



## Skill-based learning and entrepreneurship development under the National Education Policy (NEP) 2020

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### Abstract

The National Education Policy (NEP) 2020 marks a significant transformation in the Indian education system by emphasizing holistic development, multidisciplinary learning, skill acquisition, and entrepreneurship. In a rapidly changing global economy, educational institutions are expected to equip students not only with theoretical knowledge but also with practical competencies and entrepreneurial abilities. The policy seeks to bridge the gap between education and employment by integrating vocational education, experiential learning, internships, and industry collaboration into mainstream education. This research paper examines the role of skill-based learning in promoting entrepreneurship development under NEP 2020. It explores the policy framework, reviews relevant literature, analyzes opportunities and challenges, and discusses the potential impact of these reforms on employability and economic growth. The study is based on secondary data collected from policy documents, research articles, books, and government reports. The findings indicate that NEP 2020 <sup>[1]</sup> has the potential to create a more skilled, innovative, and self-reliant workforce. However, successful implementation requires adequate infrastructure, teacher training, industry partnerships, and policy support. The paper concludes that skill-based learning and entrepreneurship education can play a crucial role in achieving sustainable development and strengthening India's position in the global economy.

**Keywords:** NEP 2020, skill-based learning, entrepreneurship education, vocational education, employability, innovation, economic development

### Introduction

Education has long been considered one of the most powerful instruments for social transformation and economic development. In the twenty-first century, however, traditional models of education that focus primarily on theoretical knowledge are increasingly being questioned. Employers and industries now demand individuals who possess practical skills, creativity, critical thinking abilities, communication competencies, and entrepreneurial mindsets. As economies become more knowledge-driven and technology-oriented, the need for skill-based education has become more significant than ever before.

India possesses one of the largest youth populations in the world. According to various reports, the country has a tremendous demographic advantage that can contribute significantly to economic growth if appropriately utilized. However, despite increasing enrollment in higher education, a considerable proportion of graduate's struggle with employability due to a mismatch between educational outcomes and labor market requirements. Many students complete their education without acquiring the practical skills necessary for employment or self-employment. Recognizing these challenges, the Government of India introduced the National Education Policy (NEP) 2020 <sup>[1]</sup>. The policy seeks to reform the education system by promoting multidisciplinary learning, vocational education, flexibility in curriculum, digital literacy, innovation, and entrepreneurship. One of its most notable features is the emphasis on skill-based learning and entrepreneurial development from the school level itself.

The policy reflects a shift from rote memorization to competency-based learning and aims to create a workforce capable of adapting to rapidly changing economic conditions. Through vocational exposure, internships, experiential learning, and innovation-driven education, NEP 2020 seeks to prepare students not only for jobs but also for creating jobs through entrepreneurship. This paper examines the significance of skill-based learning and entrepreneurship development under NEP 2020 and analyzes their potential contribution to India's economic and social progress.

### Literature Review

Skill-based learning and entrepreneurship education have attracted considerable attention from researchers and policymakers worldwide. Studies have consistently highlighted the importance of practical skills in improving employability and economic productivity.

Kolb (2015) <sup>[2]</sup> emphasized experiential learning as a process through which knowledge is created through the transformation of experience. According to his theory, students learn more effectively when they actively engage in practical activities rather than merely receiving information through lectures.

Sharma and Singh (2021) <sup>[5]</sup> argued that entrepreneurship education contributes significantly to economic growth by encouraging innovation, self-employment, and business creation. Their study found that students exposed to entrepreneurial training demonstrate higher levels of confidence, creativity, and leadership.

Rao (2021) <sup>[4]</sup> highlighted the growing gap between academic qualifications and industry expectations in India.

The study emphasized that skill-based learning can help bridge this gap by equipping students with practical competencies required in modern workplaces.

