

1 Entrepreneurship Skills for Growth-Oriented MSMEs in Bihar 2 State.

3 4 5 **Abstract**

6 With the notion of growth and the empowerment of citizens' economic conditions, various
7 state governments in India have taken a lot of initiative in the periphery of entrepreneurship.
8 The significance of entrepreneurship in supporting economic development has been identified
9 as a stepping stone by many researchers, and it is well-recognised that education and training
10 go hand-in-hand and play a crucial role in nurturing future entrepreneurs and developing the
11 abilities of existing entrepreneurs to grow their established businesses to greater success.
12 Entrepreneurship is breaking through the old rudiments. Financial support from the
13 Government of Bihar to weaker sections has strengthened the backbone of its economy. To
14 promote an innovation ecosystem and unlock the enormous entrepreneurial potential of the
15 state, the Mukhya Mantri Udyami Yojana (MMUY) and Bihar Laghu Udyami Yojana
16 (BLUY), which were launched in 2018 and 2023, respectively, focus on the promotion of
17 MSMEs in the state. Approximately 29 billion INR have been disbursed to nearly 74,540
18 beneficiaries under MMUY scheme and 56,248 proposals are accepted under BLUY scheme.
19 This research paper highlights the impact of various training programs that are provided to
20 the beneficiaries in Bihar state and also studies whether or not, these schemes are acting as a
21 catalyst for further entrepreneurship development programs.

22 **Introduction**

23 Micro, Medium and Small Enterprises (MSMEs) play a significant role in determining the
24 overall growth implications and strengthening the economies of developing or
25 underdeveloped nations. They promote entrepreneurs, stimulate innovation, push the
26 development of industrialisation and reduce economic disparities. In India, MSMEs are
27 slowly trying to supersede the position held by the agricultural sector for over seven decades
28 after independence. Because of their high capital ratios and low capital investments compared
29 to large industries, MSMEs are known to stimulate economic growth, employment, incomes,
30 and export innovation in a developing economy [1]. They contribute about 30% to GDP and
31 employ over 117 million people.

32 **Contextual Background in Bihar**

33 MSMEs in Bihar have exhibited notable stability and resilience in retaining a compatible rate
34 of growth and employment generation during the last two decades. A healthy amalgamation
35 between the central and state governments led to prompt and appropriate fiscal stimulus.
36 Effective monetary policy and continuous capital inflow are the two major instruments in
37 restoring Bihar and revamping its image among the public from ***BIMARU*** state to ***SMART***
38 state. It was greatly achieved under the leadership of Chief Minister Sri Nitish Kumar.

39 As a catalyst for the state's socioeconomic transformation, the MSME sector is pivotal in
40 addressing the state's objectives, such as bridging the rural-urban gap and reducing poverty.
41 To further develop and keep the momentum going, the state government must adopt a
42 suitable policy framework that provides the impetus to grab opportunities and develop an
43 enabling business environment. Simultaneously, the MSME sector must address the
44 infrastructural deficiencies and focus on holistic development that can meet the emerging
45 challenges for sustainable growth and survival in a globally competitive market.

46 **Problem Statement**

47 The functioning of MSMEs in Bihar is undisputed. Though there is persistent growth, certain
48 hindrances exist. Insufficient credit facilities, obsolete technology, and failure of market
49 networks and linkages are a few problems one cannot neglect. To further growth, these
50 hindrances must be eliminated, which will unlock the latent potential and ensure sustainable
51 development.

52 **Research Objectives**

- 53 1. Evaluate the contribution of MSMEs in the last two decades in Bihar State.
- 54 2. Focus on growth potential and opportunities in the development of this sector in
55 Bihar.
- 56 3. Identify major issues, challenges, and constraints that budding enterprises face and
57 offer remedial suggestions to overcome them.

58 **Methodology**

59 To understand their role and challenges, this descriptive study involves a critical analysis of
60 the key functions of a few MSMEs registered and functioning in Bihar state, both in the
61 service and manufacturing sectors. The data are collected through secondary sources, such as
62 government publications, industry reports, annual reports, journals, books, and relevant
63 official websites.

64 **Literature Review**

65 The role played by MSMEs in the state economy is very significant. Still, the studies and
66 literature on their functioning are quite meagre, especially with reference to the changing

