Performance Appraisal of Rural Entrepreneurship Development Programs

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Abstract
Entreprises in rural environments are operating in an arena of extreme and rapid change. However, despite the recognition that entrepreneurship is one of the primary facets through which rural economic development can be achieved, empirical research on rural entrepreneurship is relatively sparse and this concept remains largely unknown. Appreciating the need for and relevance of understanding conceptual paradigm of rural entrepreneurship, Rural Entrepreneurs and the role plays by the selected Developmental institutions in the creation of Micro and small village enterprises has been proved very much significant. Rural entrepreneurship is currently at the focus of much theoretical, practical and political interest. This paper examines and evaluate the performance of select government sponsored self employment generating programs for rural people as well as the performance of developmental institutions (like NABARD, KVIC & HKVIB, HSIIDC, HFC, SIDO, DICs and DRDA) and their role in developing and fostering rural enterprises in the state of Haryana. The appraisal of these entrepreneurship development Institutions in Haryana will certainly provide a comprehensive picture of various institutional set up to promote the growth of entrepreneurship in rural areas as well as the programs and activities that help promoting potential entrepreneurs specially in rural areas and foster rural entrepreneurship.

Keywords
Entrepreneurship, Rural Entrepreneurship, Micro Rural enterprises, Rural Industrialization, Development Institutions and Agencies

I. Introduction
Entrepreneurship is a typical global phenomenon attracting millions of economists, Politicians and social workers [24]. In developed countries, entrepreneurship has gained attention in the last century. But in developing countries, it has been gained original consideration only in recent decades. In these countries, entrepreneurship development is considered as the way to promote self-employment- the panacea not only for chronic unemployment among the educated youth but also to sustain economic development and to augment the competitiveness of industries in the eve of globalization and liberalization [23]. Social scientist and economists are in search of this factor as a component agency for the coherent integration of resources to stimulate sustainable and balanced socio-economic development. In the Industrial and agricultural sectors, threshold of new generation entrepreneurs has been welcomed for they carry out radical and tremendous changes in the arena of production and distribution [26]. In the academic scenario, special importance is being given for the entrepreneurial lessons as a part of curriculum plan and a number of research studies are being conducted to learn the stimulants and inhibitors of entrepreneurship development. Rural development is more than ever before linked to entrepreneurship. Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process [28]. Furthermore, institutions and individuals seem to agree on the urgent need to promote rural enterprises [18]; development agencies see rural entrepreneurship as an enormous employment potential; politicians see it as the key strategy to prevent rural unrest; farmers see it as an instrument for improving farm earnings; and women see it as an employment possibility near their homes which provides autonomy, independence and a reduced need for social support [1]. To all these groups, however, entrepreneurship stands as a vehicle to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment.

A. Rationale for the Study
Entrepreneurship and entrepreneurship development is often stressed as being crucial for the socio-economic development of rural India and poverty alleviation, yet it generally neglected in reference to the concept of Rural entrepreneurship and rural entrepreneurship development. Only a few studies have addressed the construct of rural entrepreneurship and rural entrepreneurship development and its impact on country’s economic and human development. The concept of rural entrepreneurship development has remained almost unexplored in India and at a larger scale in Asia as a whole. One such unexplored area is that of the Indian rural economy and rural industrial sector which has been experiencing the futile attempts of the policy makers and supporting agencies meant for fostering rural entrepreneurship development in the country. The study attempts to add incrementally to the existing literature in three ways. First, a few studies have been conducted to examine the impact of rural entrepreneurship development programmes of various development and supporting institutions on promotion, development and sustenance of micro and small village enterprises in the state of Haryana. However, development of micro and small village enterprises and employment generation, so vital for the socio-economic and industrial development of the rural areas, has never been the subject of these research works. Second, an indirect impact of rural entrepreneurship development initiatives, mediated by socio-economic outcome in the form of micro and small village enterprises, is assesses for the first time. Finally, while examining the relationship between the performances of selected rural entrepreneurship development institutions & government schemes and its resulting socio-economic and employment outcomes, this study makes use of responses both from the beneficiaries’ and the people from such institutions responsible for the desired physical and financial outcomes. Hence, a need was realized that prompted the researcher to form a view to take up studies to assess the role and impact of the developmental infrastructure and important schemes as a whole in rural entrepreneurship development in selected villages of the selected districts of the state of Haryana.

