

Impact of RSETIs on Entrepreneurship Development & Employment Generation

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Abstract

The Rural Self Employment Training Institutes play an important role in reducing poverty and creating income and employment opportunities. These Institutes are established in almost all districts in India. They are provided with several ED programs to develop entrepreneur skills & self-employment in the rural youth. The RSETI is a replicated Rural Development and Self Employment Training Institute (RUDSETI) model. This distinctive endeavor was established jointly by Sri Dharmasthala Manjunatheshwara Trust (SDME), Canara & Syndicate Banks supported by Ujiri in Karnataka. They are 587 RSETIs have been inaugurated all over the country, which impart quality EDPs training to the rural BPL youths for different economic activities and extend support to beneficiaries to take up self-employment through RSETIs by providing credit linkage to the beneficiaries.

The primary aim of the research paper is to explore the impact of SBI RSETI Chilkur (Ranga Reddy District) on the Rural Self-Employment Training Programs and Employment Generation for the trainees of the RSETI Chilkur (Hyderabad). A research study was conducted to discover the no. of EDPs conducted, to study the trends of participation of women and weaker sections in RSETIs training, the success rate of settlement (Employment Generation), time is taken to launch a micro-enterprise, and finally, what would be the key role of RSETI in sustaining the post-trainees in the settlement process. The research data were gathered using a questionnaire approach from RSETI Chilkur's beneficiaries who took part in the training program during the year 2019 April -2020 March and participated in various entrepreneur development activities.

Keywords: RSETI, Self-Employment, Entrepreneurship Development, BPL. Training Programmes.

INTRODUCTION

Today, India is facing a prime challenge in developing and comprehensive growth in poverty & unemployment. In rural and semi-urban areas, millions of youths are unemployed because they lack access to professional training and education. Still, they are oriented toward professional jobs, made to despair of job opportunities. Of late, many of such distressed/hopeless rural BPL youth from rural areas are diverted to anti-social activities for their livelihood. Massive pressures on public life in urban areas and a mismatch in potential deployment have rendered planners and

administrators powerless. The situation illustrates the need to promote self-employment and entrepreneurial ventures among jobless youth in rural areas. In 2009, the SBI RSETI, Chilkur was established in RR District of Telangana state, aiming to provide short-term training/education on EDPs for the rural jobless youth to achieve their goals and drive up with a salary jobs an origin to earn a living.

It primarily focuses on providing handholding support for setting up and successfully running an enterprise, such as financial assistance linkages, project consultancy services, counselling, and building up confidence among

unemployed youth. A lead bank, the State Bank of India (SBI) in Ranga Reddy District, manages it.

In this study, the researcher found a reliable way for unemployed youth to start a career with self-employment. The SBI-RSETI Chilkur provides them with a special assistant for setting up their ventures.

In this study, the main objective is to investigate the impact of RSETI training on establishing an enterprise.

Implementing RSETIs in India

In India, Many Rural families remain poor because they are unemployed, and Rural youth is unemployed as they are poor. In 1982, Implemented first RUSSETI in India by SDME Society, together with Canara & Syndicate Bank, located at Dharmasthala in the southwestern region of India (i.e., Karnataka). By recognizing the RUSSETI contribution & success achieved to the Rural society in the way of developing the Entrepreneurship Skills & Employment generation in the rural youth by addressing unemployment problems. The Government of India (GoI), MoRD, has appreciated the initiative of RSETI success & development in the rural families and announced for implementation of one RSETI in every district in India. They instructed all the lead banks of their districts to sponsor self-employment training institutes named bank-led institutes. GoI has offered one time grant of Rs. 1 crore for infrastructure to each bank-led RSETIs across the county & besides getting reimbursement of the cost of training rural BPL members. The state government gives land free of cost, and the lead banks of the districts will operate the training institutes by providing the resources like EDP trainers to train & hands-on training materials.

