

Entrepreneurship Development Skills in India through RSETI

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Abstract: Rural development is a key element of strategies to reduce poverty and create income and employment opportunities. It is important to unleash and harness grassroots entrepreneurs' creativity, but they are posed with many challenges. To overcome these challenges and promote rural entrepreneurship, with greater support and co-operation from the Government of India and State Government, implemented a prestigious scheme called Rural Self Employment Training Institute, popularly known as RSETI. The main concept of this scheme is to mitigate the unemployment problem of the rural youths. RSETIs are hands-on free training institutes implemented across the country with the main intent to overcome the problem of unemployment. And these institute are managed by banks with active co-operation from the GoI and State Government. These institutes have been set up to ensure a necessary short period of hands-on skill training and skill up-gradation in free of cost and secure accommodation for men and women of the rural below poverty line (BPL) youths. RSETI concepts are based on RUDSETI (Rural Development and Self Employment Training Institute), a Society established jointly by three agencies i.e., Syndicate Bank, Canara Bank, and Sri Manjunathewsare Trust based on Ujire in Karnataka. Almost in every district (587 RSETIs) in the country, RSETI has been established. The Lead Bank in the district takes responsibility for developing and managing it. Based on field cases, two beneficiaries' cases are presented here, portraying how they have been benefitted after training and earning income as provided with proper backward and forward linkages.

Keywords: Below Poverty Line (BPL), Lead Banks, Trainees and RSETIs

1. Introduction

RSETI, popularly known as Rural Self Employment Training Institute. Banks manage RSETI with active cooperation from the Government of India and State Government. To mitigate the unemployment problem, the Institution has been set up to ensure necessary skill training and skill up-gradation of the rural below poverty line (BPL) youths. RSETI concept is based on RUDSETI (Rural Development and Self Employment Training Institute), a society established jointly by three agencies i.e., Syndicate Bank, Canara Bank, and Sri Manjunatheshwara Trust based at Ujire in Karnataka. Almost in every district in the country, RSETI has been established. The Lead Bank in the district takes responsibility for developing and managing it. There are several reasons for the increasing interest in entrepreneurship in rural regions and communities. **First**, and foremost, the traditional approaches of recruitment and retention are not working for most places, and leaders are looking for viable alternatives. **Second**, the structure of rural economies is mainly composed of small enterprises responsible for most of the job growth and innovation. In any event, small businesses represent an appropriate scale of activity for most rural economies.

For the successful entrepreneurship development strategy identified four principal components that are:

- 1) There has to be a community culture of support for entrepreneurs,
- 2) The strategy has to be entrepreneur-focused,
- 3) A systems orientation has to be central to the strategy, and
- 4) Make available funding for innovative financing models.

The Government of India provides one-time grant assistance, up to a maximum of Rs. 1 crore, to meet the

expenditure on construction of building and other infrastructure. After successfully completing the training, they are provided with credit linkage assistance by the banks to start their entrepreneurial ventures (<http://nird.org.in/rseti>). It is pertinent to mention that there are 585 RSETIs in the country as of April 2016. Trainees are divided into two categories – 70 percent Below Poverty Line (BPL) and 30 percent Above Poverty Line (APL). The number of trainees, in general, maybe between 25 and 30.

Rural entrepreneurs have successfully diversified into or started new businesses in markets as diverse as agro-food, crafts, recycling, leisure, and health. Diversification into non-agricultural uses of available resources such as catering for tourists, blacksmithing, carpentry, spinning, etc. also fit into rural entrepreneurship [1].

Rural development is a critical element of strategies to reduce poverty and create income and employment opportunities. It is essential to unleash and harness grassroots entrepreneurs' creativity, but they are posed with many challenges, the biggest being these grassroots inventions don't scale up. To overcome these challenges, rural entrepreneurship has a vital role in the development of the Indian economy.

Infrastructure:

The standard minimum infrastructure of each RSETI are:

- 1) 2-3 classrooms with toilet facilities (separate for women and physically challenged friendly).
- 2) Two workshops, two dormitories with bath facilities.
- 3) Adequate physical infrastructure for training, administration, hostel, and staff quarters etc.

