

Role of Mced Entrepreneurship Training in Reducing Child Labour through Family Income Generation in Maharashtra

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Abstract: *Child labour is a perennial socio-economic issue in Maharashtra, mostly due to poverty, unemployment, poor educational levels and lack of sustainable livelihood opportunities among the marginalized sections. This can result in intergenerational poverty and educational deprivation as children, in many cases, are the ones who provide for their families' needs in the informal sector and in low-paying jobs. This study focuses on the contribution of Maharashtra Centre for Entrepreneurship Development (MCED) to abate the problem of child labour by providing entrepreneurship training to children and generating income for their families. MCED organises Entrepreneurship Development Programmes (EDPs) with an aim of enhancing skills, imparting financial literacy to the aspiring entrepreneurs, training them in enterprise management, mentoring and credit linkage support to foster self-employment and micro enterprise development. The paper concludes that entrepreneurship based livelihood generation makes financial stability of the household and decreases the economic need to engage children in labour based activities. MCED helps to enhance employment skills, self-reliance and income-generating potential for the socio-economically vulnerable families. The study findings are that entrepreneurship development can be an effective long term strategy to alleviate poverty and child labour in Maharashtra by providing sustainable family income and better access to education for children.*

Keywords: Child Labour, Entrepreneurship Development Programmes, MCED, Family Income Generation, Maharashtra, Poverty Alleviation, Self-Employment, Skill Development, Socio-Economic Empowerment, Livelihood Development

I. INTRODUCTION

Although the Constitution, children's rights, and child protection policies and legislations on child labour in India are in place, the issue of child labour continues to be one of the most serious socio-economic problems in the country. The issue remains in Maharashtra because of fast urbanisation, industrialisation, population migration, unemployment and growing poverty in rural areas of the state. Children often rely on their earnings to supplement the family income, particularly among economically weaker families whose members are involved in informal enterprises like street vending, small industries, waste collection, domestic services, and construction work. The financial insecurity, irregular work, low levels of literacy, indebtedness and lack of knowledge of education opportunities often force children to participate in labour activities at an early age. This means that children have no chance to attend school or to grow and develop and that they are unable to break the cycle of poverty and social exclusion that is going on in their lives.

Entrepreneurship development has become a very important approach to poverty alleviation, livelihood generation and socio-economic empowerment in recent years. Entrepreneurship Development Programmes (EDP) aim to encourage self-employment and develop vocational and management skills, and to promote the development of micro and small enterprises among economically disadvantaged groups. The Maharashtra Centre for Entrepreneurship Development

(MCED) under the Government of Maharashtra is playing a significant role in implementing entrepreneurship training initiatives in Maharashtra. MCED is a vocational training, financial education, business management support, mentoring and credit linkage programme for youth, women and low income families who have no job. These are designed to enable people to develop self-employment initiatives and enhance their household incomes that are sustainable. Greater economic security decreases child labour and helps children to attend school. Hence entrepreneurship development initiated by MCED plays a vital role in the long term socio-economic empowerment and inclusive development of the vulnerable families of Maharashtra.

II. LITERATURE REVIEW

International¹Labour Organization (ILO) (2025), poverty in developing economies is still the most important driver of child labour. The study noted that many families who are struggling to find jobs, receive erratic incomes and are financially insecure rely on what kids earn to get by. The report also noted that the vulnerability to poverty raises the likelihood of children experiencing hazardous and exploitative labour, especially in informal sectors like agriculture and nonfarm work, including domestic labor.

UNICEF² India (2025) identified that if the children are from a poor family, they are more prone to school dropouts, malnutrition and involvement in labour exploitation. It pointed out that in many instances, because of economic shortage, many families have to choose between paying for school and earning income, which has led to lower school attendance rates and higher work participation rates among children in labour intensive occupations. The report also highlighted the need for livelihood support programmes in order to mitigate child vulnerability.

World³ Bank (2025) reported that entrepreneurship development programmes play an important role in poverty alleviation and livelihood sustainability. The research findings show that the opportunities for self-employment help to make households more resilient, diversify their income and decrease the need to rely on informal, unstable jobs. The report highlighted that entrepreneurship education in rural and semi-urban areas contributes to strengthening economic inclusion of marginalised groups.

