Executive Summary

For developing a successful career, skills acquisition is important as it gives a person the much needed boost to sustain in a highly competitive environment. Like most of the developing countries, India is also having its own share of problems and among these unemployment and poverty are two major issues which the country cannot ignore at any cost. Most of the time it is observed that the policy makers fail to realize the root cause of the problem and land up in such policy initiatives which are neither effective nor appropriate given the present socio economic conditions of the country. Contemporary India has the advantage in terms of manpower but these resources cannot be utilized if not trained properly. The huge pool of talented young workforce to the tune of 356 million in the age group of 10 – 24 years is surely an appreciable figure in terms of demographic dividend which most of the other countries do not have. Some of them are already for the job market and the rest of them are being prepared to join the market in due course of time. According to World Bank Development Report, 2013, creation of new job opportunities are more in most of the developing and less developed countries. This report also mentioned that Sub Saharan Africa’s labor force was growing at 8 million per year whereas in case of most of the Asian countries this trend is approximately 12 million per year. By this trend the projected new job requirement will be to the tune of 600 million by 2020.1

Creation of job opportunities of this magnitude is a huge task and need different interventions from the government’s point of view. Micro, Small & Medium Enterprises (MSME) is one such sector which has the potential to absorb this growing labour force. Like most of the developing countries, in case of India also MSME sector can play a dynamic role to absorb a large number of workforce and at a lower capital investment as compared to heavy industries where initial investment is huge. Not only that, MSME has the ability to create job opportunities in those areas where regional disparities has led to inequality and backwardness. It has often been noticed that due to backwardness of some regions, most of the large corporate houses are reluctant to set up industries in those areas. This has led to problems of inequalities and regional disparities in terms of growth prospects of the said region. But MSME sectors are based in a specific locality and thus have the advantage of local development both in terms of economic upliftment as well as employment opportunities for the local people. As the main objective of regional and local development links to

1 World Bank Development Report, 2013
employment opportunities, this needs to be aligned with the usage of local resources, i.e. both human as well as natural. Strategies for regional development to stimulate and maintain business activity and employment include increasing entrepreneurial behavior and improving entrepreneurial culture, encouraging new ventures, innovations and start-ups, attracting businesses and investments, and developing and expanding existing businesses.

Creation of a business environment is not an easy task as an entire country’s socio economic condition has a direct link with this. A country is said to be investment friendly if its political, social, technological and legal environment is favorable to any kind of future business activities. This is not only true for foreign and large Indian industries; it is equally true for the small industries as well. As it has been noticed, most of the time, industrial policy of India has been focused on the development of heavy industries as it was based on the concept of trickledown theory; (which states that as the industrial sector grows the benefits of the said industrial growth will percolate to the lowest strata of the economy). But it has seldom happened in India. The end result has been uneven distribution of national income and unequal economic development. Today, MSME sector has assumed importance and lots of initiatives are being implemented so that its true benefits can be utilized properly. Here, the policy makers should understand that the objective should be long term and the same needs to be aligned with the growth prospects of the country as well as the people living in that part of the country where MSME activities are taking place. As the sector started growing interest among the different stakeholders, it also brought various issues which needed immediate attention so that its true benefits could be achieved in a phased manner. It is obvious that even after tremendous government initiatives the sector is found lacking in some respects and these issues should be addressed for the smooth functioning of the sector. The broad issues as highlighted by the special Prime Minister’s Task Force on MSME sector are listed below:

- Lack of availability of adequate and timely credit
- High cost of credit
- Collateral requirements
- Limited access to equity capital
- Problems in supply to government departments and agencies
- Procurement of raw materials at a competitive cost
- Problems of storage, designing, packaging and display of products
- Lack of access to global markets
• Inadequate infrastructure facilities
• Lack of access to modern technology
• Dearth of skilled manpower for manufacturing, services, marketing etc.

Out of the aforesaid problems the MSME sector is facing, the present study will only focus on the availability of skilled manpower for the future development of the sector.

For this study the chapter plan has been made as follows:

Chapter I: Introduction to the Study

Chapter II: Review of Literature & Research Methodology

Chapter III: Profile of Khurda and Malkangiri District

Chapter IV: Comparative Analysis of Data

Chapter V: Findings, Recommendations & Conclusions