67 economic and growth perspectives. [7] stated that MSMEs in Bihar face critical challenges
68 pertaining to inadequate infrastructure, limited funding options, and insufficient awareness
69 regarding government schemes and support. It is of utmost importance to emphasise
70 improving governance, creating and enhancing credit access, and bridging the gap by
71 providing technical know-how which can foster growth, particularly in the underdeveloped
72 regions of Bihar. Research studies by [12] and [7] show a positive correlation between
73 MSME growth and Bihar's Gross State Domestic Product (GSDP). [5] and [3] suggested that
74 MSMEs must expand its horizon in the states like Bihar. It should have access to alternative
75 sources of capital like angel funds, risk capital, etc. There is a need to redefine the ceiling
76 limits. These initiatives will encourage MSMEs to develop through a cluster approach,
77 thereby increasing their level of competitiveness. [13] mentions the role of MSMEs in
78 generating employment and driving industrial growth in rural areas of Bihar and in India too.
79 In his research paper, he highlighted the major obstacles like outdated technology, paucity
80 and lack of awareness related to credit facilities. His suggestion focused on policy measures
81 to enhance competitiveness. [2] highlights the importance of enhancing the ease of doing
82 business and establishing enterprises in Bihar to attract angel investors. Her study emphasises
83 reducing red tape, reducing procedural delays, and enhancing financial support from state and
84 central governments, MSMEs, and other related organisations or institutions to encourage
85 innovation and entrepreneurship. In the era of Globalisation, development in living standards
86 and economic measures reflects the progress of a nation [9].

87 To some extent, the Bihar Industrial Investment Promotion Policy (2016) and the Prime
88 Minister's Employment Generation Programme (PMEGP) attempted to bridge gaps identified
89 by researchers such as [4] and [6]. MSMEs in Bihar often face setbacks due to weak
90 infrastructure, limited credit access, and outdated technology. [11] have stated in their
91 research paper that several successful models of MSMEs are evolving. There is a need to
92 strengthen the network among MSMEs to address the systematic problems underlying the
93 industry ecosystem, enhance enterprise resilience, and ensure global supply chain
94 sustainability. Higher education can play a significant role in encouraging young graduates to
95 pursue entrepreneurship, thereby reducing unemployment and increasing avenues for
96 economic development [10].

97 For better employment and entrepreneurship opportunity, under the leadership of Chief
98 Minister Nitish Kumar, the state government has launched several schemes: Mukhyamantri
99 Anusuchit Jaati/Anusuchit Janjaati Yudyami Yojana, Mukhyamantri Ati Pichhra Warg

100 Udyami Yojana, Mukhyamantri Mahila Udyami Yojana, Mukhyamantri Yuva Udyami
 101 Yojana, Mukhyamantri Alpasankhak Udyami Yojana and Bihar Laghu Udyami Yojana.

102

103 The research paper focuses on two flagship programs.

104 1. Mukhya Mantri Udyami Yojana (MMUY), started in the year 2018 limited to the members of
 105 Scheduled Caste (SC), Scheduled Tribe (ST) and Extremely Backward Classes (EBC) &

106 2. The Bihar Laghu Udyami Yojana (BLUY) was launched in 2023.

107

108 **Defining & Characterising MSME**

109 The term MSME is often used to describe small industries or business units, which have been
 110 classified differently in various contexts based on their nature of assets, the scale of production, the
 111 investment required, and the authorising institutions that permit their establishment. As per the
 112 International Finance Corporation (IFC), an enterprise will qualify as a Micro, Small or Medium
 113 enterprise if it fulfils two out of three criteria of the applied loan within the limits of MSME loan size
 114 proxy:

115

Table: 01

IFC MSME Definition				MSME Loan Size Proxy
INDICATOR	EMPLOYEES	TOTAL ASSETS US\$	ANNUAL SALES US\$	LOAN SIZE AT ORIGINATION
Micro enterprise	< 10	<\$100,000	<\$100,000	<\$10,000
Small enterprise	Oct-49	\$100,000 - < \$3 million	\$100,000 - < \$3 million	<\$100,000
Medium enterprise	50-300	\$3 million - \$15 million	\$3 million - \$15 million	<\$1 or \$2 million[for more advanced countries]

116

Source: <https://www.ifc.org/>

117 For the development and regulation of micro, small, and medium enterprises, a single
 118 comprehensive act was framed in 2006. The MSMED Act 2006, framed for the development
 119 of the MSME sector, freed it from a plethora of laws and regulations to address the issues of
 120 MSEs in both manufacturing and service industries. In a developing nation like India, the
 121 natural evolution and transformation of small enterprises into medium-sized enterprises
 122 should be encouraged through targeted policy interventions and a robust legal framework.

123 Union Budget of India (2025-26) has come up with a new classification of MSMEs where-

- 124 • Investment in plant and machinery of less than ₹ 2.5 crores and turnover of less than ₹
 125 10 crores is categorised as a Micro Enterprise.
- 126 • Investment in plant and machinery of less than ₹ 25 crores and turnover that does not
 127 exceed ₹ 100 crores is categorised as a Small Enterprise.
- 128 • Investment in plant and machinery of less than ₹ 125 crores and turnover that does not
 129 exceed more than ₹ 500 crores is categorised as a Medium Enterprise.

