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**SKILL DEVELOPMENT - A STEP TOWARDS START-UP INDIA IN REALISING 5 TRILLION DOLLAR DREAM**

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**Abstract :**

*This research paper revolves around the concept of role of skill development which opens the path of economy to bring USD 5 trillion dream in reality. Post pandemic it seems little difficult to achieve such dream because country is grappling with the issue of unemployment and migration. Government initiatives like Skill India, Make in India and Start up India seems as the biggest rescuers in present situation of country for this dream because GDP growth cannot come only from consumption, investments or export market. Skill development programmes enhances the employability among the youths and helps to reshape the economy especially after the corona pandemic. India's 1.3 billion young and ambitious demographic is one of the key engines driving the country to its path to a 5 trillion dollar economy.*

*Key purpose of this article is to put some light on how India will realise its dream of creating a 5 trillion dollar economy post pandemic. In the 1990s, economic reforms moved India towards a more market-based economic environment. Since this liberalisation, the overall economic development has been dynamic and as of 2017, the Indian economy had a GDP of US\$2.726 trillion. With a GDP growth of 7.0 percent in 2018, India is one of the fastest-growing large economies in the percent but pandemic thrashed the country's position and left it in worst condition where economy faced a biggest drop in GDP.*

*Skill development programme can push the growth process of Start up India and can pave the way for country biggest dream. Skill plays a pivotal role behind the USD 5 Trillion GDP growth as productivity in terms of agriculture, manufacturing and servicing are dependent on manpower and human skills. On the other side Start-up India initiative of the Government of India, intended to catalyse start-up culture and build a strong and inclusive ecosystem for self employment, innovation and entrepreneurship in India. Combination of both schemes along with other initiatives can transform India into an economic powerhouse facilitating in realising the dream of trillion dollar.*

**Keywords:** Skill Development, Start-up India Scheme, 5 \$ Trillion Goal

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## **Introduction :**

India is one of the fastest growing major economies and is currently ranked as the world's sixth largest economy. Projections of growth, over the medium term, remain encouraging and optimistic for India. The underlying strengths are indicative of the potential of India to achieve a USD 5 trillion economy by 2025. Prime Minister Narendra Modi said that BJP-led government has given the country a solid foundation so that it can achieve its target to be US \$5 trillion economy by 2024. While the Vision is laudable, Economists point to the rapidly slowing India economy. The International Monetary Fund cut its estimate for India's growth to 6.1% from 7% projected in July, calling on the country to use monetary policy and broad-based structural reforms to address cyclical weakness and strengthen confidence. Undoubtedly, COVID has pushed back the economy but by focusing on key areas economy can revive and realise its dream.

## **Research Methodology :**

This paper is prepared with the blend of theoretical knowledge consist of secondary data. In secondary data, the main source of information will be carried out from Internet, which will be supported by the extracts from E- Newspapers, Magazines, and Journal & Books.

## **Objectives Of Study :**

1. To explore whether skill development along with startup schemes facilitates country to make itself a USD 5 trillion GDP economy.
2. To highlight the benefits of being a trillion dollar economy at international platform.
3. To identify the key economic theories for improvising economy amid the corona wave.

## **Problem Statement :**

The COVID'19 crisis which started with public health concerns has quickly spread to become a major economic crisis. These unprecedented economic challenges posed by COVID'19 pandemic has adversely impacted production, employment of national economies and global trade. Two questions arise amid these domestic and global challenges. Will India attain its dream of a \$5 trillion economy and if yes, when? What should be done to drive the Indian economy to the \$5 trillion gross domestic product (GDP)?.

## **Key Contributors Towards Five Trillion Dollars Dream :**

Start-ups are often characterized as risk takers, economic Participants and wealth creators. India's growth can be accelerated with the support of knowledge drivers such as innovation, human capital, intellectual property rights, research and development. Long ago Government of India had already started its journey to achieve the dream of trillion dollar by taking initiatives like Start-up India, Atmanirbhar Skilled Employee Employer Mapping (ASEEM), Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP), Pradhan Mantri Kaushal Vikas Yojana, Skill India initiative, Make in India, Digital India and so on.

