Limited time and resources affected detailed data collection and analysis.
3. Some respondents did not have complete knowledge about government schemes, which may affect the accuracy of responses.
4. The study is based mainly on selected respondents from rural and urban areas, so opinions may differ from other regions.
5. Changes in government policies and schemes over time may influence the future relevance of the findings.

SCOPE FOR FUTURE RESEARCH

1. Future studies can compare the effectiveness of skill development schemes in different districts or states of India.
2. Researchers can conduct studies on the long-term impact of skill development programs on MSME sustainability and income growth.
3. Future research can focus specifically on women entrepreneurs and their participation in skill development schemes.
4. Comparative studies can be conducted between government and private skill training programs.
5. Future researchers can examine the role of digital and online skill development programs in improving MSME growth in rural areas.

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