130 MSMED 2006 caters to 34 schemes, wherein the number of beneficiaries is increasing
 131 significantly every year.

132 **Table: 2 List of Schemes functional under MSME**

S. No	Schemes Title	S. No	Schemes Title
1	Prime Minister Employment Generation Programme (PMEGP)	18	ISO 9000/ISO 14001 Certification Reimbursement
2	Performance and Credit Rating Scheme	19	Marketing Support/Assistance to MSMEs (Bar Code)
3	Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE)	20	Lean Manufacturing Competitiveness for MSMEs
4	Interest Subsidy Eligibility Certificate (ISEC)	21	Design Clinic for Design Expertise to MSMEs
5	Science and Technology Scheme	22	Technology and Quality Upgradation Support to MSMEs
6	Market Promotion & Development Scheme (MPDA)	23	Entrepreneurial and Managerial Development of SMEs through Incubators
7	Revamped Scheme Of Fund for Regeneration Of Traditional Industries (SFURTI)	24	Enabling Manufacturing Sector to be Competitive through QMS&QTT
8	Coir Udyami Yojana (CUY)	25	Building Awareness on Intellectual Property Rights (IPR)
9	Coir Vikas Yojana (CVY)	26	International Cooperation
10	Skill Upgradation & Mahila Coir Yojana (MCY)	27	Marketing Assistance Scheme
11	Development Of Production Infrastructure (DPI)	28	Marketing Assistance & Technology Upgradation (MATU)
12	Domestic Market Promotion Scheme	29	MSME Market Development Assistance (MDA)
13	Export Market Promotion	30	Assistance to Training Institutions (ATI)
14	Trade and Industry Related Functional Support Services (TIRFSS)	31	Micro & Small Enterprises Cluster Development (MSE-CDP)
15	Financial Support to MSMEs in ZED Certification Scheme	32	EDP/MDP Schemes
16	A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)	33	NER Schemes
17	Credit Linked Capital Subsidy for Technology Upgradation	34	TCSP Schemes

133

134 **MSMEs - Bihar's Perspective**

135 MSMEs in Bihar offer a diverse range of opportunities to heterogeneous groups,
 136 encompassing a broad spectrum of unit sizes and structures, a wide variety of products and
 137 services, varying production scales, and diverse technological applications. There is no doubt
 138 in quoting the importance of MSMEs in the socio-economic development of Bihar but it has
 139 a long way to go. In comparison to other top five leading states, Bihar lags behind in the
 140 number of Udyam Registration Processes, seeking funds and credit services from banks.

141

142 **Table 3 Comparison of Bihar State with other top Five States Registered Under MSME in 2024-25**

S. No.	State/UT Name	Micro	Small	Medium	Total Udyam	IMEs (UAP)	Total MSMEs
1	BIHAR	1,521,876	11,557	559	1,533,992	1,977,313	3,511,305

2	MAHARASHTRA	5,815,124	72,366	6,644	5,894,134	2,518,743	8,412,877
3	UTTAR PRADESH	3,682,556	38,712	2,457	3,723,725	3,200,922	6,924,647
4	TAMIL NADU	3,451,182	38,369	2,723	3,492,274	1,707,665	5,199,939
5	WEST BENGAL	1,647,417	23,183	1,685	1,672,285	2,826,203	4,498,488
6	KARNATAKA	2,079,601	30,637	2,227	2,112,465	2,162,536	4,275,001

143

144 When we analyse in Bihar state, there are 3,524,679 registered MSME units in the year 2023-
145 24. According to the 2011 census, Bihar had a population of 104,099,452, comprising
146 54,275,001 males and 49,824,451 females.

State Name	Micro	Small	Medium	Total Udyam	IMEs (UAP)	Total MSMEs
BIHAR	1,533,066	11,573	559	1,545,198	1,979,481	3,524,679

147

148 The projected population is 13.43 Crore. The ratio of enterprises and registered micro, small
149 or medium enterprises is negligible.

Table 4 Bihar's Population in 2011

Description	Rural	Urban
Population (%)	88.71%	11.29 %
Total Population	92,341,436	11,758,016
Total Population	104,099,452	
Male Population	54,275,001	52.14%
Female Population	49,824,451	47.86%

Year	Projected Population	
2021	126,670,000	12.67 Crore
2022	129,010,000	12.90 Crore
2023	131,040,000	13.10 Crore
2024	132,790,000	13.28 Crore
2025	134,300,000	13.43 Crore

