

ORIGINAL ARTICLE

Impact of Government Policies and Programmes on Rural Youth Self-Employment Generation in Rural Nainital, Uttarakhand

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ABSTRACT

Background: Rural unemployment remains a key challenge in Uttarakhand, where many youths depend on seasonal farming and limited jobs. Promoting self-employment offers a viable path to reduce migration and improve rural livelihoods.

Aims: The study evaluates the effectiveness of government programmes PMEGP, MUDRA, and SVEP in generating self-employment among rural youth in Nainital district.

Methods: Using purposive sampling, data were collected from 120 rural youths across hilly and plain zones through surveys and interviews. Descriptive statistics and percentage analysis were applied.

Results: Only 18% of respondents were fully aware of self-employment schemes, while 49% remained uninformed. About 58% lacked vocational training, and 46% found existing programmes only moderately effective. Major barriers included lack of capital, weak infrastructure, and bureaucratic hurdles.

Conclusion: Government initiatives can transform youth into entrepreneurs, but awareness, training, and credit access remain constraints. Localized outreach, simplified processes, and mentorship are vital for success.

KEYWORDS

• Self-Employment • Rural Youth • Government Policies • Pmegp • Mudra
• Svep • Uttarakhand • Nainital

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Key Message:

To strengthen youth self-employment initiatives in Uttarakhand:

- Organize local-language awareness drives through schools, panchayats, and digital media.
- Establish village-level entrepreneurship helpdesks to simplify application procedures.
- Promote skill-based mentorship and financial literacy workshops to improve sustainability.

INTRODUCTION

Uttarakhand, a predominantly agrarian state in northern India, faces a persistent challenge of rural youth unemployment and outmigration. Despite notable improvements in education and literacy, limited job opportunities within rural areas have forced many young people to migrate to urban centres or other states in search of livelihood security (**Rawat and Pandey, 2023**). This migration has led to declining agricultural productivity, skill drain, and socio-economic imbalance in rural communities. Encouraging self-employment among rural youth has therefore emerged as a key strategy for inclusive and sustainable rural development.

Recognizing this need, the Government of India has launched multiple programmes designed to promote entrepreneurship and micro-enterprise creation among youth. These include the Pradhan Mantri Employment Generation Programme (PMEGP), Pradhan Mantri MUDRA Yojana (MUDRA), Start-up Village Entrepreneurship Programme (SVEP), and Deendayal Antyodaya Yojana - National Rural Livelihood Mission (DAY-NRLM). These initiatives aim to provide financial assistance, skill training, and institutional support to potential entrepreneurs (**Shivkumar, 2017; Dhasmana and Bhandari, 2022**). However, their ground-level impact remains inconsistent across regions due to varying awareness levels, administrative hurdles, and accessibility issues.

In the context of Nainital district, which comprises both hilly and plain regions, self-employment holds immense potential to generate sustainable livelihoods through agriculture, tourism, and small-scale industries. Yet, low awareness, inadequate training, and procedural complexities hinder

youth participation. Studies in Uttarakhand highlight that many rural youths are aware of these schemes only superficially and rarely receive technical or financial assistance (**Joshi et al., 2022; Negi and Singh, 2024**).

Despite the proliferation of policies, a gap persists between programme design and actual implementation at the village level. Moreover, cultural factors such as the preference for government jobs, social risk aversion, and limited access to mentors further limit entrepreneurship adoption. Hence, there is a pressing need to evaluate whether existing schemes are effectively empowering rural youth to become self-reliant.

The present study aims to assess the impact of government policies and programmes on self-employment generation among rural youth in Nainital district. Specifically, it examines awareness levels, training effectiveness, and constraints faced by youth in accessing support. The research also identifies gaps in policy execution and proposes context-specific strategies to enhance the reach and effectiveness of self-employment initiatives in rural Uttarakhand.

METHODOLOGY

The study was conducted in the Nainital district of Uttarakhand, which represents both hilly and plain agro-climatic zones. The core objective was to analyze the influence of government-led self-employment schemes namely the Prime Minister's Employment Generation Programme (PMEGP), Pradhan Mantri MUDRA Yojana (MUDRA) and Start-up Village Entrepreneurship Programme (SVEP) on rural youth engagement in self-employment and their socio-economic upliftment.