Mishra (2023) <sup>[3]</sup> examined the implications of NEP 2020 for vocational education and concluded that the policy represents a major shift toward competency-based learning. However, the study also identified challenges such as inadequate infrastructure, limited teacher training, and societal perceptions regarding vocational education.

International organizations such as UNESCO (2021) <sup>[6]</sup> and the World Bank (2022) <sup>[7]</sup> have also emphasized the importance of skill development in achieving sustainable economic growth. These organizations argue that future education systems must focus on adaptability, innovation, digital literacy, and entrepreneurship to meet evolving labor market demands.

The existing literature suggests that integrating skill-based learning and entrepreneurship education into mainstream education can significantly improve employability, innovation, and economic development. NEP 2020 attempts to address these concerns through a comprehensive reform agenda.

### **Concept of Skill-Based Learning**

Skill-based learning refers to an educational approach that prioritizes the development of practical competencies alongside theoretical understanding. Unlike traditional education systems that focus heavily on memorization and examination performance, skill-based learning encourages active participation, problem-solving, collaboration, and real-world application of knowledge. The primary objective of skill-based learning is to prepare students for professional and personal success. Such education promotes critical thinking, communication skills, teamwork, leadership, adaptability, and technological competence.

In the contemporary world, employers seek individuals who can apply knowledge effectively rather than merely possess academic credentials. Consequently, educational institutions are increasingly adopting competency-based approaches that emphasize learning outcomes and practical experiences. Skill-based education also supports lifelong learning by enabling individuals to adapt to changing economic and technological conditions. As industries continue to evolve, workers must continuously update their skills to remain competitive.

### **Skill-Based Learning under NEP 2020**

NEP 2020 places significant emphasis on integrating vocational education and skill development into mainstream education. The policy recognizes that practical competencies are essential for enhancing employability and promoting entrepreneurship. One of the major goals of NEP 2020 is to ensure that at least 50 percent of learners receive exposure to vocational education. To achieve this objective, vocational learning is introduced from the middle-school level. Students are encouraged to explore various occupations and practical skills through hands-on activities and internships.

The policy promotes experiential learning through project-based work, field visits, practical assignments, and community engagement. Such experiences help students connect classroom learning with real-life situations. Another important feature of NEP 2020 is its emphasis on multidisciplinary education. Students are provided greater

flexibility in choosing subjects across disciplines. This enables learners to combine technical knowledge with business, management, or entrepreneurial studies.

Digital literacy is also a key component of skill development under the policy. Students are encouraged to acquire competencies in coding, artificial intelligence, data analysis, robotics, and other emerging technologies. These skills are increasingly important in the modern economy and can contribute significantly to entrepreneurial success. The policy also seeks to eliminate the traditional distinction between academic and vocational education. By integrating both forms of learning, NEP 2020 aims to create a more inclusive and flexible educational framework.

### **Entrepreneurship Development under NEP 2020**

Entrepreneurship is widely recognized as a catalyst for innovation, employment generation, and economic growth. NEP 2020 acknowledges the importance of entrepreneurial development and seeks to foster entrepreneurial thinking among students from an early age. The policy encourages educational institutions to create environments that promote creativity, innovation, and problem-solving. Students are encouraged to identify societal challenges and develop innovative solutions through research and project-based learning.

NEP 2020 also supports the establishment of innovation hubs, incubation centers, and entrepreneurship development cells in higher educational institutions. These facilities provide mentorship, networking opportunities, technical guidance, and support for startup ventures. Industry-academia collaboration forms another important component of entrepreneurship development. Through internships, apprenticeships, and collaborative projects, students gain practical exposure to business operations and entrepreneurial ecosystems.

Financial literacy is also emphasized within the framework of entrepreneurship education. Students are encouraged to understand concepts such as budgeting, investment, financial planning, and risk management. These competencies are essential for managing entrepreneurial ventures effectively. Furthermore, the policy aligns with national initiatives such as Startup India, Skill India, and Atmanirbhar Bharat. Together, these initiatives aim to create a culture of innovation and self-reliance across the country.