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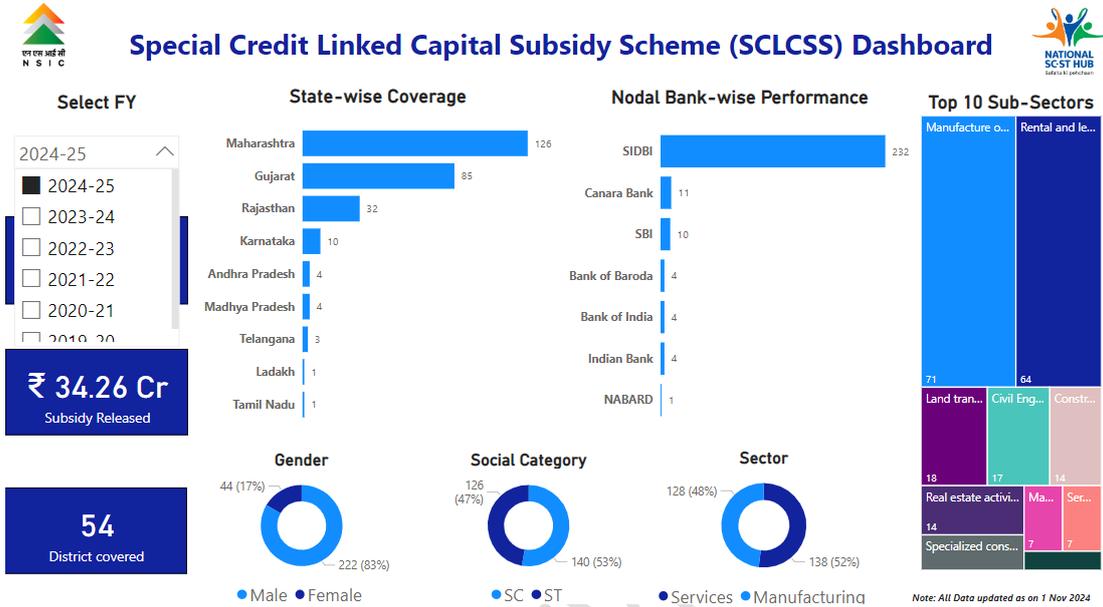
151 Special Credit Linked Capital Subsidy Scheme (SCLCSS), introduced in 2017 under the
152 National SC-ST Hub (NSSH) scheme, functioned with the objective of promoting new
153 enterprises and supporting the existing enterprises in their expansion for enhanced
154 participation of SC/ST entrepreneurs in the public procurement. The available records were
155 truly alarming, as not a single small registered enterprise in Bihar grew to the level of a
156 medium enterprise.

157

Table 5: Beneficiaries under Special Credit Linked Capital Subsidy Scheme (2024-25)

FY	No. of SC/ST Beneficiaries	Amount of Subsidy Released	No of Beneficiaries from Bihar
2019-20	189	23,34,13,280	NIL

2020-21	537	53,39,66,076	NIL
2021-22	285	34,82,42,204	NIL
2022-23	577	69,66,11,137	NIL
2023-24	645	72,40,00,981	NIL
2024-25	608	68,25,32,474	NIL
Grand Total	2841	3,21,87,66,152	



158

159 Source: <https://scsthub.in/content/special-credit-linked-capital-subsidy-scheme-sclcss>

160 **Unveiling Potentialities - Industrialization in Bihar – Current Scenario**

161 Over the years, the state government of Bihar has developed and adopted a two-pronged
 162 strategy for the secondary sector.

- 163 1. The implementation of the Bihar Industrial Investment Promotion Policy 2016
 164 earmarks various initiatives taken by the government to create a support structure of
 165 institutions that can facilitate industrial growth.
- 166 2. Implementation of various schemes and policies to attract different sections of society
 167 to set up their enterprises in various spheres of the economy.

168 The micro and small enterprises sector is labour-intensive. The proliferation of these
 169 enterprises generates a good number of jobs, absorbing the surplus labour available in Bihar.
 170 Over the last five years (2019-20 to 2023-24), the government of Bihar has received 1,934
 171 investment proposals, with 1,689 proposals currently at the stage of I clearance. By 30
 172 September 2023, 385 production units were operational, with a total investment in these units
 173 amounting to ₹ 3,431.55 crore. Over the last five years, these functional units have generated
 174 14,885 employment opportunities. The grant released by the government of Bihar is ₹ 886.62
 175 crore under the Bihar Industrial Investment Promotion Policy 2016.

Table 6: Status of Industrial Units in Bihar as on 30 September, 2023

Area	Number	Investment (Rs. crore)	Number	Investment (Rs. crore)
Food Processing	1157	12166.32	233	1869.45
General Manufacturing	603	3103.71	111	489.26
Plastic and Rubber	277	1176.4	76	297.07
Tourism	79	968.41	21	163.07
Health Care	106	1436.86	30	224.28
Textile	116	631.9	7	106.42
Renewable Energy	59	10397.29	6	294.83
Small Machine Manufacturing	26	156.68	5	7.52
IT and IT-enabled Services	22	146.82	12	29.12
Technical Education	12	94.4	1	1.24
Electrical and Electronic Hardware	12	56.97	0	0
Leather	8	172.82	3	3.18
Wood Industry	25	95.66	7	16.64
Ethanol	164	30747.55	6	686.74
Cement	12	3616.92	4	503.84
Sugar Mill (expansion)	5	1922.34	0	0
Private Industrial Park	3	683.94	0	0
Others	9	39.95	2	20.31
Total	2695	67614.94	524	4712.97