Research Design

A mixed-method design was adopted, combining both quantitative and qualitative approaches. Primary data were collected through structured interviews and field surveys, while secondary data were sourced from published reports, government records, and relevant literature.

Sampling Procedure and Size

The study used purposive sampling, selecting 120 rural youth from four representative blocks of the district two from hilly regions and two from plains. Purposive sampling was considered appropriate because the target group (rural youth beneficiaries and non-beneficiaries of self-employment schemes) possesses specific characteristics relevant to the study objectives. Random sampling was not feasible due to uneven participation and awareness levels across villages.

Data Collection and Analysis

A structured interview schedule was developed to gather information on awareness, access, challenges, and perceptions regarding various self-employment programmes. The data were tabulated and analyzed using basic

descriptive statistics such as percentages, mean scores, and ranking methods to interpret responses.

Limitations

The relatively small sample size (n=120) and purposive selection limit the generalizability of findings to the entire district. Additionally, the absence of advanced statistical analysis restricts the ability to infer causal relationships. However, the strength of the study lies in its field-based, contextual understanding of local realities, providing a nuanced view of rural youth entrepreneurship in Uttarakhand. Statistical analysis was conducted manually; no specialized software was used, which represents one limitation of this study too.

Ethical Considerations

All respondents were briefed about the study's objectives prior to participation, and informed consent was obtained verbally. Participation was voluntary, and respondents were assured of the confidentiality and anonymity of their responses. The study adhered to ethical research norms for social science surveys, with sensitivity to participants' privacy and community values.

Annexure:

Statement	Perception	No of respondents	Percentage (%)
<i>Awareness Levels</i>	Well-aware of government self-employment schemes	22	18%
	Heard about schemes but lack substantial understanding	40	33%
	Extremely limited knowledge or entirely unaware	58	49%
<i>Received any vocational training</i>	Have not received	70	58.3%
	Yes, received it	26	21.7%
	Planning to join	24	20%
<i>Effectiveness of Local Training</i>	Sometimes	31	26%
	Yes, feels it	55	46%
	Not at all	34	28%
<i>Source Of Information</i>	Social Media	40	33.33%
	Family Consultations	30	25.00%
	NGOs	26	21.67%
	Educational Institutions	26	21.67%
<i>Biggest challenge for self-employment</i>	Lack of capital	120	
	Poor infrastructure	120	
	Bureaucratic Hurdles	120	
	Lack of training	120	
	Limited market access	120	

RESULTS AND DISCUSSION

The study aimed to analyse the awareness, participation, and constraints faced by rural youth regarding government self-employment schemes in Nainital district. The findings highlight both the promise and the persistent challenges of these initiatives in achieving their objectives.

Awareness Levels

The analysis reveals that only 18% of rural youth are well aware of existing government self-employment schemes, 33% have limited understanding, while 49% are largely unaware. This low awareness level reflects a significant communication gap between policymakers and rural beneficiaries. The limited penetration of outreach activities in remote areas constrains the efficiency of these schemes.

To address this, awareness initiatives must be conducted in local languages through community radio, social media platforms, schools, and panchayat meetings. The inclusion of local success stories and demonstration events can enhance credibility and encourage youth participation. Similar findings were reported by **Ahmad et al. (2023)**, who observed that 56% of youth in their study were unaware of entrepreneurship schemes.