B. Focus of the Study
The focus of the present study is to make an explicit effort to explore, analyze, understand and document the developmental
institutions network and their role in developing and fostering rural enterprises in the country.

The research study focuses on the questions being asked by many people in India on how the supporting institutional network for the entrepreneurial development in the rural areas and various poverty alleviation programmes of government, since 1970s have impacted on the people. The aim is to look at both, the developmental institutions and promotional interventions in the form of poverty alleviation measures put in place by successive governments and how these programmes have impacted positively or negatively, on the people.

II. Methodology

In pursuance of the above purpose of research, the present study has been based on extensive review of secondary literature available from agencies engaged in rural entrepreneurship development and promotional activities and printed and published material from govt. agencies (India/Haryana) like- HIRD, NABARD, RBI, SIDO, NSIC, KVIC, DIC, Economic and Statistical Organization, Planning department (Govt. of India), Central Statistical organization, NIRD, AIES , HIPA, Newspapers, Magazines, Journals, Statistical Abstracts of Haryana, Trade and industrial Associations Publications etc. The secondary data / information regarding the schemes and their implementation have been collected from the functionaries and the record books, to the extent possible.

In order to fill in secondary data gaps on various unexplored topics, raw data was obtained from the Field study & survey and the same was analyzed to draw useful inferences. The analysis of the impact of ongoing programs on socio-economic growth and development of rural population has been based on the first hand data collected from the rural entrepreneurs, Govt. agencies & institutions and community at large etc. through an extensive questionnaire. The data was collected through informal interviews and discussions with villagers, beneficiaries / non-beneficiaries main in charge of Block, Village Pradhan / Panchayats member, PRI members, and Members of Zilla Parishad / Gram Sabha. To Supplement Data obtained from secondary sources, a few case studies has also been obtained, analyzed and incorporated in the report.

The spatial scope of present study relates to the state of Haryana and that too with a limited number of Development institutions engaged in rural industrialization in state of Haryana. The proposed study has been incubated to cover the Districts of Rewari, Mahendergarh and Gurgaon in the State of Haryana. The study has been conducted at four levels viz., District, Block, Village and Beneficiary / non-beneficiary.

Primary respondents were selected from the selected villages in each of the two blocks of selected districts for the study on the basis of random sampling technique. Thus, in all, 360 respondents constituted part of the total sample size for this study in addition to other stake holders from cross functional organization like Banks, different state government officials at the Village, Block, District level and state headquarter level.

III. The Rural Entrepreneurship Perspectives

The phenomenon of entrepreneurship appeared in economics in 1930s but it got recognition as an important factor of social and economic change only in 1960s. For more than a decade the studies of entrepreneurship confined to large scale businesses and industry, and then to small scale industrial sector. It is lately that this phenomenon has percolated to artisans and farmers, the two major forces of rural transformation [12]. The emergence and development of rural entrepreneurship is not a spontaneous one but a dependent phenomenon of economic, social, political, psychological variables often attributed as supporting conditions to rural-based development of commerce and industry [22]. The concept of rural entrepreneurship does not dilute the definition of entrepreneurs in general. An entrepreneur is an individual who fails to conform to the traditional structured role given to him in society and finds an exit to venture on his own [6]. In this context of his deviant pursuit, the societal frame of reference of a rural entrepreneur assumes operational significance.