Source: Department of Industries, GoB

177

178 Bihar Industrial Area Development Authority (BIADA) played a crucial role in supporting
 179 the effective implementation of industries. It has acquired 7437.53 acres of land and
 180 constructed 711 sheds in the nine identified clusters. Approximately 14 per cent of the
 181 acquired land was utilised for developing infrastructure, administrative buildings, roads, and
 182 other facilities. These changes and implications led to the development of a large number of
 183 micro-enterprises. In 2022-23, 196 new micro-enterprises were established, compared to 45
 184 in 2021-22. The total amount of investment in micro-enterprises was ₹250.2 crore in 2022-
 185 23, more than three times that of the previous year. In 196 micro-enterprises, 5,451 people
 186 received employment, which was 3.4 times more than the employment generated in 2021-22.
 187 The small enterprises were also leaping. In 2022-23, 111 small enterprises started their
 188 operations, compared to 36 in 2021-22. Total investment in small enterprises was ₹ 684.02
 189 crore, 189 per cent more than the investment in 2021-22. 8,560 jobs were generated in the
 190 111 small enterprises in 2022-23. It was 2.8 times more than the previous year.

191 The given table precisely shows the growth pattern in employment. For a state like Bihar,
 192 where labour is available in surplus, the establishment of MSMEs is a way to solve the
 193 problem of unemployment or underemployment.

194
195

Table 7: Details of the Number of Units, Investment and Employment by Type of Enterprises (2021-22 & 2022-23)

Category of Enterprise	No. of Units		Investment (Rs. crore)		Employment (number)	
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
Micro	45	196	68.3	250.2	1612	5451
Small	36	111	236.9	684.02	3108	8560
Medium	5	14	162.7	470.32	801	5623
Large	11	7	3109.5	1881.21	3154	5111
Total	97	328	3577.4	3285.75	8675	24745

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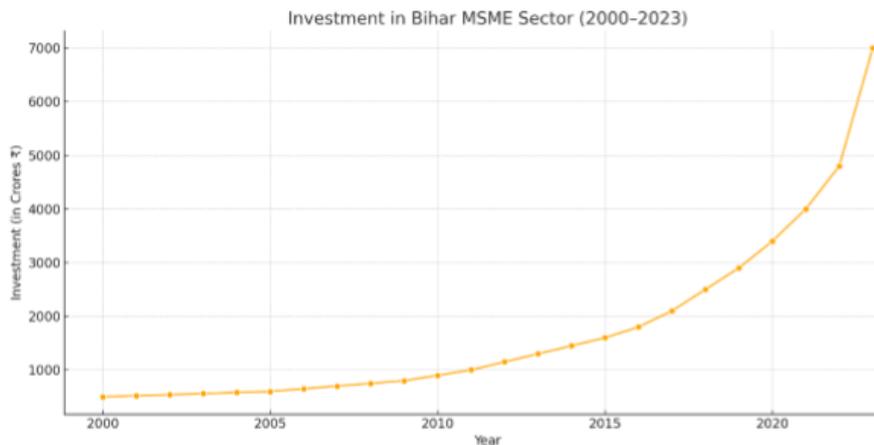


Figure 1: Investment Trends in MSME Sector in Bihar (2000–2023)

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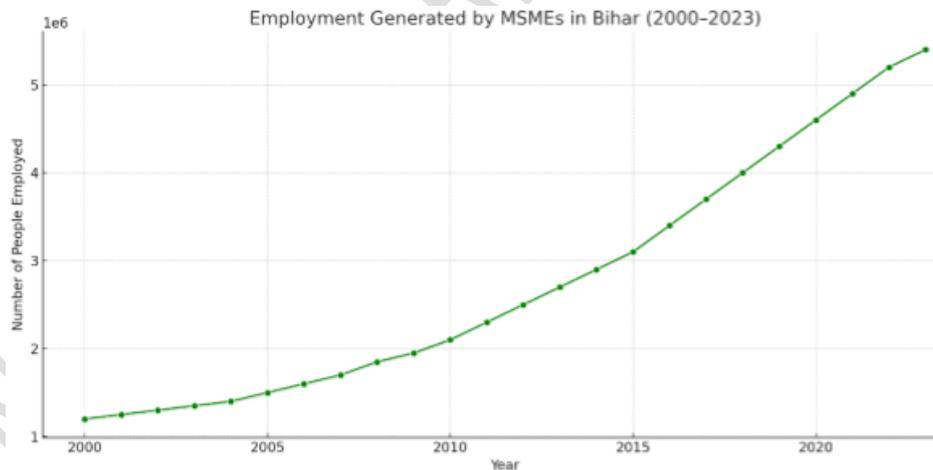


Figure 2: Employment Generated by MSMEs in Bihar (2000–2023)

201
202

203 The state government of Bihar is attempting to attract young people from all backgrounds [8].
204 Under various schemes, funds are allocated, and financial support is extended in accordance
205 with the norms. The Mukhya Mantri Yuva Udyami Yojana is exclusively for young
206 entrepreneurs who are eligible to receive a loan at a one per cent interest rate. Upon receiving
207 the last tranche of the loan, entrepreneurs can repay the loan in 84 installments.

