

AN ANALYSIS OF ENTREPRENEURSHIP DEVELOPMENT THROUGH RSETI IN PUDUKKOTTAI DISTRICT

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ABSTRACT

Non-availability of adequate employment opportunities in the organised and unorganised sectors is one of the serious challenges the country is facing. Lakhs of youth are entering the job market every year in this country but are unable to find suitable employment. The entry of automation and mechanisation in every sphere of commerce and administration due to the advent of science and technology has further accentuated the problem. On the rural side, the employment potential in agricultural economy also appears to have reached a saturation level leading to large scale migration of manpower from rural to urban areas adding woes and pressure to already over-strained civic infrastructure. In such a scenario, there is a need to promote self-employment for the unemployed rural youth, particularly those below the poverty line, and periodic skill upgradation to keep them abreast of latest technologies. Once trained appropriately, the youth would launch profitable micro-enterprises and enhance their own standards of living and thereby contribute to the overall national economy.

Introduction

Entrepreneurship is considered to be one of the most important determinants in the process of industrialisation, creating

employment opportunities and accelerating economic growth. The function of production cannot work without proper supply of entrepreneurial abilities. No amount of money

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or capital, land or natural resources or even human resources can be gainfully turned unless we have proper entrepreneurial abilities. This is indeed the chief instrument for achieving economic progress of a country.

In rural India, every day the poor men and women devise new methods and means to ease the economic burdens of their daily lives and find ways for employment. This facilitates them to earn income and make themselves available with two square meals a day. People make innovation in such a way that leads to a sustainable income flow to their households. Therefore, innovation and entrepreneurship is the key to sustainability of any enterprise/economic activity. Institutions promoting rural upliftment see entrepreneurship as a strategic development intervention to add momentum to rural prosperity in India.

In the era of liberalisation, privatisation and globalisation along with ongoing IT revolution, capable entrepreneurs are making use of the opportunities emerging from the evolving scenario. However, a large segment of the population, particularly in the industrially backward regions/rural areas generally lags behind in taking advantage of these opportunities. In such a scenario, there is a need to promote self-employment for the unemployed rural youth, particularly those below the poverty line, and periodic skill upgradation to keep them abreast of latest technologies. Once trained appropriately, the youth would launch profitable micro-

enterprises and enhance their own standards of living and thereby contribute to the overall national economy. They could also feed the services sector, both within the country and abroad. It is under these circumstances, Ministry of Rural Development (MoRD) set up Rural Self- Employment Training Institutes (RSETIs), one in each district of India, to impart training and skill upgradation to the rural BPL youth geared towards entrepreneurship development. Frequent evaluation is necessary to assess the impact of any training programme on the trainees and give workable suggestions to the sponsors and organisers of those training programmes and to modify the programmes in the right direction. Keeping all these facts in view the present investigation was an attempt to analyse the entrepreneurship development in women through Rural Self-Employment Training Institute in Pudukkottai district of Tamil Nadu.

Review of Literature

Chaudhari (1999) opined that entrepreneurship development programmes (EDPs) is the novel approach for entrepreneurship development in women and the process of EDP ranges from identification of appropriate candidates to impart necessary skills and knowledge about financial, technical and managerial aspects of business and also for developing motivation and giving infrastructural support for establishing new business enterprise.

Udayakumar and Sreedhara (2002) in an analysis of entrepreneurship development programmes stated that EDPs are an integral part of economic development programmes and they are directed towards developing entrepreneurship with the objectives of increasing the number of entrepreneurs who start new business units.

Udayakumar (2002) conducted a study on development of entrepreneurs through entrepreneurship development programmes (EDPs) and revealed that EDP has a marginal effect in converting potential entrepreneurs into actual entrepreneurs. Out of fifteen successful entrepreneurs, twelve had already decided to set up business ventures and joined the programme only to equip themselves with business skills to run the unit. Only three were motivated to set up business units. Even in terms of managing the units, EDP could not succeed in enhancing the managerial effectiveness of the entrepreneurs because eight out of the fifteen closed down their ventures. Also, those who were able to continue their business do not attribute their success to EDP.

Hyderabad and Krishnamurthy (2002) in a case study on impact of training programmes on entrepreneurship development revealed that training programmes and institutions involved in training did a commendable job in moulding the behaviour of small scale industry's entrepreneurs, the end result was not up to the desired level. In spite of their efforts,

the sector was plagued by many ills and weaknesses.