The emerging Domain of Rural Entrepreneurship envision itself as a body of knowledge To accelerate the process of Rural Industrialization in the country along the lines of Gandhi an vision of sustainable and self reliant village economy and to provide S&T support to upgrade the products of rural industry so that they gain wide acceptability in the local and global markets [14]. The driving motivation of rural entrepreneurship is to improve the productivity, value addition and quality of products manufactured in MSREs by introducing new technologies and by providing quality assurance support [15]. It also works towards facilitating eco-friendly products and methods [15]. Rural entrepreneurship is, fundamentally, about using a market-driven business model to address key socio-economic issues pertaining to the rural economy under consideration [17]. It is an emerging field with diverse and shifting interpretations. Entrepreneurship emerging in rural areas is called rural entrepreneurship. Rural entrepreneurship symbolizes rural industrialization. Like entrepreneurship, rural entrepreneurship also conjures different meanings to different people [22].

Without going into semantics, rural entrepreneurship can simply be defined as entrepreneurship in rural areas. In other words, establishing industrial units in the rural areas refers to rural entrepreneurship or say, rural entrepreneurship implies rural industrialization. Rural Entrepreneurship tends to cater the rural need for Employment generation, Income generation, rural development, build up village republics and Curbing rural-urban migration [25]. In accordance with the literature, a rural entrepreneurial economy, as in any other economy, is nothing more than an ecosystem of risk takers, capital providers, markets, technology, and intermediaries that facilitate non-market transactions [17].

A. The Paradigm of Rural Entrepreneurship Development

A traditional paradigm in entrepreneurship development assumes that the process of entrepreneurship development is associated with Entrepreneurship Development Programmes (EDPs) conducted mainly for the purpose of identifying and developing potential entrepreneurs. These EDPs are devised for grooming entrepreneurs through entrepreneurial training to develop and strengthen the entrepreneurial quality and competencies of the potential entrepreneurs willing and ready to build their own business or enterprise creation [30]. The basic features of such EDPs are identification and careful selection of potential entrepreneurs for training, developing entrepreneurial capabilities of the trainees, equipping the trainees with basic managerial understanding and ensuring a viable industrial project for each identified potential entrepreneur [31].

With a shift in the traditional paradigm, rural entrepreneurship development as an alternative paradigm involves developing capacity of rural people or communities to be entrepreneurial in their own rural context and providing start-up support (through
an eco-system of policy, facilities, finance, Technical, managerial and strategic support framework) [20]. The strategy for RED is three pronged. RED is mainly concerned with the development of three constituent aspects of the concept of rural entrepreneurship namely development of rural entrepreneurs, development of rural enterprises and development of rural entrepreneurial eco-system. These aspects may also be defined as the developmental needs with respect to RED.

The basic objective of rural entrepreneurship development demarcated by policy makers in our country envisaged the commitment to create socio-economic parity in the rural areas as against its counterparts [27]. Rural Entrepreneurship Development aims at bringing about the dispersal of micro and small village industries (MSVEs) in rural areas with the advantage of optimum mobilization of local resources. Rural Entrepreneurship Development is a vital programme for socio-economic development of rural areas [25]. The objectives are to trigger economic development and generate employment by providing necessary factor inputs and infrastructure for productive uses in agriculture and rural industries, and improving the quality of life of the rural people by entrepreneurial Empowerment [7]. This also focuses on to help upgrade the skill, creativity & productivity of rural artisans and encourage value-addition and quality of their products [18].

The rationale for the Rural Entrepreneurship Development is rooted in a clear opportunity for building more prosperous, dynamic and sustainable economies in rural India through entrepreneurship development enabling the rural people to build micro and small industries on their own [3]. Energizing rural entrepreneurs is one important place of this strategy for rapid rural industrialization and creating Rural Entrepreneurship Development eco-system that focus on supporting rural entrepreneurs and building entrepreneurial communities is another part of this strategy [23].

B. Scope of Rural Entrepreneurship Development (RED)

The scope of RED revolves around building a system of support for entrepreneurs with a focus on entrepreneurship education, technical assistance, and financial capital — and to create a culture of entrepreneurship and supportive policy that would sustain these efforts into the future [25]. Rural Entrepreneurship Development (RED) Policies, efforts, programmes and schemes focus on:-

Identification and cultivation of potential entrepreneurs among different target groups such as Rural Poor, Women, Minorities, SCs, STs, OBCs etc. And promotion of rural unemployed people (men & women) into gainful economic activities [13].