The aim of the RUSSETI/RSETI is to train rural youth in various short-term Entrepreneurship Development Programs (EDPs) so that they can take up self-employment as a livelihood option and earn regular income. This has resulted in the swift expansion of RSETIs in India. Currently, 585 RSETIs are functioning in India (Table1), of which 151 RSETIs are led by 43rd world largest bank is State Bank of India. Uttar Pradesh has the

highest number of RSETIs (75) & the Newly Established state Telangana has 10 RSETIs & However, most states in Northeast India have a very low number of RSETIs.

Table 1: *Ranking of states in terms of number of RSETIs*

| State | No. of RSETIs | Rank | State | No. of RSETIs | Rank |
|----------------|---------------|------|---------------------------|---------------|-----------|
| Uttar Pradesh | 75 | 1 | Kerala | 14 | 18 |
| Madhya Pradesh | 50 | 2 | Uttarakhand | 13 | 19 |
| Bihar | 38 | 3 | Himachal Pradesh | 10 | 20 |
| Maharashtra | 35 | 4 | Telangana | 11 | 21 |
| Rajasthan | 35 | 5 | Meghalaya | 5 | 22 |
| Karnataka | 33 | 6 | Tripura | 5 | 23 |
| Tamil Nadu | 30 | 7 | UT Ladakh | 2 | 24 |
| Odisha | 30 | 8 | Andaman & Nicobar Islands | 1 | 25 |
| Gujarat | 28 | 9 | Arunachal Pradesh | 1 | 26 |
| Assam | 26 | 10 | Dadra & Nagar Haveli | 1 | 26 |
| Jharkhand | 25 | 11 | Lakshadweep | 1 | 26 |
| Haryana | 21 | 12 | Manipur | 1 | 26 |
| J&K | 20 | 13 | Mizoram | 1 | 26 |
| Punjab | 17 | 14 | Nagaland | 1 | 26 |
| West Bengal | 19 | 15 | Pondicherry | 1 | 26 |
| Chhattisgarh | 18 | 16 | Sikkim | 1 | 26 |
| Andhra Pradesh | 16 | 17 | TOTAL RSETIs | 585 | |

The Objectives of These RSETIs are –

1. Identifying & training rural BPL (60%) youth to encourage self-employment.
2. Offering demand-driven EDPs (Short-term residential EDPs with free food & accommodation);

3. Selecting training trades/Jobs by carefully studying the Rural areas and assessment.
4. Providing a hand-holding experience for guaranteed credit linkage with banks; and
5. Extending 2-years escort/guide services to ensure the sustainability of micro-enterprise trainees.

Training Programmes

The below table mentions the list of training programs conducted by self-employment institutes across the country.

Duration of the training = 40 to 45 days.

Programs = 70 various programs are grouped into four categories.

Table 2: *Types of Entrepreneurship Development Programmes*

| S.No. | Types of EDPs | Scope/Objective | Description |
|-------|-------------------------|--|---|
| 1 | Agriculture EDPs | The scope of training involves agriculture and associated industries | It involves training for comprehensive agriculture activities including: <ul style="list-style-type: none"> ➤ Poultry ➤ Apiculture ➤ Dairy Farming ➤ Horticulture, and much more. |
| 2 | Cottage Industry EDPs | The objective here is to provide skill development training to people towards the establishment of small scale and cottage industry or entrepreneurial activities. This classification solely focuses on manufacturing businesses that comparatively have higher probability of employment generation | Some examples for this classification include: <ul style="list-style-type: none"> ➤ Dress Designing/Tailoring ➤ Incense stick production ➤ Candle/matchlight production ➤ Soft Toys ➤ Food Processing & Bakery Products ➤ Pickle & beverage production ➤ Hardware/spare-part production ➤ Fabric production, etc. |
| 3 | Service and Repair EDPs | The scope of training involves detailed process activities that are generally associated with but are not limited to service and repair in electrical and electronic works. The scope could also be extended to include basic computational and digital media/resource usage under service sector. | Some examples for this classification include: <ul style="list-style-type: none"> ➤ Electric Motor & Pump service/repair ➤ Cosmetic/Saloon service ➤ Basic Photography & Videography ➤ Mobile device service ➤ Domestic electrical appliance service/repair ➤ Automobile Service/Repair ➤ Computer-aided design ➤ A/C & Refrigeration ➤ Computer Basics etc. |
| 4 | General EDPs | Entrepreneurship Development Programs (EDPs) promote entrepreneurial qualities among individuals who have yet to decide what business activity they should pursue or rely on to make a living. | Various EDPs for men & women, PMEGP, Other General programs etc. |