Dr.Mahendra Nath Pandey, Minister of Skill Development & Entrepreneurship, Government of India, said that Skill India is a concept that has been making a footprint, both in and outside India. He said that all our ecosystem of education and skill departments in every state and district came together to contribute with their innovative ideas during the last 7 months of the COVID pandemic. He opined for skilling, re-skilling and

up-skilling, skill training centres, industry connect skilling and industry demand skilling are important for achieving the vision of a USD 5 trillion economy and making India self-reliant, going forward. He talked about the importance of Atmanirbhar Skilled Employee Employer Mapping (ASEEM), a database to bridge the gap of demand and supply of skilled workforce across the sectors

Launched on 16<sup>th</sup> January, 2016, the Start-up India Initiative has rolled out several programs with the objective of supporting entrepreneurs, building a robust start-up ecosystem and transforming India into a country of job creators instead of job seekers. These programs are managed by a dedicated Start-up India Team, which reports to the Department for Industrial Policy and Promotion (DPIIT).

Start-ups are rewriting India's economic roadmap, will lead India's march to \$5 trillion GDP. By supporting start-ups that are risk-takers and wealth-creators building for a better future, we can accelerate India's transformation into an unstoppable economic powerhouse. India is gearing up to an ambitious GDP goal of \$5 trillion by 2025. In 2018-19, India's nominal GDP was Rs 190 lakh crore; at \$1 at 70, which translates to \$2.7 trillion. To reach \$5 trillion in 2025, India must grow at 10.8 percent CAGR if the rupee holds at 70; or even faster at 12 percent CAGR if the rupee depreciates to 75.

The world is embracing knowledge economy-led growth. Where physical labour and assets characterise agrarian/industrial economies, and knowledge economies utilise information to augment goods and services rapidly. The knowledge drivers are innovation, human capital, intellectual property, R&D, and focused creation of new specialisations. With the advent of the internet today, winning growth strategies leverage technology, data, connectivity, network effects, computation, AI, and other emerging forces to capture market share. Knowledge-driven fields accelerate value addition to the economy and drive GDP growth. In India today, just like the world over, the knowledge economy wave is pioneered by start-ups.

### **Rescuer Economic Theories Post Pandemic :**

- **MMT:** The term "Modern Monetary Theory" was coined by Australian economist Bill Mitchell in the early 90s, however some of the ideas are based on earlier themes in Keynesian economics. Modern Monetary Theory (MMT) is a policy model for funding government spending. While MMT is not new, it has recently received widespread attention, particularly as government spending has increased dramatically in response to the ongoing COVID-19 crisis. Modern Monetary Theory (MMT) is an economic theory that suggests that the government could simply create more money without consequence as it's the issuer of the currency. This theory has met with number of objection since its inception like its implementation will lead to inflation, perhaps even hyper-inflation, with devastating consequences for domestic economies. However, in this problematic situation government can reduce its spending or increase taxes.
- **Human Capital Theory :** The pandemic posed numerous adverse effect on human resource segment. Amid pandemic, it became indispensable to look for strategies to improve and make more capable our human resource. Wolf (2002) claims that emphasis on education and skills are the main driver of economic growth. Policymakers around the world tend to accept unquestioningly the premise that investment in education and training is a good thing, with most committed to investment in human capital, including Vocational Education and Training (VET), as a means of securing higher economic growth and national prosperity as well as achieving equity goals.

### **India's Major Gains From This Dream :**

- India's major achievement will be in import export area, country can produce low cost products by making itself a manufacturing hub globally. So the law of economies of scale will help the economy to produce goods at economic rates.
- Once economy reached a level of its dream, it tends to generate high demand due to huge money supply circulation in economy. This results into demand for labor to push the production side to make a balance with demand side. Hence, economy will see an upward growth in employment opportunities specially for middle class.
- India will definitely see prosperity phase if it became trillion dollar economy. This will ensure a considerable hike in the salary of experienced professionals across different sectors because during this phase more and more investments would be injected into the economy. So all the skills, experience and calibre will get the real value when India reaches the \$5 trillion mark.
- India Could Become a Home to Many Startups. The uptick in demand will encourage most of the middle class people to open their own business firms, which can be a small kirana store, an app-based store or any other. The startup ecosystem will kick in as investors will be prompted to invest in high-valued added firms seeing the surge in overall demand. So all you budding entrepreneurs, you have reasons to smile as India heads towards its goal.
- Another gain would be rise in returns. The spur in the business activities will increase the margins of the companies, resulting in higher returns for individuals having invested in stocks and mutual funds issued by such firms.

### **Conclusion :**

A \$5 trillion economy for India is absolutely achievable, with a beautiful blend of growth in labour, capital and technology. India is blessed with a large labour pool. It could be an attractive investment destination with the potential to pull in capital in the coming years as interest rates offered by developed countries keep falling. Moreover, the country has strongly focused on technology in recent years as more businesses realize the benefit of cost-cutting through technological innovation and integration. However, what lacks certainty is the 2025 time frame. Country may take a little more time to realise its dream due to pandemic, if it not by 2025 definitely it would be by 2030.

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