Rural Self-Employment Training Institutes

Entrepreneurship Development Institute (EDI), Ahmedabad, entered into the field of promoting rural entrepreneurship in a highly systematic manner. After several experiments in different rural situations, it developed a model for conducting rural EDPs. NABARD and Small Industries Development Bank of India (SIDBI), the two premier financial institutions in India, therefore, decided to fund the EDI in spreading this model through selected voluntary organisations in rural areas in different States. Encouraged by positive responses from the field, both these institutions and especially NABARD started approaching voluntary organisations directly (without the involvement of EDI) for implementing rural EDPs. One such voluntary organisation has been 'Rural Development and Self-Employment Training Institute' (RUDSETI) which was established in Ujire near Dharmasthala, Karnataka in 1982 jointly by Sri Dharmasthala Manjunatheshwara Educational Trust, Syndicate Bank and Canara Bank. RUDSETI, over last two decades established 26 units in 16 States.

Since the RUDSETI has today become a replicable model, the Ministry of Rural Development (MoRD) took an initiative in 2008-09 to set up Rural Self-Employment Training Institutes (RSETIs), one in each district

of India, based on concept of RUDSETI to impart training and skill upgradation to the rural BPL youth geared towards entrepreneurship development. As on 31 March 2013, 570 RSETIs have become operational and started the training activities. Over 5.94 lakh rural youth have been trained in these Institutes and 3.78 lakh have set up successful entrepreneurial ventures of their own.

RSETIs are bank led institutions i.e. managed and run by the public sector/private sector banks with active co-operation from the Government of India and State Governments. RSETIs are the dedicated institutions designed as to ensure necessary skill training and skill upgradation of the rural BPL youth to mitigate the unemployment problem. After successful completion of the training, the entrepreneurs will be provided with credit linkage assistance by the banks to start their own entrepreneurial ventures.

Objectives of the Study

The main objectives of the study are:

1. To study the socio-economic profile of trainees who had taken up EDP through RSETI, Pudukkottai; and
2. To study the impact of EDP in terms of success / settlement rate, incremental income and employment generation.

Methodology

Source of Data: The consolidated study is based on both primary and secondary sources

of data. The secondary data were collected from RSETI, Pudukkottai, various issues of RSETIs Quarterly Newsletter, articles published in journals, newspapers and from the websites related to entrepreneurship and micro-enterprises development. Primary data were collected through personal interviews with the help of pre-tested and structured questionnaire from RSETI trainees.

Selection of Trainees and Sample Size:

Keeping in view the specific set of objectives enumerated, trainees who had taken up EDP from RSETI, Pudukkottai during the period 2011-12 were listed. Of the total trainees listed (367), a random sample of 20 per cent trainees were selected. Thus, 73 trainees formed the sample unit for the study. Training programmes conducted by RSETI, Pudukkottai include food processing and bakery products, beauty parlour management, inventor & UPS manufacturing and services, flexi board and lamination, jute products manufacturing, photography, mobile services, preparation of domestic products, mushroom cultivation, two-wheeler servicing, maintenance of domestic equipments, embroidery and fabric painting, dress designing for women, beauty parlour management, multi-phone servicing, poultry, paper cup and paper bag.

Tools of Data Analysis: Data collected were subjected to in-depth tabular analysis. Besides applying arithmetical / statistical tools like percentages, ratios, frequencies, averages, etc. financial ratio analysis was used for analysing economics/ viability of new enterprises / activities. All the information / data collected

pertaining to financial transactions were valued at reference year prices.

Data Analysis

Profile of the Trained Entrepreneurs: It was considered essential to get an overall picture of their personnel, socio-economic and psychological attributes, so that it would give a broad framework for the entire analysis.

Gender : Table 1 shows the gender-wise distribution of the sample trainees. Of the total sample trainees selected, female trainees accounted for 56.16 per cent while it was 43.84 per cent for male.

