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Article

Technical Efficiency of Indian States/UTs under Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 2.0

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Abstract

Technical efficiency refers to the capability of achieving the maximum possible output from a given set of inputs and has been measured the in present study for Indian States/UTs under the second phase of Pradhan Mantri Kaushal Vikas Yojana (known as PMKVY 2016-2020 or PMKVY 2.0). It is noteworthy that PMKVY 2.0 have two components in terms of the Centrally Sponsored Centrally Managed (CSCM) component and Centrally Sponsored State Managed (CSSM) component. Due to certain data constraints, this paper concentrates only Centrally Sponsored State Managed (CSSM) component of PMKVY 2.0. For measuring the technical efficiency, the technique of Data Envelopment Analysis (DEA) is used, where, two inputs including 'funds disbursed', and 'number of trainees enrolled for training', and two outputs namely 'number of trainees trained' and 'number of trainees placed' in each State/UT under CSSM component of PMKVY 2.0 are considered. The required data are extracted from the *Annual Report 2019-20*, published by the Ministry of Skill Development and Entrepreneurship, Government of India. Finally, the output-oriented model of DEA is applied as output maximization within given resources is most the suitable in case of Governmental schemes or projects. The results reveal that out of 36 Indian States/UTs, only 7 namely Andhra Pradesh, Assam, Chhattisgarh, Dadra and Nagar Haveli, Jammu and Kashmir, Rajasthan, and Uttar Pradesh are technical efficient that is these have achieved the maximum possible outputs (numbers of trainees trained, and placed) from their existing level of inputs (funds disbursed, and number of trainees enrolled). But the remaining States/UTs have not fully utilized their inputs, consequently, they have failed to produce the optimum level of output. On average, managerial inefficiencies rather than scale inefficiencies are found to be largely responsible for technical inefficiencies in most of the States/UTs under the scheme.

Keywords: PMKVY, scale efficiency, managerial practices, returns to scale, output-oriented DEA.