208 Between 2018 and 2023, the number of applications received increased significantly. Tables
 209 8 and 9 present the information in tabular form, highlighting the success of these schemes.

210 **Table 8: Number of Application Received and Entrepreneurs Selected for Different Entrepreneurship**
 211 **Schemes (2018 – 2023)**

Scheme for	2018-19 to 2020-21		2021-22		2022-23	
	No. of applications received	No. of applications selected	No. of applications received	No. of applications selected	No. of applications received	No. of applications selected
SCs/STs	53997	5120	13726	3999	48956	2047
EBC	17004	1978	17640	4000	63864	2020
Young entrepreneur	—	—	17820	3987	67487	2080
Women entrepreneur*	—	—	13138	4000	43556	1964
Total	71001	7098	62324	15986	223863	8111

212 Source: Department of Industries, GoB (* Includes Transgender Entrepreneurs)

213 **Table 9: Information of Implementation of Different Entrepreneurship Schemes (2021-22 to 2022-23)**

Scheme for	2021 - 22		2022 - 23		Total	
	No. of approved applications	Disbursed money (in Rs. lakh)	No. of approved applications	Disbursed money (in Rs. lakh)	No. of approved applications	Disbursed money (in Rs. lakh)
SCs/STs	3767	66.55	1282	397.16	5049	463.71
EBC	3769	93.52	1210	359.06	4979	452.58
Young entrepreneur	3738	0	1297	319.93	5035	319.93
Women entrepreneur*	3715	0	1201	313.35	4916	313.35
Total	14989	160.07	4990	1389.5	19979	1549.57

214 Source: Department of Industries, GoB (* Includes Transgender Entrepreneurs)

215 The question is what could be the reasons for rejection of such large number of applications
 216 that empirically impact the growth of MSMEs in Bihar? The answer to this question is a word
 217 – Entrepreneurial Skills.

218 **Table 10: Applications Accepted under Bihar Laghu Udyami Yojana (BLUY) 2025**

Category	Total Applications from Bihar State
SC	13890
ST	1072
GEN	6334
EBC	19775
OBC	15177
Total	56248

219
 220 The training module adopted covers multiple prominent topics but fails to effectively train
 221 enterprises by and large. In the shared snapshot of the training modules for phases 1 and 2,
 222 the topics covered indicate that the areas an entrepreneur must focus on to improve their

223 entrepreneurial skills are well-defined; however, the time allocated for training the applicants
 224 is abysmally short.

Department of Industries (Govt. Of Bihar)				
Mukhyamantri SC/ST/EBC/MAHILA/YUVA/MI Udyami Yojna				
Training Schedule: 2024-2025, 1st Phase Training				
Date & Day	SESSION 1 10:00 TO 11:15 AM	SESSION 2 11:30 TO 12:45 NOON	SESSION 3 02:15 TO 03:30 PM	SESSION 4 03:45 TO 05:00 PM
1st Day	Document Verification	Introduction of MMUY	Brief Introduction Of MMUY Projects & DPR	New Venture Establishment and Mangement
2nd Day	Selection of Work Place/Prepration of work shed/ Safety measures	Utilization of Fund/ Procurement of Machinery & Raw Material	Utilization uploading on Portal & Repayment of MMUY Loan Amount	Entrepreneurial Leadership and Business Ethics
3rd Day	MSME	Govt. Financial Schemes	Banking & Financial Managemet	Team Building
4th Day	Accounting & Daily Book-keeping	GST and Taxation	Trademark Registration & IPR Management	Electric Connection /Consumption & Solar Power
5th Day	Marketing & Digital Marketing	Branding & Packaging	Advertisement	Pre and Post-Operative Licenses /Standardization & Certification of Products like FSSAI, ISO, BIS etc.
6th Day	Project Presentation & Evaluation	Udyam/ZED/GeM/Lean/ ONDC	Motivational Talk / Experience Sharing	Certificate Distribution

225
 226 **Figure 3: Training Schedule of Phase – 1 Training**

227 Most of the areas selected by entrepreneurs for setting up micro or small-level enterprises
 228 required professional or vocational training. However, a significant gap has been observed in
 229 providing or facilitating this training need at both the institutional and organisational levels.
 230