Recognize and developing a climate conducive to the development of rural enterprises and entrepreneurs and Creating and fostering a support environment such that any resident with the motivation and capacity to become an entrepreneur can do so, regardless of location in rural hinterland [27].

Identification of area-specific viable manufacturing and service activities, developing the potential of setting up all types of industries in the rural areas and Promoting and Supporting Micro and Small Village Enterprises (MSVEs) for rural people to utilize their potential for self-employment and innovation [14].

Providing, Developing and augmenting both production-oriented and welfare-oriented rural infrastructure, and physical facilities to facilitate setting up of new enterprises [7].

Identifying the educational and training & development needs of the rural people, designing a suitable programme of entrepreneurial education and providing them with the skills, knowledge and tools needed to start their own venture, and establishing and sustaining a comprehensive and supportive institutional framework [20], Providing Gainful economic and employment opportunities for the utilization of rural resources [21].

Fostering institutional network to provide necessary support and assistance pertaining to Credit and finance, Technical Know-how, input sources and procurement, information and Data need about govt. Policies, Market potentials and competition in the market, technological changes, opportunities and treats to their business etc [7].

IV. Overview of Major Development Programmes and Selected Institutions

The author has made an attempt to analyze and document the performance of selected measures undertaken by Government of India for rural socio-economic development by creating employment opportunities through various sponsored schemes and programmes aimed at rural entrepreneurship development in the country. There are a good number of centrally and state government sponsored programmes [7] namely Integrated Rural Development Programme (IRDP)/Swarnjayanti Gram Swarozgar Yojna (SGSY); Jawahar Rozgar Yojna (JRY)/Employment Assurance Scheme (EAS)/Sampoorna Grameen Rozgar Yojna (SGRY) and National Food for Work (NFFW); Indira Awas Yojna (IAY); National Rural Employment Guarantee Programme (NREGA), National Social Assistance Programme (NSAP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Training of Rural Youth for Self-Employment (TRYSEM), Village and Small Industries (VSL), Minimum Needs Programme (MNP), Employment Assurance Scheme (EAS), Sampoorna Grameen Rozgar Yojna 2001 (SGRY with EAS and JGSY integrated) [20] [7].

A. Integrated Rural Development Programme (IRDP)

IRDP was introduced in selected blocks in 1978-79 and universalized from 2 October 1980 in order to deal with the dimensions of rural poverty in the country and to have provided assistance to rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods. Subsequently, Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCR), Supply of Improved Tool Kits to Rural Artisans (SITRA) and Ganga Kalyan Yojna (GKY) were introduced as sub-programmes of IRDP to take care of the specific needs of the rural population. These schemes were, however, implemented as ‘stand alone programmes’, an approach which substantially detracted from their effectiveness [7].

The Integrated Rural Development Programme (IRDP) was aimed at providing self-employment to the rural poor through acquisition of productive assets or appropriate skills which would generate additional income on a sustained basis to enable them cross the poverty line. Assistance was provided in the form of subsidy and bank credit. The target group consisted largely of small and marginal farmers, agricultural laborers’ and rural artisans living below the poverty line. Within the target group, there was an assured coverage of 50 percent for scheduled castes/scheduled tribes, 40 percent for women and 3 Percent for the physically handicapped. Priority in assistance was also given to the families belonging to the assignees of ceiling surplus land; Green card holders covered under the Family Welfare Programme and freed bonded laborers’. IRDP was a centrally sponsored scheme which had been in operation in all the blocks of the country since 1980.
Under the scheme central funds were allocated to states on the basis of ratio of rural poor in a state to the total poor in the country. Under the Ninth Plan Programme it was decided to convert IRDP into a holistic programme covering all aspects of self-employment by merger of existing sub-schemes - Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Tool Kits to Rural Artisans (SITRA) and Ganga Kalyan Yojna (GKY) into IRDP. And thus, Swarnjayanti Gram Swarozgar Yojna (SGSY) was launched with effect from April 1999 with the merger of IRDP, TRYSEM, DWCRA, GKY, SITRA, MWS (Million Wells Scheme) into it with the objectives of (i) focused approach to poverty alleviation, (ii) capitalizing advantages of group lending; and (iii) overcoming the problems associated with multiplicity of programmes. In this background IRDP, which had been in existence since 1980, has been merged into SGSY with effect from April, 1999 [31].