Programme Structure & Contents

Each RSETI generally offers 30 to 40 skill development programmes in a financial year in various trades.

Volume 9 Issue 8, August 2020

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The programmes are of short duration ranging from 1 to 6 weeks, and as an example, few are listed below:

Agricultural Programmes – agriculture and allied activities are Dairy, Poultry, Apiculture, Horticulture, Sericulture, Mushroom cultivation, Floriculture, Fisheries, etc.

Product Programme – dress designing for men and women, incense sticks manufacturing, football making, bag, bakery products, leaf cup making, recycled paper manufacturing, etc.

Process Programmes – two-wheeler repairs, radio/TV repairs, motor rewinding, electrical transformer repairs, irrigation pump-set repairs, tractor, and power tiller repairs, cell phone repairs, beautician course, photography, and videography, screen printing, domestic electrical appliances repair, computer hardware, and DTP.

General Programmes – skill development for women

Other Programmes – related to different sectors like leather, construction, hospitality, and any other sector depending on local requirements. Mention may be made training programmes are decided by the Institute i.e., RSETI based on the domestic resource situation and potential demand. A uniform standardized curriculum is developed and circulated among the institutes. All banks recognize the certificate issued by an RSETI to the trainee to extend credit to the trainees, meaning RSETI trained rural youths are free to access any scheduled bank's loan.

In this section, two cases of beneficiaries are presented who, after getting training from RSETI, could settle in their life by earning income. Both are from Tamilnadu, and the RSETIs are managed by Indian Overseas Bank (IOB). The cases pertain to 2019, portraying recent data. It may be mentioned that there are 31 RSETIs in Tamilnadu, and from 1st April 2011 to 31st March 2019 altogether, 174010 youth were trained, of which 124505 youth (72%) were settled. It is pertinent to mention that 124505 trainees settled entirely 103511 were settled through self-employment, and rest were provided with wage or self-finance or bank finance employment. Further, the definitions of self and wage employment programmes as defined by NSSO 55th Round are mentioned below:

Self-employed: Persons who operate their self-enterprises or engaged independently in a profession or trade on their account or with one or a few partners are deemed to be self-employed in household enterprises. The essential feature of the self-employed is that they have autonomy (i.e., how, where, and when to produce) and economic independence (i.e., market, the scale of operation, and money) for carrying out their activity. The fee or remuneration received by them comprises two parts – share of their labour and profit of the enterprise. In other words, their pay is determined wholly or mainly by sales or benefits of the goods or services which were produced. Self-employed persons can be further categorized as own-account workers, employers, or helpers in household enterprises.

Regular salaried/ wage employee: These are persons who work in others' farm or non-farm enterprises (both household and non-household) and, in return, receive salary or wages on a regular basis (i.e., not on the basis of daily or periodic renewal of work contract). This category includes not only persons getting time wage but also persons receiving piece wages or salaries and paid apprentices, both full-time and part-time.

Casual wage labour: A person who is casually engaged in others' farm or non-farm enterprises (both household and non-household) and, in return, receives wages according to the terms of the daily or periodic work contract is a casual wage labourer. Muhammad Yunus, the Nobel laureate, in his book *Banker to the Poor*, has highlighted some advantages of self-employment over wage employment.

- 1) The hours are flexible and can adapt to fit any family situation. It allows people to choose between running a business full-time or part-time when they need to meet crises or to put their business on hold and work full-time for a salary.
- 2) Self-employment is tailor-made for anyone who is street smart and has many acquired from books and technical schools. This means the illiterate and the poor can exploit their strengths, rather than be held back by their weaknesses
- 3) It allows a person to turn hobbies they enjoy into gainful employment.
- 4) It allows individuals who cannot work well in a rigid hierarchy to run their own show.
- 5) It offers a way out of welfare dependency, not just to become wage slaves, but to open a store or start a manufacturing business.
- 6) It can help those who have found a job and are still nonetheless poor.
- 7) It gives those who have just been fired from a job moral support to start a business before they become depressed and isolated.
- 8) It gives the victims of prejudice who would not be hired because of their color or national origin, a chance to earn a living.
- 9) The average cost of creating a self-employment job is ten, twenty, or hundreds cheaper than building an employment job.
- 10) It helps isolated poor people gain self-confidence, step by step.