Vocational education and entrepreneurship training programmes are beneficial to the employability, financial literacy and income generation capacity of the economically weaker population, Ministry⁴ of Skill Development and Entrepreneurship (2024). The report concluded that skill-based trainings are effective in promoting the formation of micro-enterprises and thereby enhance family income and mitigate their vulnerability to socio-economic factors.

Chandekar⁵ and Sharma (2015) studied Maharashtra Centre for Entrepreneurship Development and its contribution towards promoting entrepreneurship and self-employment in Maharashtra. The study revealed that MCED's Entrepreneurship Development Programmes (EDPs) had a significant impact on increasing awareness, skills, and professional abilities of the participants in the business world. Based on the above findings, the authors concluded that MCED has been significant in creating employment opportunities and improving the economic autonomy of low-income groups.

¹International Labour Organization. (2025). *Child labour global estimates and trends*. ILO.

²UNICEF India. (2025). *Child protection and education report: India*. UNICEF.

³World Bank. (2025). *Jobs and economic inclusion in developing economies*. World Bank Publications.

⁴Ministry of Skill Development and Entrepreneurship. (2024). *Skill India programme impact report*. Government of India.

⁵Chandekar, M. G., & Sharma, N. (2015). Role of MCED in developing self-employment and entrepreneurship. *International Journal of Application or Innovation in Engineering & Management*, 4(12). (studylib.net)

III. CONCEPTUAL FRAMEWORK

3.1 Child Labour and Poverty Nexus

Child labour is linked to poverty and socio-economic deprivation in vulnerable families. Poor and irregular income is often reliant on children's income to provide for basic survival, including food, shelter, and health services. Poor employment situation of parents, or separation by their dependence on irregular jobs in the informal sector also contributes to financial insecurity, forcing children to work. Lack of parents' education is also responsible for low awareness of children's rights and the long-term values of education. Besides, the existence of informal and unstable labour markets offer low wages and social safety nets, thus offering low-paying opportunities for economically weaker families in Maharashtra to resort to child labour.

3.2 Entrepreneurship Development Programmes (EDPs)

Entrepreneurship Development Programmes run by the Maharashtra Centre for Entrepreneurship Development are meant to encourage self-employment and means of livelihood to the economically weaker sections of society. The programmes include training and skill development in a number of trades, as well as business planning, enterprise management and marketing strategies. Additionally, MCED places significant focus on financial literacy, credit linkage support, and government schemes that enable participants to access financial resources to establish businesses. Also, mentoring and post training support for sustainability of enterprises is provided. In these programmes, MCED has imparted training to lakhs of people in Maharashtra, giving a great boost to the job creation and socio-economic empowerment of the people.

Result:

Table 1: Analytical Indicators for Assessing the Impact of MCED Entrepreneurship Training on Child Labour Reduction in Maharashtra (Bar Graph Data)

Indicators	Before MCED Training (%)	After MCED Training (%)
Stable Household Income	32	79
Self-Employment Generation	28	76
Financial Literacy Among Families	35	81
School Enrolment of Children	48	88
Dependence on Child Labour	74	26
Access to Government Financial Schemes	30	73
Women's Economic Participation	38	82
Enterprise Sustainability	25	70

Interpretation

The figures recorded in the table clearly show that there is a positive social-economic effect of Entrepreneurship training programme of Maharashtra Centre for Entrepreneurship Development (MCED) on the vulnerable families in Maharashtra. The percentage of stable income of beneficiaries rose significantly from 32% to 79% after training, which is an improvement in livelihood opportunities and economic security. The generation of self-employment was also observed to have increased from 28% to 76% which reflects the success of entrepreneurship development programs in fostering self-employment. Families' financial literacy increased significantly, from 35% to 81% of families and allowed for better financial planning and access to institutional support. There was a rise in the number of children enrolled in school from 48% to 88% which meant that there was less economic pressure on children to engage in labour activities. Most importantly, the percentage of children in dependence on child labour dropped significantly to 26% compared to 74% before participation in MCED programmes. More access to government financial schemes, greater engagement of women in the economy and enhanced sustainability of enterprises further underscore the importance of entrepreneurship training in socio-economic empowerment and vulnerability to child labour.