B. Swarnjayanti Gram Swarozgar Yojna (SGSY)

SGSY is a major on-going scheme for the self-employment of the rural poor. This programme was launched in April, 1999. This is a holistic programme covering all aspects of self employment such as organization of the poor into self help groups, training, credit, technology, infrastructure and marketing. It was introduced as a single programme on 1 April 1999, by merging the IRDP and allied programmes, including the Million Wells Scheme (MWS). All the self-employment programmes - Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-Employment (TRYSEM), Development of Women & Children in Rural Areas (DWCRA), and Supply of Improved Tool Kits to Rural Artisans (SITRA), Ganga Kalyan Yojna (GKY) and Million Wells Scheme (MWS) were merged into one self-employment programme - Swarnjayanti Gram Swarozgar Yojna (SGSY) [31].

The objective of SGSY is to provide sustainable income to the rural poor. The programme aims at establishing a large number of micro-enterprises in the rural areas, based upon the potential of the rural poor. It is envisaged that every family assisted under SGSY will be brought above the poverty-line with in a period of three years. This objective of the scheme intends to bring the assisted poor families (Swarozgaries) above the poverty line by providing them income-generating assets through a mix of bank credit and government subsidy [8]. The programme aims at establishing a large number of micro-enterprises in the rural areas to provide sustainable income to the rural poor. The scheme has been conceived as a holistic program of self-employment viz. organization of the rural poor into Self-Help Groups (SHG) and their capacity building, training, planning of activity clusters, infrastructure build-up and technology and marketing support. There are two key aspects of the SGSY, namely, activity clusters and the group approach. Each block has to concentrate on 4-5 key activities based on local resources, occupational skills of the people and availability of markets so that the Swarozgaries can draw sustainable income from their investments. The SGSY is conceived as a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self-help groups, capacity-building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages. It seeks to promote a network of agencies, namely, the District Rural Development Agencies (DRDAs), line departments of state governments, banks, NGOs and Panchayati raj Institutions (PRIs) for implementation of the programme [9].

C. Rural Employment Generation Programme (REGP)

The Government of India has started the Rural Employment Generation Programme (REGP) through Khadi & Village Industries Commission (KVIC) w.e.f. 1.4.1995 to provide new dimension of employment to the people in rural areas of the country. REGP is being implemented with the following four components: (1).Special Employment Programme in 71 districts. (2).125 Revamped Public Distribution System (RPDS) Block Development Programme. (3).National Programme for selected village industries, namely, bee keeping, handmade paper and leather. (4).Thrust areas industries programme namely pottery, lime, cane and bamboo, processing of cereals and pulses, village oils, etc. The Special Employment Programme being implemented in 71 districts envisages employment generation for 10,000 persons per district through spinning and weaving of Khadi and setting up of village industries. The districts for implementing the programme are identified on the level of backwardness and capability of the institutions implementing the programme. Priority is given to the backward districts [5].