Case 1:

She, who suffered from poverty, betrayal, solitude, and ignorance, finally came forth with sheer courage and determination to prove the significance of her existence to the world. Asma Fathima, who belonged to a remote village Adiyakkamangala near Thiruvarur, Tamilnadu, had deplorable living conditions. What was more, one beautiful day, she realized that her husband had silently left her, leaving behind a life full of miseries. Fathima was overwhelmed with grief and despair. Accepting her fate, she wanted to move on in life, but without any support and guidance, she found herself standing amidst a seemingly endless desert of difficulties. When Asma thought she was almost going to lose out, a ray of hope sneaked in the form of an article in a newspaper 'Dhina Malar' about IOB RSETI, Thiruvarur, Tamil Nadu. She approached the

Institute right away to know more about the training programs, following which she decided to undergo training on Jute Products Manufacturing as she had little experience in tailoring. The training motivated her to the core and presented her with an all-new optimism. She felt inspired and rejuvenated by training activities, especially the simulation games, which re-energized her enthusiasm and confidence to move ahead. Asma was amazed at the positive change that she underwent during the training and thanked her stars for having arrived at the right place. Soon after the training, Asma used a systematic approach and with the help of Rs. 35,000/- loan sanctioned by Indian Overseas Bank, started her unit named 'RJF Jute Bag Works' in her village. And her net monthly income on an average was Rs. 15,000/-. Further, she provided employment to two persons. Using the marketing and customer management skills learned through training at IOB RSETI, Thiruvarur, she has prospered in her business. Having repaid the bank loan, she is leading a happy life today and thanks her stars for having arrived at IOB RSETI, Thiruvarur, that changed her life. She expresses her gratitude towards RSETI, Thiruvarur sponsored by Indian Overseas Bank for the training imparted to her, which immensely changed her economic life.

Case 2:

A small news item in a popular newspaper in Tamil changed Srinivasan's life in a big way. Over a cup of tea, he was leafing around the pages of day's newspaper. Then, he fixed his eyes on a tiny news release by IOB RSETI, Thiruvarur in Tamil Nadu, which offered self-employment training programs for rural youth. With an aged father who used to earn hardly Rs. 200/- a day in a remote village, all the doors for a good future for Srinivasan seemed tightly shut. A light of a new dawn seemed to show through the lines of this new item. Very soon, Srinivasan found himself as a participant in a short term free residential training in Two-Wheeler Servicing at IOB RSETI, Thiruvarur. As the activity was new to him, Srinivasan found it a little tricky to catch up with the training program. But his very understanding faculty and cooperative mates filled him with confidence. Srinivasan had made up his mind that come what may; he should move out of the Institute as an empowered young man to earn his livelihood. He thus spent extra time even after the training sessions internalizing the skills of two-wheeler service. He also learned some tricks of the trade. Kamalapuram is a nearby place that has a large population of two-wheelers. There was an insufficient number of two-wheeler service points to satisfy the need. Soon after the training, Srinivasan found a suitable place at Kamalapuram to establish his small workshop and humbly started the service with a capital of Rs. 30,000/- borrowed from his friends and relatives. Srinivasan is very skillful in his repairs, punctual in his services, and cordial in customer relations, making him popular among his customers. With two assistants supporting him, Mr. Srinivasan is earning his livelihood of Rs. 5,000/- per month with dignity. After some time, he intends to availing a loan from Indian Overseas Bank to expand his business.

Note: Stay tuned to know more about **ENTREPRENEURSHIP DEVELOPMENT SKILLS & EMPLOYMENT GENERATION IN INDIA, in coming**

future publication by S K Niamathulla & Dr. Senthil Kumar.

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