Post Training:

- After successfully ends of the EDP program.
- RSETIs send trained candidates' names to the sponsoring bank of the district.
- Trainees can get easy access to finance
- To Build their self-ventures in their home places

This paper attempts to evaluate the achievements of SBI RSETI Chilkur, Telangana, in promoting self-employment among trainees. It also studies the trends of participation of women and weaker sections in RSETIs training.

SBI RSETIs in India

SBI is one of the fortune 500 lists globally, and SBI is led to 151 RSETIs to reduce poverty and unemployment of the rural youth globally [1]. SBI RSETI has been trained more than 6 lakhs of trainees over 7 years, of which 67% have been successfully building their own venture in their home places.

SBI RSETIs offers 25 to 30 skill development programmes. MoRD has approved these skill development programmes. The following are the programmes with uniform standardized curriculum:

Table 3: *SBI RSETIs Entrepreneurship Development Programmes during 2019-20*

| Agriculture Skill Development Programmes | Product Based Entrepreneurship Development Programmes | Process Oriented Skill Development Programmes | General Programmes |
|--|---|--|--|
| Associated Farming & Cultivation activities Piggery Farming activities, The candidates well receive mushroom cultivations. | Training on Tailoring/stitching all types of dresses, Candle Manufacturing process, Bamboo & cane craft, Papad Making process, Veg & Non-Veg Pickle making Fabric products making | Training on all types of Vehicles servicing activities Electronic Devices training & services Beauty Salon/parlour training & so on. | Training on Various EDPs for men & women, PMEGP, Other General programs etc. |

As discussed in the above sections, SBI RSETI conducts short-term training programs, usually depending on the program; a few programs take ten days to complete and some programs in 30 days. The selection of the training programs is

based on the rural market/demand for the products/services.

Research Report on SBI RSETIs, India

Table 4: *Performance of the SBI RSETIs (151 RSETIs) During 2017-20; Source: SBI RSETI 2021 [1]*

| S.No | Particulars | FY17 | FY18 | FY19 | FY20 | Cumulative (Since 2011) |
|------|-----------------------------|-------|--------|-------|-------|-------------------------|
| 1 | No. of Programmes Conducted | 2833 | 3836 | 3541 | 3376 | 30727 |
| 2 | No. of Candidates Trained | 76971 | 100237 | 97013 | 93009 | 835099 |
| 3 | No. of Candidate Settled | | | | | 592322 |
| 4 | % Trainees Settlement | | | | | 70% |
| 5 | % Trainees Credit Linked | | | | | 50% |

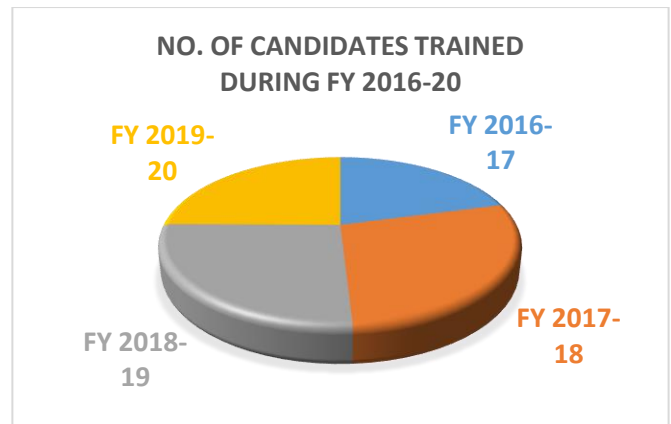
According to the primary research study, Collected Information/data is from various state & central government institutes. Research study conducted on SBI RSETIs across the country, SBI RSETIs training has massive scope for the jobless BPL youths interested in entrepreneurship. According to the report, the SBI RSETIs has conducted more than 30,727 Entrepreneurship Development Programmes (EDPs) from 2011 to 2021, & No. of Candidates got trained is 8,35,099. As a result, the settlement/self-employment rate of the candidate is more than 70% across the country, i.e., 5,92,322 candidates become self-employers/entrepreneurs and build their own venture in their home places. Also, we can see the settlement results; most of the SBI RSETIs beneficiaries, i.e., 50% of the candidates, are settled through Credit Linkage.