Table 1: Distribution of Sample Trainees by Gender

S.No.	Gender	Number of Trainees	Percentage
1.	Male	32	43.84
2.	Female	41	56.16
	Total	73	100

Age : Table 2 shows age-wise distribution of the sample trainees. Of the total selected trainees, 32.88 per cent of the trainees belonged to age group of 18-25 years followed by the age group of 26-30 years (47.95 per cent) and 30-40 years (16.44 per cent). A mere 2.74 per cent

of trainees belonged to age group of 41-60 years. This is in accordance with the major objectives of RSETI which focused on developing entrepreneurial activities oriented skills among educated unemployed rural youth of 18-35 years.

Table 2 : Distribution of Sample Trainees by Age Group

S.No.	Age	Number of Trainees	Percentage
1	18 - 25	24	32.88
2	26 - 30	35	47.95
3	31 - 40	12	16.44
4	41 - 60	2	2.74
	Total	73	100

Education Level: Education is reported to be an important factor that provides entrepreneur the sustenance to work for their economic independence. Table 3 shows the educational status of the selected trainees. 26.67 per cent of the trainees had studied up to secondary level, 13.33 per cent had studied up to higher secondary level, 36.67 per cent had studied up to graduation and 23.33 per cent had studied job oriented course.

Table 3 : Distribution of Sample Trainees by Level of Education

S. No.	Level of Education	Number of Trainees	Percentage
1	Secondary	19	26.03
2	Higher secondary	10	13.7
3	Graduate	27	36.99
4	Technical	17	23.29
Total		73	100

Marital Status: Table 4 provides information about marital status-wise distribution of the sample trainees. 65 trainees accounting for about 89.04 per cent of the trainees were married, 2.74 per cent were unmarried and 8.22 per cent were widow/divorced/separated.

Table 4 : Distribution of Sample Trainees by Marital Status

S. No.	Marital Status	Number of Trainees	Percentage
1	Unmarried	2	2.74
2	Married	65	89.04
3	Widow/Divorced/Separated	6	8.22
Total		73	100

Family Type: Table 5 provides information about the family system-wise distribution of the trainees. 26 trainees accounting for about 35.62 per cent of the trainees are from joint family and 64.38 per cent are from nuclear family, i.e. a couple with two children.

Table 5: Distribution of Sample Trainees by Type of Family

S. No.	Type of family	Number of Trainees	Percentage
1	Joint family	26	35.62
2	Nuclear family	47	64.38
	Total	73	100

Parental Occupation: It is clear from Table 6 that 57.53 per cent of the trainees' family were engaged in agriculture sector, 24.66 per cent of the trainees' family were engaged in non-agricultural activities like job and business and 17.81 per cent of the trainees' family were dependent on other types of occupation such as service and trade.

Table 6: Distribution of Sample Trainees by Parental Occupation

S. No.	Type of family	Number of Trainees	Percentage
11	Cultivator/Agricultural Labour	42	57.53
2	Enterprise	18	24.66
3	Others	13	17.81
	Total	73	100

Pre-development Income Level: Table 7 provides information about pre-development income level of the sample trainees. 89.05 per cent of the sample trainees are having primary or secondary occupation earning an annual income up to ₹ 25,000 indicating that they are below the poverty line.

Table 7 : Distribution of Sample Trainees by Pre-development Income Level

S. No.	Annual Income	Number of Trainees	Percentage
1	Up to 10,000	25	34.25
2	10001 – 15,000	16	21.92
3	15,001 – 20,000	15	20.55

(Contd...)

Table 7 (Contd...)

S.No.	Annual Income	Number of Trainees	Percentage
4	20,001 – 25,000	9	12.33
5	25,001 – 50,000	7	9.59
6	50,001 – 1,00,000	1	1.37
	Total	73	100

Success Rate of EDP Trainings: Table 8 shows the success rate of EDP trainings given by RSETI, Pudukkottai during the year 2011-12. Among the 73 sample trainees who had taken the EDP training from the institute, two-thirds (67.12

per cent) of the trainees started their own enterprises at different points of the time and one-third (32.88 per cent) of the trainees had not taken any enterprise.

Table 8 : Success Rate of the EDP Trainings

S.No.	Categories	Number of Trainees	Percentage
1	Total number of trainees	73	-
2	Total number of trainees who had taken up enterprise	49	67.12
3	Total number of women who had not taken any enterprise	24	32.88

Time lag in Establishing an Enterprise: Table 9 reveals that majority (51.02 per cent) of the trainees started their enterprise within six months after taking the training from the

institute. Whereas, 34.69 per cent of the trainees took 7 to 12 months to start their units and only 14.29 per cent of the trainees took more than 12 months to start their enterprise.