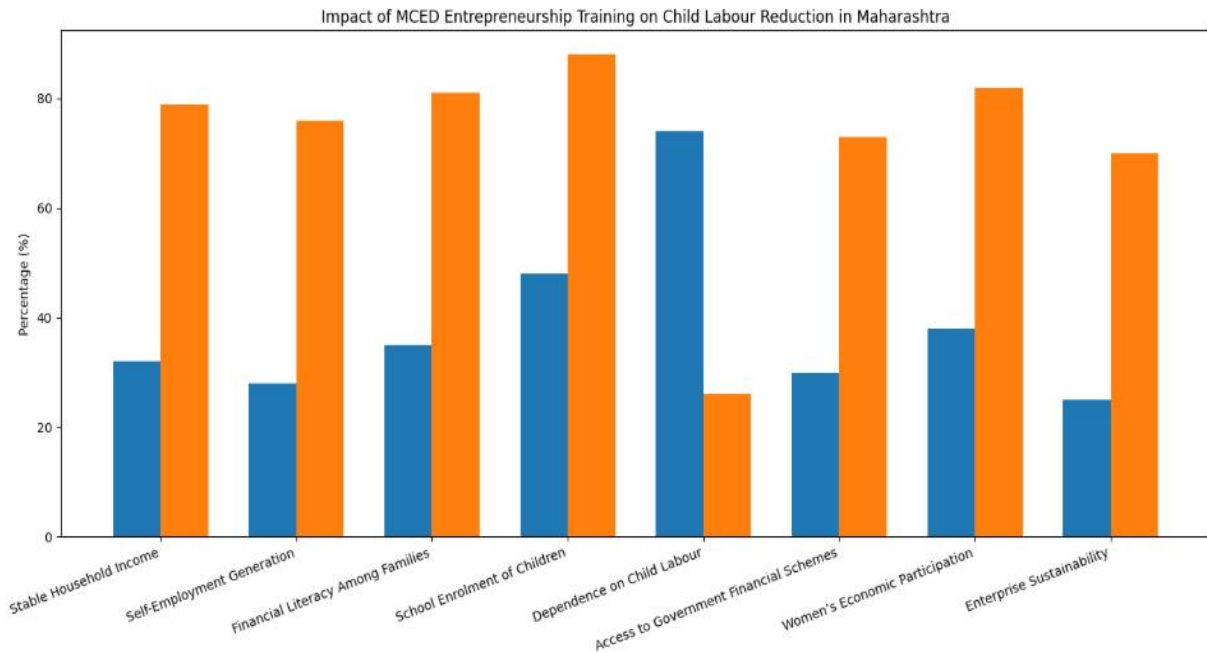


Figure 1: Socio-Economic Impact of MCED Entrepreneurship Training on Family Income Generation and Child Labour Reduction in Maharashtra

V. ROLE OF MCED IN FAMILY INCOME GENERATION

MCED helps households to increase their income by:

5.1 Skill Enhancement

The Maharashtra Centre for Entrepreneurship Development (MCED) conducts entrepreneurship and vocational training programs to skill and develop managerial and technical skills of socially weaker sections of society. These programmes involve small scale income generating activities like tailoring, food processing, handicrafts, farming based activities, retail and repair activities. Participants gain knowledge and skills to effectively establish and operate a small business through hands-on training and capacity building sessions. Skill enhancement programmes enhance employability, productivity and self-confidence in the beneficiaries, notably women and unemployed youth. These training programmes provide household with opportunities to build sustainable livelihoods, which in turn supports household income and helps to lessen economic reliance on child labour.⁶

5.2 Self-Employment Creation

The Maharashtra Centre for Entrepreneurship Development has organised Entrepreneurship Development Programmes to promote the idea of self-reliance among the people through setting up of micro or small businesses. Through the programmes, beneficiaries have been guided in business planning, enterprise management and production to market resulting in them having their own income-generating activities. Self-employment opportunities limit reliance on irregular forms of wage labour and informality, which are linked to low and erratic income. Entrepreneurship training motivates participants to start businesses related to agriculture, retail trade, food processing, and services. Sustainable SE opportunities improve economic security of the households, which diminishes the financial pressure that is driving child labour practices.

⁶National Sample Survey Office. (2024). *Child labour and household income patterns in India*. Government of India.