During 2016-17, beneficiaries who completed EDP training courses were procured through SBI-RSETI.

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The total no. of trainees trained are 76,971 on various kind of programs, i.e., 2833 EDPs conducted by the SBI RSETIs. During 2017-18, beneficiaries who completed EDP training courses were procured through SBI-RSETIs. The total no. of trainees trained are 1,00,237 on various kind of programs, i.e., 3836 EDPs conducted by the SBI RSETIs. During 2018-19, beneficiaries who completed EDP training courses were procured through SBI-RSETIs. The total no. of trainees trained are 97,013 on various kind of programs, i.e., 3541 EDPs conducted by the SBI RSETIs. During 2019-20, beneficiaries who completed EDP training courses were procured through SBI-RSETIs. The total no. of trainees trained are 93,009 on various kind of programs, i.e., 3376 EDPs conducted by the SBI RSETIs. During 2020-21, beneficiaries who completed EDP training courses were procured through SBI-RSETI. The total no. of trainees trained are 31,736 on various type of programs, i.e., 1283 EDPs conducted by the SBI RSETIs.

Financial Year (vs)Trained Candidates



Trained Candidate vs Settled candidates



Materials and Methods - SBI RSETI, Chilkur

As per our primary research study, the collected Information is from various RSETI institutes. The study was conducted in purposively selected SBI RSETI, Chilkur, located at Ranga Reddy district of Telangana state.

During 2019-20, the beneficiaries who had taken any EDPs training were procured from the SBI - RSETI, Chilkur. According to the study, the total number of beneficiaries trained is 605 on various programs, i.e., 24 EDPs conducted by the SBI RSETIs in 2019-20.

The beneficiaries who had taken any EDP training programs in the year 2019-20 were procured from the SBI RSETI Chilkur. According to the study, a total of 605 beneficiaries were trained during this year. Succeeding, the beneficiaries who were engaged in income generation activities were enumerated with the help of RSETI Chilkur. A total of 525,

i.e., 86.20%, of beneficiaries, were involved in different income generation activities after attending the training. The 605 beneficiaries are trained under the various entrepreneurial Development Programs (EDPs) are given in Table - 6 If you see the gender-wise qualified beneficiaries, Males are 340 & Females are 265.

Table - 6 data reveals that more than half of the trainees were male (56.19%). & Remaining 43.80% of the beneficiaries are female. If we the settlement rate of the total trained beneficiaries is 86.20%. Gender-wise settlement rate, 56.19% of the Male beneficiaries got trained. As a result, 96.64% of male beneficiaries are settled. Similarly, 43.80% of the female beneficiaries got trained. As a result, 79.24% of female beneficiaries are settled.

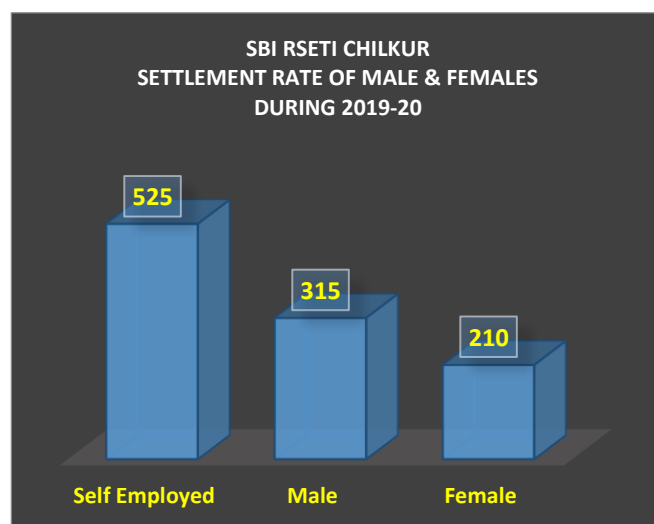
Table 6: *Performance of SBI RSETI, Chilkur During 2019-20*