REGP is applicable to all viable village industries projects except those village industries given in the negative list of the Commission. Under this Programme, the beneficiary is eligible to establish a project up to Rs. 25.00 lakh and the eligible beneficiaries are (1) individuals/rural artisans (2) institutions, co-operative societies, trust and Self Help Groups. Under the REGP, capital subsidy up to 25% of the project cost in the form of margin money is provided to the entrepreneurs for setting up of units, For project cost above Rs.10 lakhs and up to Rs.25 lakhs, the rate of margin money is 25% of Rs. 10 lakh plus 10% of the balance cost of the project. New units being established in rural areas are eligible under the scheme. REGP is applicable to all viable village industries projects (except village industries given in the negative list of KVIC), which are producing goods or rendering services with or without the use of power, and in which the fixed capital investment per head of a full time artisan/worker does not exceed Rs.50,000/- Individual entrepreneurs, institutions, co-operative societies, trusts and Self Help Groups. (Partnership firms, private limited companies, joint borrowers, Joint ventures, co-obligators, HUF do not come under ambit of the scheme) [11].

D. Prime Minister’s Rozgar Yojna (PMRY)

Prime Minister Rozgar Yojna for providing self-Employment to Educated Unemployed Youth was announced by the Prime Minister on 15th August, 1993 to provide self-employed opportunities to one million educated unemployed youth in the country. The Scheme has been formally launched on 2nd October, 1993. This aims at assessing country wide entrepreneurship development among the educated unemployed youth [29].

The Prime Minister’s Rozgar Yojna (PMRY), introduced in 1993, has been one of the important credit-linked subsidy schemes to generate self-employment opportunities for the educated youth by assisting them in setting up viable micro enterprises. By the end of 2005-06, it is estimated to have provided self-employment opportunities to 38.09 lakh persons. A recent review has, however, established the need to improve its effectiveness as a measure for self-employment through this route [31].

The initial goal was to provide employment to more than a million persons by setting up 7 lakh micro enterprises during the last four years of the 8th Five Year Plan. The scheme is continuing since then with a plan target of 2.20 lakh beneficiaries per annum. The plan target for 2004-05 and 2005-06 has been enhanced to 2.50 lakh beneficiaries. The scheme is implemented through DICs,
State Directorate of Industries, and bank branches. Apart from educated unemployed youth, the scheme is also available to self-help groups [7].

Salient Features of the PMRY are (i) All economically viable activities including agriculture based activities but excluding direct agricultural operations like raising of crops, purchase of manure etc, (ii) Rs. 1.00 lakh for business sector, Rs. 2.00 lakh for manufacturing and other activities, Loan to be of composite nature. If two or more eligible persons join together in a partnership, project up to Rs.10.00 lakh would be eligible for funding. Assistance shall be limited to individual admissibility, (iii) Subsidy & Margin Money: (a) Subsidy will be limited to 15% of the project cost subject to a ceiling of Rs.7, 500/- per entrepreneur. Banks will be allowed to take margin money from the entrepreneur varying from 5% to 16.25% of the project cost so as to make the total of the subsidy and the margin money equal to 20% of the project cost. For North-East States, Jammu & Kashmir, Uttarakhand and Himachal Pradesh: Subsidy @ 15% of the project cost subject to a ceiling of Rs.15, 000/- per entrepreneur. Margin money contribution from the entrepreneur may vary from 5% to 12.5% of the project cost so as to make the total of the subsidy and the margin money equal to 20% of the project cost, (IV) Collateral: No collateral contribution for projects up to Rs. 1.00 lakh. Exemption from collateral in case of partnership project will also be limited to Rs. 1.00 lakh per person participating in the project, (v) Rate of Interest and Repayment Schedule: Normal rate of interest shall be charged and repayment schedule may range between 3 and 7 years after an initial moratorium as may be prescribed, (vi) Reservation: Preference should be given to weaker sections including women. The scheme envisages 22.5% reservation for SC/ST and 27% for Other Backward Classes (OBCs). In case SC/ST/OBC candidates are not available, States/UTs Govt. will be competent to consider other categories of candidates under PMRY, (vii) Training: Each entrepreneur whose loan is sanctioned is provided training The Scheme covered urban areas only during 1993-94 and whole of the country from 1994-95 onwards. From 1994-95 onwards the erstwhile Self-Employment Scheme for the educated unemployed Youth (SEEUY) has been subsumed in PMRY. All economically viable activities including agriculture and allied activities are covered but excluding direct agricultural operations like raising crops, purchase of manure etc [31].