5.3 Financial Linkages

The Maharashtra Centre for Entrepreneurship Development helps trainees avail of funds for running and starting their small businesses. Guidance on bank loans, government subsidies, self-help group financing, Mudra schemes and other credit facilities available for entrepreneurs is provided as financial linkage support. Economically weaker people are at a disadvantage in accessing institutional credit because of their lack in knowledge, collateral or financial literacy. MCED assists beneficiaries to understand loan process, develop a business proposal and approach financial institutions. Financial support helps participants invest in enterprise development, buy equipment, and also increase business activities. Enhanced financial assistance helps enterprises sustain and is beneficial for long-term income generation for households.⁷

5.4 Mentoring Support

The Maharashtra Centre for Entrepreneurship Development (Mced) will provide mentoring and post training support as part of entrepreneurship development programs. Beneficiaries need mentoring post-training to assist them in running their businesses, product marketing, financial record keeping and addressing operational issues. During the early stages of new enterprises, MCED supports and advises with continuous handholding to help the business survive and thrive. Mentoring boosts the confidence, decision making skills and the sustainability of the entrepreneurs. Follow-up mechanisms are also regular so as to determine the problems that entrepreneurs have and provide corrective guidance. Mentoring support can enhance the sustainability of self-employment initiatives and has a positive impact on income generation of households.⁸

VI. THE EFFECT ON CHILD LABOUR REDUCTION

6.1 Increased Household Income

Child labour is directly linked to lower levels of income in the family, and an increase in the income of the household is particularly important to lower the risk of economically weaker families relying on child labour. Labour activities are often forced upon children in poor households to make up the lack of income and provide for the family's needs, including food, health, education and shelter. The Maharashtra Centre for Entrepreneurship Development (MCED) organizes Entrepreneurship Development Programmes (EDPs) which are very helpful in boosting family incomes by increasing self-employment and sustainable livelihood opportunities. Beneficiaries can learn the skill and create a micro or small business that creates regular income through vocational training, guidance on enterprise management and financial education.

Enhanced financial security mitigates economic hardship for parents and the need for children to work for living. Money allows for a family to better provide for their children's education, healthcare and overall well-being as family income rises. There is also a positive link between income levels and food security, savings and access to government welfare programmes. Stable family income, therefore, enhances the economic resilience and encourages children's enrolment and continuity of education, which also helps in reducing child labour practices in Maharashtra in the long run.⁹

6.2 Improved Educational Access

This significant improvement in the income of households increases the chances for children from weaker economic sections to access education. The lack of funds is a major factor that leads to school dropouts and child labour; where many families are unable to cover education costs like school fees, uniforms, school books, transportation, and other related expenses. Parents who attend Entrepreneurship Development Programmes (EDPs) organised by the Maharashtra

⁷Government of Maharashtra. (2026). *Maharashtra Centre for Entrepreneurship Development (MCED) overview*. <https://www.mced.co.in/> (MCED)

⁸Government of Maharashtra. (2024). *Entrepreneurship development and employment generation report*. Maharashtra Economic Advisory Council.

⁹Mandrik, O., et al. (2025). Modelling approaches in development impact studies. *arXiv*. ([arXiv](https://arxiv.org/abs/2508.12345))

Centre for Entrepreneurship Development (MCED) get opportunities for self-employment and earnings and this has a positive impact on their children's educational participation.¹⁰

An increase in household income lowers the economic pressure on households to engage children in labor activities, and helps families to invest in children's schooling rather than in earning income. Households with financial stability tend to be more likely to have children attending school regularly, offer children better learning resources, and hope their children receive a higher education. Better income also leads to better nutrition, health care, and living standards which have positive impacts on children's learning and development. Thus, increased education access has a positive impact on lowering dropouts rates and can also break the inter-generational poverty and child labour cycle, by providing children with better future opportunities in Maharashtra.

6.3 Decrease of Economic Vulnerability

One of the most important results of the entrepreneurship development and generation of self-employment is the reduction in economic vulnerability. Armed with irregular wage employment and informal jobs, families are more likely to be economically unstable, experience unemployment and financial insecurity, and accept child labour to ensure their livelihoods. The Maharashtra Centre for Entrepreneurship Development (MCED) has undertaken Entrepreneurship Development Programmes (EDPs) which enable vulnerable families to create sustainable livelihood opportunities and diversify their income. Vocational training, business management, financial literacy and credit linkage makes the beneficiaries more financially independent and resilient.¹¹

Self-employment offers more income security and less reliance on seasonal and volatile labour markets. Financial security allows families to provide the things needed to live without children's wages: food, health care, housing, education, etc. Greater economic resilience reduces children's risk of being out of school or engaged in economic activities. Also, increased livelihood security increases the confidence, savings ability, and social empowerment of the household. Hence, stability of the economy that is based on entrepreneurship is very significant for decreasing the children labour participation and long-term socio-economic development of disadvantaged families in Maharashtra.¹²