Table 1: Awareness about Government schemes analysis of Rural Youth

Perception Level	Number of Respondents	Percentage (%)
Well-aware of government self-employment schemes	22	18%
Heard about schemes but lack substantial understanding	40	33%
Extremely limited knowledge or entirely unaware	58	49%

Vocational Training and Skill Development

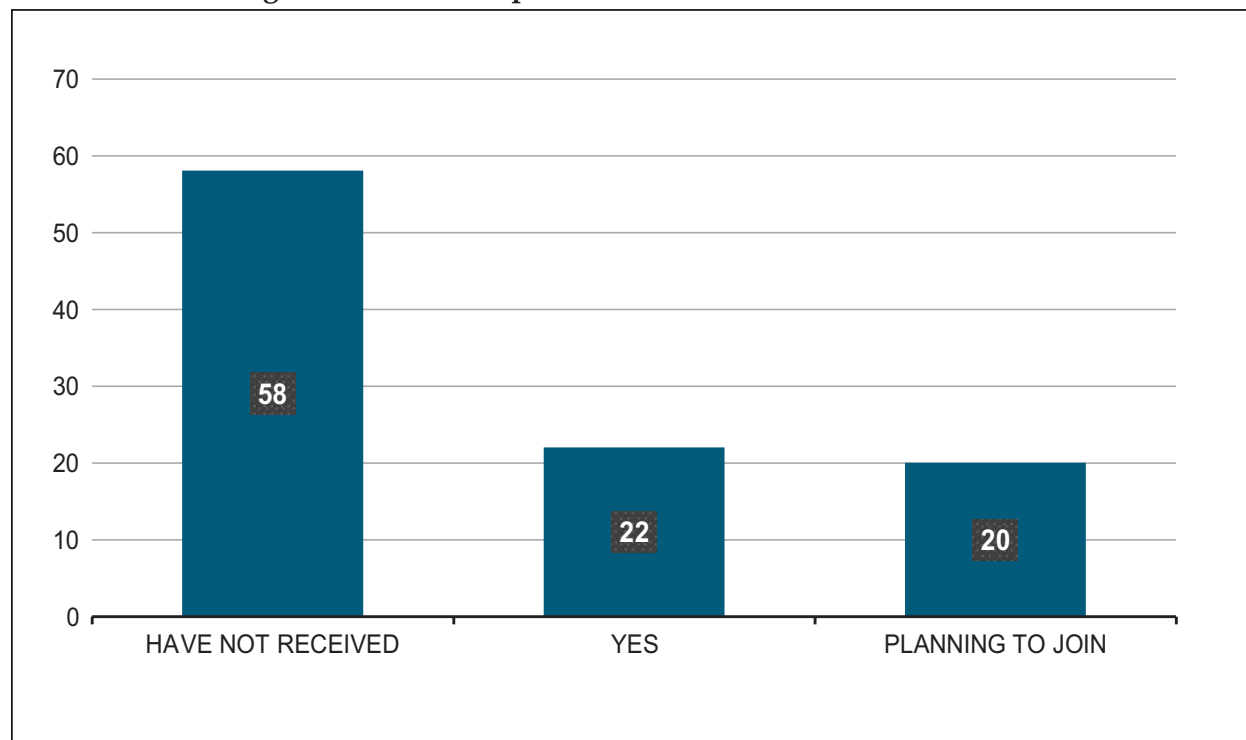


Figure 1: Percentage of Rural Youth received training

As shown in **Figure 1**, a majority 58% of respondents had never received any vocational or entrepreneurship training. Only 22% had completed such programs, while 20% were planning to enroll. This highlights a critical gap in skill-building infrastructure and access.

The findings emphasize the need for skill-based training aligned with local

livelihoods such as agriculture, eco-tourism, food processing, and handicrafts. Training programs should not only focus on technical skills but also on financial literacy and business management. **Biswal et al., (2024)** reported similar results, indicating that inadequate participation in vocational training remains a national challenge, especially among marginalized groups.