V. Appraisal of Selected Institutions
The success of rural entrepreneurship depends solely on the well established institutional set-up. The attempt focus on examining and documenting the role and performance of selected institutions (Financial, Developmental and Nodal agencies) and specific schemes/programmes sponsored by such institutions, in promoting and supporting micro and small village enterprises (MSVEs). An attempt has been made to cover the selected institutions in the following order:
1. National Bank for Agriculture and Rural Development (NABARD)
2. Directorate of Industries (DICS)
3. Khadi and Village Industries Corporation (KVIC)
4. Haryana State Industrial and Investment Development Corporation (HSIIDC)
5. Haryana Financial Corporation (HFC)

The parameter used for evaluation included utilization of allocated funds, change in poverty level, employment generation, Assets creation, Management/Technical assistance and infrastructural support provided, entrepreneurship education and training provided, Number or proportion of beneficiaries and Economic benefit & social impact of the programmes etc.

A. Major Results and Implications
Initiating rural entrepreneurial activity is a multidimensional strategy that involves education, training, business/support networks and building strong infrastructures to assist rural entrepreneurs in identifying rural business opportunities and develop new businesses. Strengthening the rural entrepreneurial system will speed up the establishment of self-sustained rural communities, increase sources of income, support development of infrastructure, build capacities, revitalize the rural community, and make a significant impact in alleviating poverty.

The major findings of the performance evaluation of Self-employment programmes/specific schemes sponsored or implemented by the NABARD, DRDAs and DICs have been summarized as follows-

1. National Bank for Agriculture and Rural Development (NABARD)
The major findings of Rural Entrepreneurship Development Program (REDP) implemented by NABARD shows that programme motivated the trainees to consider self employment as a real option [2]. Further, REDPs with emphasis on skill training /programmes conducted by local voluntary organizations for candidates drawn from compact areas demonstrated higher success rate and the success rate of REDP by way of setting up of units was in the range of 40-65 per cent. Further, the REDPs conducted exclusively for women showed better results [2].

The study observed that implementing agencies were generally registered under Societies’ Registration Act. The main vision of the agencies is to promote self-managed, self reliant sustainable institutions of SHGs village, cluster and federation levels [10]. Activities for REDPs were identified keeping in view the demand for the product and services in rural and semi urban areas, its scope for expansion of market, technical and economic viability [31]. REDPs were identified based on potential assessment and activity preference of the candidates. Criterion for selection was interest and aptitude apart from potential survey and focus was on practical orientation in technical REDP. The activities covered under REDPs were diverse in nature. Further, the implementing agencies (IAs) provided handholding and escort services to the trainees for at least two years by closely associating with the trainees [4]. NABARD monitors the efforts of the facilitators in this respect. The facilitators have provided financial support in limited scale to the trainees for establishing their own units. Market linkage for raw materials and finished produce was essentially done by the facilitators. The absence of follow up on the part of implementing agencies in post credit linkage has also been observed. Poor post training follow up is reflected in lesser success rate of REDPs [4].

REDP has not only rediscovered the economic potentials in the traditional art forms but also brought life to artisans. Further, REDPs mainly facilitated the rural youth and women to support the family with a supplementary income [2]. Another advantage of REDPs was that a choice of activity was suitable to the trainees since the facilitators select the activities taking into account the market potential for the produce [10]. Though the choice of activity and organizing the REDPs initially sounds much a supply oriented programme, the nature of trainee, market potential and linkage and scope for earning a good income working at home or in an
enterprise with good environment make the programme demand driven [31].