Directorate Of Technical Development, Department of Industries (Govt. Of Bihar)				
Chief Minister SC/ST/EBC/MAHILA/YUVA/MI Entrepreneurship Scheme Training Module				
Training Schedule: 2024-2025, 2nd Phase Training.				
Date & Day	SESSION 1 10:00 TO 11:15 AM	SESSION 2 11:30 TO 12:45 NOON	SESSION 3 02:15 TO 03:30 PM	SESSION 4 03:45 TO 05:00 PM
1st Day	Introduction of MMUY & MSME	Utilization of Fund/ Procurement of Machinery & Raw Material/Sector Specific Government Policies	Case Studies of Businesses/Global Perspective of the Business	Business Communication and Soft Skills
2nd Day	Business Laws and Statutory Business Registrations	Trademark Registration & IPR Management/Pre and Post Operating Licenses	Computer Fundamentals- MS Excel, Powerpoint, Word	Entrepreneurship Psychology/Entrepreneurial Leadership and Business ethics/Team Building
3rd Day	Operations Management/Logistics/Supply Chain Management	Seminars/Melas/National and International Exhibitions	Marketing/ Digital Marketing/Advertisement	Sustaniability and Growth of Business/Business Evaluation & Feedback/Business Insurance
4th Day	Daily book keeping/ Accounting- Tally/Auditing	Role-Playing/Customer Relationship Management	Sales/Human Management/Production Management	Digitalization and Use of Technology in Business
5th Day	Domain Specific Training	Domain Specific Training	Exposure Visit	Exposure Visit
6th Day	Banking / Financial Managemet /GST and Taxation	Branding & Packaging	Experience Sharing/Group Discussion	Certificate Distribution

231
 232 **Figure 4: Training Schedule of Phase – 2 Training**

233 According to the report published by the MSME in 2024-25, under the Entrepreneurship and
 234 Skill Development Programme segment, a total of 213,241 beneficiaries were reported to
 235 have received training with a total expenditure of ₹63.69 crore as of 31 December, 2024, in
 236 India. These entrepreneurship training sessions enhance confidence levels, boost courage, and

237 increase an entrepreneur's risk tolerance. In Bihar, the increase in selected list of applications
238 for MSME can happen only if proper entrepreneurship training is imparted.

239 **Bihar Skill Development Mission**

240 Under the leadership of Chief Minister Sri Nitish Kumar, since 2016, the Bihar Skill
241 Development Mission (BSDM) has organised five programmes.

- 242 1. Khushal Yuva Programme(KYP)
- 243 2. Domain Skilling
- 244 3. Recruit-Train-Deploy (RTD)
- 245 4. Recognition of Prior Learning (RPL)
- 246 5. Bihar State Certificate in Financial Accounting (BS-CFA)

247 Under KYP, 1787 centres are operational, and 4,51,143 youth (aged 15-28 years, with age
248 relaxation for disadvantaged groups) have been enrolled. 2,77,753 trainees have received
249 their completion certificates, but no data is available regarding their placement.

250 Explanation: KYP offers the following certification courses that include:

- 251 • Life Skills
- 252 • Communication Skills (English & Hindi)
- 253 • Basic Computer Literacy

254 The output is gloomy. The fund invested is not producing the desired output. There are no
255 testimonials that can prove the effective functioning of KYP and its ability to transform
256 certified learners into either skilled employees or entrepreneurs. There is a lack of
257 collaboration between KYP-registered centres and MSME offices. The number of placements
258 is uncertain, and there is an unanswered question: whether these certifications are helping
259 youth obtain employable skills on the ground level or are just a means to fill in the gaps.

260 Under the Domain Skilling Programme, which is operational in 216 centres, in 2022-23, a
261 total of 22,809 candidates were enrolled, out of which 20,760 completed the programme.
262 Although this is a sector-specific and demand-driven programme, out of 9820 certified
263 candidates, only 835 were placed.

264 Explanation: The training is imparted for 22 skill-based programmes (appendix - 1) so that
265 trainees can establish their enterprises. There is a lack of awareness regarding MSME
266 schemes, which prevents these certified trainees from exploring and applying for financial
267 support and instead leads them to wait for employment opportunities.

268 There is a lack of evidential proof related to the other two skill development programmes, i.e.
269 Recruit-Train-Deploy (RTD) and Recognition of Prior Learning (RPL). The Bihar Economic
270 Survey Report (2023-24) hardly mentioned much about these two training programmes.

271 Under the Bihar State Certificate in Financial Accounting (BS-CFA), a total of 4583
 272 candidates were enrolled, out of which 3744 completed the training; however, there is no
 273 evidence of their further development or placement.

274 **Table 11: Physical Progress under BSDM (2022-23)**

Name of the scheme	No. of Centres	Enrolled	Training completed	Training Ongoing	Certificate Issued	Placed
Kushal Yuva Program	1787	451143	349412	98769	277753	NA
Domain Skilling	216	22809	20760	2069	9820	835
Recruit-Train-Deploy	16	2006	1759	247	417	142
Recognition of Prior Learning (RPL)	38	1754	1754	0	468	NA
BS-CFA	62	4583	3744	0	3707	NA
Total	2119	482295	377429	101085	292165	977

275 Source: Labour Resource Department, GoB

276 Skill Acquisition and Knowledge Awareness for Livelihood Promotion 277 (SANKALP)

278 The objectives of SANKALP are to improve short-term skill training programmes
 279 qualitatively and quantitatively by strengthening institutions, providing accessible market
 280 access, and involving marginalised sections of society.