Effectiveness of Local Training

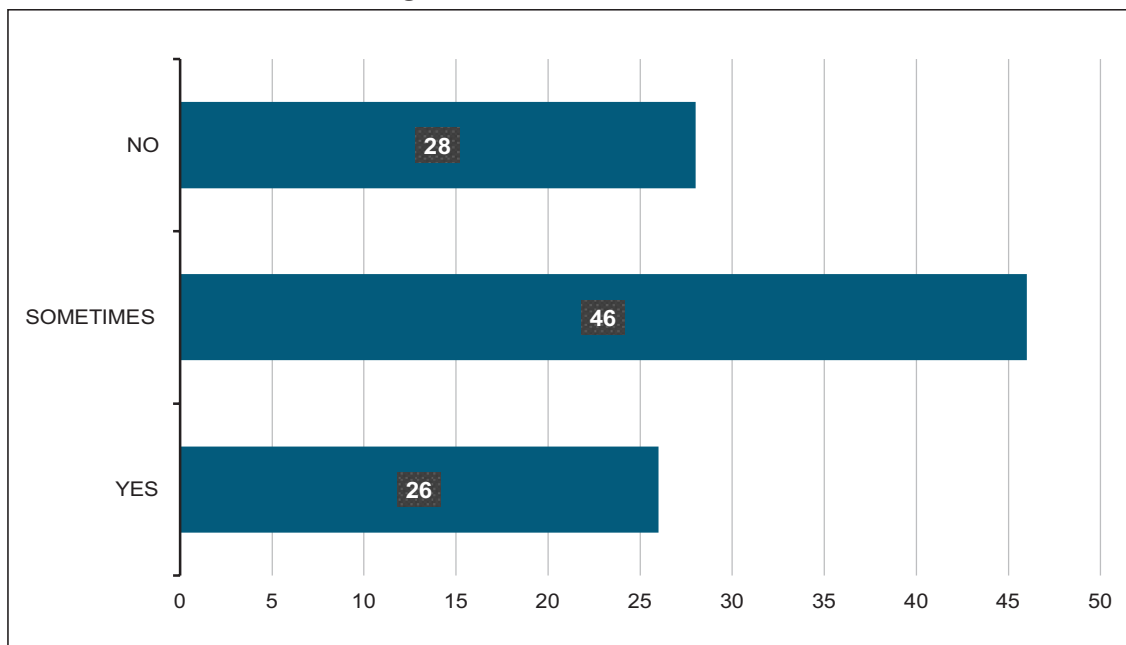


Figure 2: Percentage of effectiveness of Local Training

As shown in Figure 2, about 72% of respondents found local training programmes moderately to highly effective, while 28% considered them inadequate. Respondents highlighted issues such as limited hands-on learning and lack of post-training support.

To ensure long-term benefits, training programmes should include mentorship, apprenticeships, and post-training evaluation. Regular curriculum updates and partnerships with local industries can improve employability. Kumar *et al.*, (2021) similarly observed that skill development effectiveness increases significantly when industry partnerships and follow-ups are incorporated.

Sources of Information

The most common source of information about self-employment opportunities was social media (33%), followed by family consultations (25%), and NGOs and educational institutions (22% each). This reflects growing digital engagement among rural youth but also indicates a reliance on informal networks.

Strengthening partnerships between government departments, NGOs, and educational institutions can enhance outreach and counseling. Community-based entrepreneurship clubs and peer learning networks can also encourage youth participation and knowledge exchange.

Table 2: Rural Youth getting source of information

Source of Information	Perception	Number of Respondents	Percentage (%)
Social Media	Most Important Source	40	33.33%
Family Consultations	Second Important Source	30	25.00%
NGOs	Significant Source	26	21.67%
Educational Institutions	Significant Source	26	21.67%

Constraints to Self-Employment

The Garrett Ranking Method identified five key constraints faced by rural youth:

1. Lack of capital (Mean Score = 60.66)
2. Poor infrastructure (58.50)
3. Bureaucratic hurdles (55.54)
4. Lack of training (50.33)
5. Limited market access (47.08)

Table 3: Ranking of constraints faced by rural youth

Constraints	Rank				
	1	2	3	4	5
Lack of capital	49	31	25	8	7
Poor infrastructure	38	39	23	12	8
Lack of Training	21	24	28	30	17
Limited market access	18	20	30	20	32
Bureaucratic hurdles	31	33	27	19	10

Table 4: Ranking of Self Employment constraints

Constraints Faced by Rural Youth	Total Score	Mean Score	Rank
Lack of capital	7280	60.66	1
Poor infrastructure	7020	58.50	2
Bureaucratic Hurdles	6665	55.54	3
Lack of training	6040	50.33	4
Limited market access	5650	47.08	5

Among these, inadequate financial access emerged as the most severe constraint. Many youths cited difficulties in availing loans due to complex documentation and lack of collateral. Poor rural infrastructure and bureaucratic delays further limit entrepreneurship viability. Similar findings were reported by **Radhakrishnan and Arunachalam (2017) and Negi and Singh (2024)**, who noted that financial and procedural barriers remain primary deterrents for rural youth enterprise creation.