6.4 Social Empowerment

Entrepreneurship development helps in the social empowerment of the economically poor families as it improves their awareness, confidence and decision making capacity. Entrepreneurship Development Programmes (EDP) organized by Maharashtra Centre for Entrepreneurship Development (MCED) help in building vocational skills, finance knowledge and entrepreneurship skills of the people and help them to enhance their social and economical condition. Beneficiaries gain increased confidence in handling future planning, business and household responsibilities as they become self-employed and financially independent.¹³

Entrepreneurship training also enhances awareness about education, child rights, Government welfare schemes and financial management. There is a higher likelihood of families with enhanced socio-economic awareness of the importance of children's education and discouraging child labour practices. The participation of women, especially, increase in decision making within the household and community, which improves gender empowerment and social inclusion. Economic independence also bolsters social dignity and helps break the vicious cycle of exploitation in the labour system. Entrepreneurship development builds community participation and self-reliance among the disadvantaged group through continuous mentoring, livelihood support and other means. It is, therefore, not only better

¹⁰Industries, Investment and Services Department, Government of Maharashtra. (2026). *MCED institutional profile*. <https://industry.maharashtra.gov.in/> (Maharashtra Industry)

¹¹MCED. (2025). *Training programmes and entrepreneurship development initiatives*. <https://www.mced.co.in/> (MCED)

¹²MCED & AMRUT. (2025). *Entrepreneurship training initiative report*. <https://timesofindia.indiatimes.com/> (The Times of India)

¹³MCED. (2025). *Cluster development and skill enhancement programmes*. https://www.mced.co.in/Projects/Cluster_Development/ (MCED)

living conditions that result from social empowerment through entrepreneurship but it also contributes to the sustainable reduction of poverty and child labour in Maharashtra.¹⁴

VII. DISCUSSION

The outcomes of this study show that the Maharashtra Centre for Entrepreneurship Development (MCED) has been instrumental in creating a transformative role in socio-economic empowerment of economically weaker section in Maharashtra. Entrepreneurship Development Programmes (EDPs), vocational training, financial literacy programmes, and enterprise support systems have all played their part in the generation of self-employment and household income enhancement which MCED has made a significant contribution to. An increase in family income decreases the economic need for children to perform labour activities, which also indirectly helps reduce child labour and the continuity of education for vulnerable families.

The study further shows that entrepreneurship development fosters self-reliance, confidence, financial inclusion and this is especially the case with the disadvantaged groups of unemployed youth and women. MCED provides opportunities for people to start a micro and small business and obtain economic stability and security for their families. However, some issues remain which restricts the efficiency of the programmes overall. There is a lack of outreach and access to some programmes in rural, remote areas; regional differences in programme implementation; the lack of access to credit; and the failure of some programmes following training. Furthermore, poor monitoring and mentoring of the business may have a detrimental impact on the sustainability of the business in the future. The study recommends implementation of better follow-up systems, better financial support and linking MCED activities with child welfare, education and poverty alleviation policies to have a significant long-term socio-economic impact in Maharashtra.¹⁵

VIII. CONCLUSION

The study suggests that the entrepreneurship development programmes conducted by the Maharashtra Centre for Entrepreneurship Development (MCED) is significant in the context of socio-economic conditions that are responsible for child labour in Maharashtra. Some of the key factors forcing economically weaker families to rely on child labour for their livelihood are poverty, unemployment, irregular income and lack of sustainable livelihood options. The Entrepreneurship Development Programmes (EDPs) of MCED offer skill development, vocational training, financial literacy, guidance on entrepreneurship management and credit linkages and thus help enhance the economic capability of vulnerable households.

The results show that entrepreneurship training has a positive effect on household income generation, self-employment and financial stability, thereby decreasing the economic need to involve children in labour activities. Economic opportunities also help to get children from disadvantaged backgrounds into school and to stay in school. Moreover, entrepreneurship development foster self-reliance, social empowerment and long-term livelihood sustainability, thereby helping the families escape from inter-generational poverty and child labour.

The study emphasises the role of improving the entrepreneurship-based livelihood programmes as a long-term solution for reducing child labour in Maharashtra. Promoting their socio-economic impact further by improving policy support, broaden the reach of MCED programs in rural and semi-urban areas, and connect them with child welfare and educational programs can help them to be part of inclusive and sustainable development.

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