| S.No | Particulars | 2019-20 | | |
|------|--|----------------|-----------|-------|
| 1 | No. of Programmes conducted during the Year | | | |
| 2 | No. of Beneficiaries trained (Men & Women) | Men | Women | Total |
| | | 340 | 265 | 605 |
| 3 | Rate of Settlement | 86.20% | | |
| 4 | Rate of Settlement (Men & Women) | Men | Women | Total |
| | | 315 | 210 | |
| 5 | Rate of Settlement (With Bank loans, Self-funds, credit linkage, etc.) | With Bank Loan | Self-Fund | Total |
| | | 165 | 360 | 525 |

The study data in Table - 6 above illustrates the settlement rate of the beneficiaries with bank loans from different sources. The data shows that more than half, i.e., 68.57%, of the beneficiaries are created their venture and became self-employed with self-funds. The remaining 31.43% of the beneficiaries have become self-employed with the help & support of Bank Loans.

Installation of new / expansion of a Micro-Enterprises

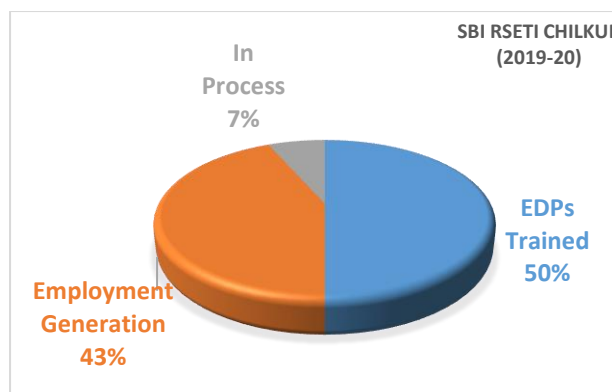
Table - 6 shows that most of the beneficiaries, i.e., 86.20%, had established/installed the new and expanded the existing micro-enterprise after attending the EDPs conducted by SBI RSETI Chilkur. Table 1.1 reveals that the beneficiaries get trained in various EDPs such as agriculture EDP, Product EDPs, Process EDPs, and other EDPs had established the new & expanded the existing enterprise. And according to the report, we observed that 60% of the male beneficiaries & 40% of the female beneficiaries had established & expanded the enterprise during the year 2019-20 after undergoing various EDPs training.



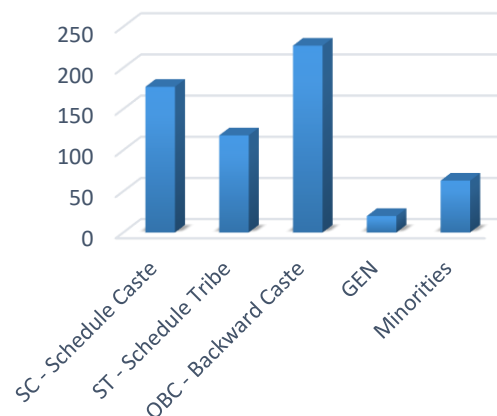
Financial sources for starting/expanding a business in the year 2019-20

Table- 6 Table 6 discusses the financial sources for starting/ expanding micro-enterprises. Two sources, mainly savings and loans, were reported by the beneficiaries. An analytic data reveals that 68.57% of the beneficiaries had invested their funds (personal and family savings). At the same time, 31.4% percent of beneficiaries took a loan from SBI Banks.

Distribution of respondents based on employment generation/establishment of new enterprises by beneficiaries after the training programme



Trainees Qualified by SBI RSETI Chilkur (During 2019-20)



Percentage of Weaker Classes

Implying very much concerned about the welfare of the weaker classes/sections of the community, the RSET institute had taken care to recognize an adequate representation of the weaker sections in various training programs. The following table shows the attention given to them.