Table 9 : Time Lag in Establishing an Enterprise

S.No.	Categories	Number of Trainees	Percentage
1	Low (within 6 months)	25	51.02
2	Medium (within 7 to 12 months)	17	34.69
3	High (more than 12 months)	7	14.29
	Total	49	100.00

Impact of EDP Training on Income Generation: Table 10 reveals the income generation of trained entrepreneurs through their enterprise. The Table indicates that 46.94 per cent of the EDP trainees belonged to medium income generation category which ranged from ₹ 3833 to ₹ 11,648. Whereas, 30.61 per cent of the trainees had high income generation (i.e. more than ₹ 11,648) and only 22.45 per cent of the trainees had low (less than ₹ 3833) income generation.

Table 10: Distribution of Sample Trainees Based on Their Income Generation Through the Enterprise

S. No.	Categories	Number of Trainees	Percentage
1	Low (within ₹ 3833.08 per annum)	11	22.45
2	Medium (₹ 3833.08 to ₹ 11,648.97 per annum)	23	46.94
3	High (more than ₹ 11,648.97 per annum)	15	30.61
	Total	49	100.00

Impact of EDP Training on Employment Generation: Table 11 reveals that majority (51.02 per cent) of the trained entrepreneurs generated medium range (139.14 - 227.02 mandays) of employment through their enterprises, whereas, 26.53 per cent of the trained entrepreneurs generated low range (less than 139.14 mandays) and 23.09 per cent of them generated high range (more than 227.02 mandays) of employment.

Table 11: Distribution of Sample Trainees Based on Employment Generation Through the Enterprise

S. No.	Categories	Number of Trainees	Percentage
1	Low (within ₹ 3833.08 per annum)	13	26.53
2	Medium (₹ 3833.08 to ₹ 11,648.97 per annum)	25	51.02
3	High (more than ₹ 11,648.97 per annum)	11	22.45
	Total	49	100

Implications

The implications based on the findings of the current investigation are as follows.

Two-thirds of the EDP trainees started the enterprise after taking the training from the institute and a considerable percentage of the trainees did not establish any enterprise. The RSETI, Pudukkottai should make all the efforts to critically analyse the reasons for not taking up of any enterprise and get the appropriate feedback from them. Efforts should be made to motivate them and create better infrastructure.

Nearly 51 per cent of the trainees started their enterprise within 6 months after the training. It is appreciable to find the above result, but in the same way one-third of the EDP trainees took 7 to 12 months to start the enterprise. It is evident from the study that loans were not available in time which leads to delay in establishment of the enterprise. Necessary care should be exercised for timely sanctioning of the loan to the interested trainees.

More than half of the trained entrepreneurs belonged to medium level of income generation category. It is heartening to find majority of the respondents in the medium income generation category. It was also noticed that there was stability in income generation. But for the success of an enterprise it is necessary to expand the size of the units and achieve higher income generation. This

calls for further encouragement of trainees who have established their enterprise by the agencies who are involved in entrepreneurship development. The follow-up programme should be taken up in such a way that, they should offer solution to the problems which intervene in their activities, to sustain their knowledge regarding the learnt activities, latest technologies, skills and opportunities for further establishment of their enterprise. Also create awareness about the government policies and programmes, availability of raw material, marketing facilities and financial sources. A special cell needs to be set up to deal exclusively with the women entrepreneurs and provide the technical guidance in running their enterprise successfully.

Conclusion

It is painful to know that after establishing an enterprise through their hard work, entrepreneurs were facing with the problems of stiff competition from the established brands and lack of better market facilities. This should be taken note of by all concerned because the success of the EDP depends upon success of the entrepreneurs which in turn linked with the demand that their product/service gets in the market. During their training programme, orient them towards availability of different market channels so that they can find out good market for their products.

Education, achievement motivation and risk bearing ability contribute to income

generation ability of trained women entrepreneurs. Attention should be given to those attributes during the course of their training. Variables such as skill orientation and source of information were found to be not associated with income generation. Acquaint them with skill aspects during the course of their training programme and provide linkages to different source of information so that they can get necessary information.

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