### **Opportunities Created by NEP 2020**

The implementation of skill-based learning and entrepreneurship education presents several opportunities for students, institutions, and society.

First, it can improve employability by equipping students with industry-relevant skills. Graduates who possess both theoretical knowledge and practical competencies are more likely to secure meaningful employment.

Second, entrepreneurship education can encourage self-employment and startup creation. Rather than depending solely on traditional jobs, young individuals can create businesses that generate employment for others.

Third, the policy supports innovation and technological advancement. By encouraging creativity and research, educational institutions can contribute to the development of new products, services, and solutions.

Fourth, skill development can promote regional economic growth by supporting local industries, crafts, and enterprises. Students can utilize local resources and

traditional knowledge to create sustainable business opportunities.

Finally, the policy contributes to the broader vision of a self-reliant India by developing a skilled and entrepreneurial workforce capable of competing in global markets.

### Challenges in Implementation

Despite its transformative vision, NEP 2020 faces several challenges.

A major concern is the lack of adequate infrastructure in many educational institutions. Effective skill-based learning requires laboratories, workshops, digital resources, and innovation centers, which may not be available in all schools and colleges. Another challenge is the shortage of trained educators capable of delivering experiential and vocational education. Teacher training programs must be redesigned to support competency-based learning approaches.

Social perceptions also present difficulties. In many communities, vocational education is still viewed as less prestigious than traditional academic pathways. Changing such attitudes will require sustained awareness efforts. Funding constraints may further limit implementation. Establishing incubation centers, vocational laboratories, and digital learning facilities requires substantial financial investment.

Regional disparities between urban and rural institutions may also affect access to opportunities. Students in rural areas often face limitations related to infrastructure, internet connectivity, and industry exposure.

### Discussion

The emphasis on skill-based learning and entrepreneurship development reflects a significant shift in India's educational philosophy. Rather than viewing education solely as a means of acquiring knowledge, NEP 2020 recognizes education as a tool for developing competencies, innovation, and economic participation. The policy aligns closely with contemporary labor market requirements and global educational trends. It acknowledges that future economic growth will depend increasingly on creativity, technological expertise, and entrepreneurial capacity.

However, policy success depends largely on effective implementation. Educational institutions must receive adequate support to redesign curricula, train teachers, and establish industry partnerships. Collaboration among government agencies, educational institutions, industries, and local communities will be essential. If implemented effectively, NEP 2020 <sup>[1]</sup> can significantly reduce skill gaps, enhance employability, encourage entrepreneurship, and contribute to sustainable economic development.

### Recommendations

To strengthen the implementation of skill-based learning and entrepreneurship education, the following measures are recommended:

1. Increase investment in vocational and digital infrastructure.
2. Provide regular professional development programs for teachers.
3. Establish entrepreneurship incubation centers in all universities.
4. Strengthen partnerships between educational institutions and industries.

5. Promote awareness regarding the value of vocational education.
6. Expand financial support mechanisms for student startups.
7. Encourage region-specific skill development initiatives.
8. Develop robust monitoring and evaluation mechanisms.

### Conclusion

The National Education Policy 2020 represents a transformative step toward creating a more relevant, flexible, and future-oriented education system in India. Through its emphasis on skill-based learning and entrepreneurship development, the policy seeks to address long-standing concerns related to employability, innovation, and economic competitiveness. Skill-based education equips learners with practical competencies required for professional success, while entrepreneurship education fosters creativity, leadership, and self-reliance. Together, these approaches can help create a workforce capable of adapting to changing economic conditions and contributing to national development.

Although challenges such as infrastructure limitations, teacher shortages, and societal perceptions remain significant, the opportunities offered by NEP 2020 are substantial. With effective implementation and sustained commitment from stakeholders, the policy can play a crucial role in shaping a skilled, innovative, and entrepreneurial India.

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