To mitigate these challenges, simplified credit mechanisms, village-level business facilitation centres, and localized mentorship programmes are needed. Strengthening rural infrastructure especially transport, digital connectivity, and market linkages can significantly enhance entrepreneurial sustainability.

Overall Discussion

The findings collectively indicate that while self-employment schemes have strong potential to reduce rural unemployment, their impact in Nainital remains constrained by awareness, access and institutional barriers. When youth receive adequate training and mentorship, they exhibit greater confidence and likelihood of starting independent ventures.

Localized delivery mechanisms, continuous monitoring, and active collaboration between panchayats, NGOs, and financial institutions can make these initiatives more inclusive and result-oriented. The integration of digital platforms such as WhatsApp groups and e-governance portals offers a practical avenue for improving information dissemination and follow-up services.

CONCLUSION

The study concludes that while government policies and programmes such as PMEGP, MUDRA, and SVEP have been instrumental in promoting self-employment, their impact

among rural youth in Nainital district remains limited. A large section of youth continues to face barriers related to awareness, training, credit access, and bureaucratic complexity. Despite positive intentions, the gap between policy formulation and implementation persists at the grassroots level.

The findings underscore that effective decentralization and localized delivery mechanisms are critical for improving outreach and success. Where training, mentoring, and financial linkages are well-coordinated, there is evidence of increased entrepreneurial confidence and reduced migration among youth. However, the absence of follow-up support and limited exposure to markets and technology continue to restrict growth.

To transform rural youth into self-reliant entrepreneurs, the approach must shift from policy-driven to people-centric with strong emphasis on communication, capacity-building, and continuous institutional support.

RECOMMENDATIONS

To make self-employment initiatives more effective, inclusive, and sustainable among rural youth in Uttarakhand, the following measures are recommended:

1. Awareness and Outreach

- Conduct localized awareness campaigns in Hindi and local dialects through schools, community radio, and social media platforms.
- Establish village-level entrepreneurship helpdesks to guide youth through application and registration procedures.
- Showcase real success stories of local entrepreneurs to inspire peer learning and social validation.

2. Skill Development and Mentorship

- Integrate practical, livelihood linked training (e.g., agro processing, eco-tourism, handicrafts) with certification and placement support.
- Build mentorship networks involving local business owners, NGOs, and trained resource persons (CRP-EPs) for continuous guidance.
- Introduce apprenticeship-based learning models and field exposure visits for aspiring entrepreneurs.

3. Financial Access and Infrastructure

- Simplify loan application processes and promote collateral-free microcredit models through cooperative and regional rural banks.
- Improve digital and physical infrastructure in rural areas to enhance market connectivity and e-commerce participation.
- Encourage public-private partnerships (PPP) to strengthen rural enterprise ecosystems.

4. Policy and Monitoring

- Develop district-level monitoring committees for periodic assessment of programme implementation.
- Foster coordination among government departments, NGOs, and financial institutions to minimize duplication and delays.
- Adopt feedback-driven policy adjustments based on beneficiary experiences and local economic dynamics.

5. Inclusivity and Mindset Change

- Promote entrepreneurship as a respected career choice through school curricula and community events.
- Ensure targeted support for women, tribal youth, and marginalized groups via mobile training units and SHG-based models.
- Organize financial literacy workshops to strengthen decision-making and responsible borrowing.

OVERALL IMPLICATION

Strengthening youth self-employment in Uttarakhand requires a holistic, bottom-up approach that integrates awareness, training, finance, and mentorship. Effective implementation of these recommendations can transform rural youth from job seekers into agents of local economic growth, ensuring sustainable rural development and reduced outmigration.

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