281 In 2023-24, 800 tyre fitters and 1,500 street food vendors were trained. 350 women were
 282 trained to drive e-rickshaws. Many women were engaged in bag manufacturing units.

283 Rural Self Employment Training Institutes (RSETI)

284 The aim is to identify and train rural youth, enabling them to become self-employed. In
 285 Bihar, JEEVIKA is the nodal agency to support RSETIs. 22,769 trainees received
 286 employment in 2022-23. Table 12 lists the numbers and shows the performance status of the
 287 trained youth.

288 **Table 12: RSETIs (2018-19 to 2023-24)**

Year	No. of Training Programmes	No. of Candidates Trained				No. of Trainees Receiving Employment
		Male	Female	Transgender	Total	
2018-19	925	9965	16705	18	26688	19277
2019-20	841	10300	14650	11	24961	18486
2020-21	537	6106	8762	0	14868	11137
2021-22	710	8439	12828	1	21268	14378
2022-23	915	11931	16361	0	28292	22769
2023-24 (up to Sep. 30, 2023)	532	7998	8850	0	16848	8377
Total	4460	54739	78156	30	132925	94424

289 Source: Rural Development Department, GoB

290 **Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)**

291 DDU-GKY uniquely targets rural youths aged between 15 and 35 years who belong to
292 disadvantaged households. JEEVIKA is the implementing body of DDU - GKY in Bihar.
293 According to the available records from JEEVIKA, as of September 2023, 80,431 candidates
294 have received skill-based training for employment, out of which 39,282 have been
295 successfully placed.

296 **Findings and Discussions**

- 297 1. There is a steady growth in MSME units, which is a key factor contributing to the
298 state's economic growth and significant transformation in its industrial landscape.
299 However, this growth is primarily concentrated in microenterprises, which have
300 limited capacity to scale up or diversify.
- 301 2. Despite efforts to generate awareness and provide training at various levels, most
302 MSMEs in Bihar are found to be informal and undercapitalised, which limits their
303 ability to grow or expand with larger value chains.
- 304 3. Educational institutions at various levels must initiate and collaborate with MSMEs to
305 bring about a positive change in the mindset of the youth and encourage them towards
306 entrepreneurship.
- 307 4. From time to time, the state government of Bihar and the MSME must conduct
308 sensitization and awareness drives in every panchayat to foster a common
309 understanding of the various schemes.
- 310 5. The training imparted to the trainees must focus on end result. Should help the
311 trainees in developing employable skills along with technical and non-technical skills
312 that are required for the establishment of an enterprise and also in scaling up their
313 enterprise from micro to small, and from small to medium.
- 314 6. MSME and Govt. of Bihar must appoint a few Corporate Mentors who can assess
315 kind of training imparted. Is the training delivered in proper way? What are the
316 lacunas and how to overcome drawbacks if any to help the trainees reach to their
317 desirable objective.
- 318 7. The skill training centres and institutes must collaborate with industries so that, upon
319 completing their training, certified trainees may secure the right opportunities, either
320 as employees or as entrepreneurs.

321 **Conclusion**

322 Over the past decade, MSMEs have assumed greater significance in the burgeoning state
323 economy by contributing to rural and urban industrialisation and generating employment

324 opportunities. The MSME sector has demonstrated sufficient resilience to sustain itself,
325 combining traditional skills with modern technologies to create new growth avenues. Recent
326 reforms in the policy and strategies are leading towards the creation of an ecosystem. Still,
327 one cannot neglect the key challenges that MSMEs face in Bihar, including financial access,
328 inadequate infrastructure, low-level of technology adoption in urban and rural areas, which
329 can be eliminated through fostering public and private partnerships, promoting sector-specific
330 clusters where an immense growth opportunity like food processing, handicrafts, and textiles.
331 There is no doubt that by following the MSMED Act 2006, regulations have been simplified,
332 and the government and other financial institutions are providing financial incentives.
333 Additionally, infrastructure is undergoing a revamp.

334 **Future Research Scope**

335 The government of Bihar should publish its reports on a regular basis so that it is feasible to
336 assess the effectiveness of current policies. Furthermore, detailed studies on region-specific
337 opportunities and challenges can be conducted in collaboration with MSMEs to redefine the
338 real problem areas, design a proper plan of action, and apply solutions to resolve the
339 challenges in shaping a developed Bihar.

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Appendix 1: Domain Skilling Programme in Bihar			
S. No	Name	S. No	Name
1	Agriculture	12	Green Jobs
2	Apparel	13	Health Care
3	Automotive	14	IT / ITES
4	Beauty and Wellness	15	Leather
5	BFSI	16	Plumbing
6	Capital Goods	17	Life Sciences
7	Construction	18	Retail
8	Electronics	19	Security
9	Food Processing	20	Telecom
10	Furniture and Fittings	21	Textile
11	Gems and Jewellery	22	Tourism and Hospitality