Table 7: *Percentage of Weaker Classes*

| S.No | Classes | Trained Trainees - During 2019-20 |
|------|----------------------|-----------------------------------|
| 1 | SC - Schedule Caste | 177 (29%) |
| 2 | ST - Schedule Tribe | 118 (19%) |
| 3 | OBC - Backward Caste | 227 (37%) |
| 4 | GEN | 20 (.3%) |
| 5 | Minorities | 63 (10%) |

Table – 7: describes an overview of the narration of the weaker classes in various EDPs and the attention given to them by the SBI RSETI Chilkur. During 2019-20, the trainees' representation was as follows, 29.25% (177 beneficiaries) were from 'schedule castes,' 19.50% (118 beneficiaries) from 'schedule tribes,' 37.52% (227 beneficiaries) from 'backward castes,' 10.41% (63 beneficiaries) from 'Minorities,' 3.33% (20 beneficiaries) from 'General.' These figures include 43.80% females trainees, and 56.20% are males trainees.

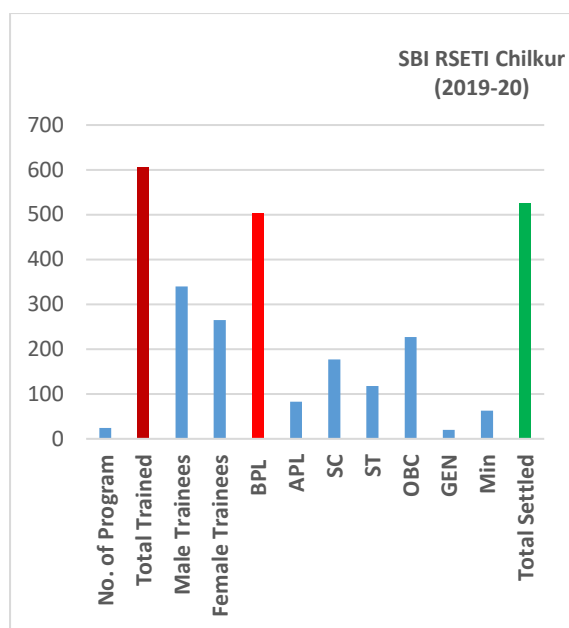
Summary Report of the SBI RSETI – Chilkur

Table – 8: *Summary of SBI RSETI – Chilkur – During 2019-20*

| Name of the Sponsor Bank | RSETI Name | No. of Program | Total Trained | Male Trainees | Female Trainees | BPL | APL | SC | ST | OBC | GEN | Min | Total Settled |
|--------------------------|------------|----------------|---------------|---------------|-----------------|-----|-----|-----|-----|-----|-----|-----|---------------|
| SBI | Chilkur | 24 | 605 | 340 | 265 | 502 | 83 | 177 | 118 | 227 | 20 | 63 | 525 |

Table – 8 Shows the performance summary of the SBI RSETI, Chilkur; in the year 2019-20, it has been evident that SBI RSETI, Chilkur EDPs training to BPL trainees have shown a tremendous scope for jobless BPL youths interested in entrepreneurship. As per the study summary report, SBI RSETI Chilkur has conducted 24 EDPs. The total number of candidates, i.e., 605, got trained, of which 82.975 of beneficiaries are BPL and of which

males beneficiaries are 340 and females beneficiaries are 265. Finally, as a result, 86.77% of the beneficiaries got settled and established/expanded the enterprises in their home places.



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Conclusion:

In conclusion, it has been observed that SBI RSETI, Chilkur training has massive scope for unemployed BPL youths interested in becoming an entrepreneur. After Interaction with RSETI officials/trainers, they revealed that the trainees were satisfied with post-training. Most of the beneficiaries had expanded their existing enterprises and engaged in new enterprises. The Majority of the beneficiaries took loans from the banks (credit linkages) to establish micro-enterprises. So, the study concluded that SBI RSETI Chilkur should promote rural BPL youth to create entrepreneurship through skill development training.

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