2. District Rural Development Agency (DRDA)

Swarnjayanti Gram Swarozgar Yojna (SGSY) was implemented by DRDA in the different states of the country. SGSY seeks to lay emphasis on skill development through well-designed training courses. Beneficiaries were, therefore, supposed to get training from DRDA under the SGSY in order to upgrade their skills. However, it was found that DRDAs have not taken up any concrete steps to impart training to the Swarozgaries. The implementing agencies had not assessed the training needs of the beneficiaries nor did they identify any institution for imparting such training [8]. It was found that only a small proportion of the groups (7 percent) had received such training from DRDA under SGSY. The implementing agency had to grade the SHGs based on their performance. It has been found that that a small percentage (6 percent) of the surveyed SHGs, the performance was graded by DRDA.

The groups after availing the loan under SGSY had to repay the loan in installments. But it was mentioned by 59 percent beneficiaries that they were not able to follow the repayment schedule devised by the banks. The percentage of such groups was highest in some of the blocks under consideration and only 41 percent of the SHGs reported that they were repaying the loan on monthly basis.

SGSY guideline states that organizations like Handicrafts, Handloom, and Horticulture etc. have to play a prominent role for the promotion of products of Swarozgaries and their departments. They are supposed to provide marketing outlets for SGSY products. The study showed that the state government had not facilitated any marketing facilities to SHGs, as all the SHGs used to market their products in the native villages or within the district without any government support. The respondents were further probed to mention the major problems; they faced in marketing their products. It has been found that none of the SHGs had received any training from the DRDA for marketing the products produced by them. Thus, it was observed that administrative capability, financial management and marketing support for the implementation of SGSY was poor which resulted in poor performance of SGSY in the state [31].

3. District Industries Centre (DICs)

The findings about rural entrepreneurship development under PMRY has been documented. PMRY was implemented by District Industries Centre in the state. The scheme was introduced- on 01.04.1994 by govt. Of India and was effected from 1994-95 by subsuming existing self-employment Scheme for the Educated Unemployed Youth (SEEUY) in the state and it remained valid up to- 31.03.2008 because it has been merged into new scheme known as PMEGP.

The study shows that DICs in all the three districts received a good number of applications under the scheme which were scrutinized by them in detail based on specifications and eligible cases were recommended placed before the Task Force Committee, which, in turn, identify the applicants through personal interview and recommended the cases to the designated banks. Banks further decide on the candidates to be chosen as beneficiaries based on viability of the projects and eligibility criteria. It is observed from the number of applications received that the scheme was quite popular, yet the numbers of eligible beneficiaries applying for the scheme are not many. However, the number of cases sanctioned shows a decreasing trend. We came across even with the cases, which have been declared eligible and sanctioned, did not avail of the loan. It is found that after the processing by DIC, even the banks also returned the cases due to various reasons.

The study revealed that the share of SC/STs as well as OBCs in availing the schemes benefits is significant and the Scheme has shown steadily improvement in this regards. However, there has not been much improvement in the share of women beneficiaries under the Scheme. The average amount of loan disbursed has shown increasing trends over different successive years of study and the average rate of recovery of loans had also improved. In all the three districts, a majority of the beneficiaries admitted that PMRY assistance facilitated improvement in housing conditions as well as improvement in the economic status of the family. The results show that the investment in the self-employment venture generated gainful employment not only for the beneficiary and his partners but also for others. The investment whether made in industrial, business or service venture provides employment opportunities for casual workers as well as to family members who are otherwise unemployed or under-employed. It has been observed that a sizable number of participants opted out of self-employment ventures even though loans were sanctioned to them to start a venture under PMRY. Some of the beneficiaries though they availed loans from the banks did not start the ventures/ units due to inadequate finance or lack of demand for their products or services.

VI. Conclusion

Employment creation is the most effective method of poverty alleviation. Given the fast approaching limits to employment in the organized sector and the increasing density of workers in the unorganized sector, creation of self-employment becomes the best alternative available. Selected institutions (Financial, Developmental and Nodal agencies) and specific schemes/programmes sponsored by such institutions exactly provided this opportunity to the rural unemployed youth. The approach is simple but quite effective to deal with the problem of unemployment in the crucial age bracket. It involves provision of training and required seed capital to begin a self-employment generating enterprise.

References

[4] Annual reports of NABARD
[5] Annual reports of KVIC