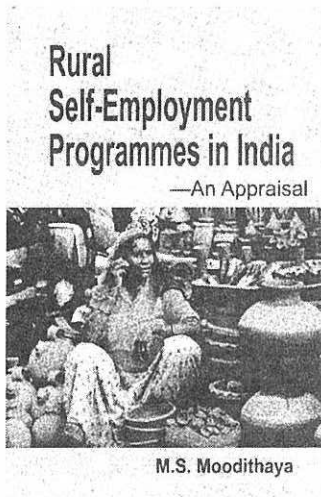


Book Review

RUDSETI : A Model for Creating Rural Self-Employment Rural Self-Employment Programmes in India- An Appraisal

By: **Dr. M S Moodithaya**, Director, JKSHIM, Nitte published by Manak Publications, New Delhi, pages: 225, price Rs. 280.

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It is said 'beauty of self-employment lies in the eyes of the pursuer'. In Indian context, only for a few self-employment is sole employment from the very word go; in contrast, for a large number of others, self-employment when there is no worthwhile salaried employment. For the former group, it is impulsive and for the latter it is compulsive. Why so, for a country whose artisanal products were traded across distant empires far beyond the boundaries of ancient Hindustan? In fact, years of colonial subjugation, corroded the very fibre of 'spirit of enterprise'. Alas! Even the post-independence education system too neither sings the saga of Indian entrepreneurs nor stimulates young minds to tread the path less-travelled!!! In the past, when unemployment problem mainly among less-educated youth gained monstrous proportions threatening the very basics of civil society, the State rolled out quite a few self-employment

programmes as palliatives sans antidotes for dependency syndrome. Unfortunately, they drained state-funds and in many cases created a veil of statistics over the hard reality. At this juncture it is quite appropriate to understand and appreciate non-state institutional initiatives - self-employment training inclusive of imparting hands-on skills - in kick-starting an entrepreneurial movement among unconventional target groups.

Given this background, the book review of 'Rural Self-Employment Programmes in India: An Appraisal' authored by Dr M S Moodithaya, Director, Justice KSHegde Management Institute, Nitte, gains significance. The book is first of its kind to throw light the self-employment training initiatives of RUDSETI Model. Heartening to note that 337 rural rain-makers (self-employed trainee youth), spreading over four southern States have been contacted for the study. The acronym RUDSETI (Rural Development and Self-employment Training Institutes promoted by Sri Dharmastala Manjunatheshwara Education Trust along with Syndicate Bank and Canara Bank) gained prominence because of their Product/Process EDPs that gained acceptability among less-educated rural youth across States in India and eventually picked up other nationalised banks to buttress their case of corporate social responsibility.

Let's have some conceptual clarity on 'self-employment initiatives' before culling the pages. If the focus is on 'trainee', then the term 'self-employment

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initiatives' signify the 'business venture' initiated in farm or non-farm sector. Naturally, one has to interact with trainee-entrepreneur to collect 'data-treasure' to understand the tests and travails of establishing and managing an Owner-Manager Enterprise (OME). On the other, if the focus is on institutional initiatives (read, *RUDSETI and its ilk*), in 'self-employment promotion' covering pre-training, training and post-training phases, then, it is necessary to look at start-up rate (the word *settlement rate* is more obscure) to know how many trainees started business ventures, at least within a gap of one to two years and the amount of handholding services rendered by training institution to stimulate, support and sustain enterprise culture. As the blurb indicates, this book is an appraisal of RUDSETI model of self employment promotion.

With three crucial issues in mind (page 6) this research study was taken up: first, factors behind success or otherwise of self-employment 'ventures' (*word added*) of trainees, given the diversity of socio-economic conditions of India; second, role played by Banking institutions both training and funding in entrepreneurship nurturing; and three, wider dissemination of deliverables for upscaling these initiatives within entrepreneurship development framework in India. In addition (page 7), the primary focus of this study is an assessment of achievement of recent self-employment 'promotion' (*word added*), initiatives of RUDSETI type of institutions.

The book has eight chapters. Chapter one covers the customary insignias like objectives, research methodology, relevance and chapter scheme of study. Sample frame was developed from the list of trainees came out from 13 institutes operating in Karnataka (7), Andhra Pradesh, Tamil Nadu and Kerala (2 each). Primary data was collected from 337 trainees by

administering structured schedules. It is appreciable effort because 'interactive discussions' with institutes and the trainees demands quite a lot of resources both in terms of money and time.

The second chapter 'Rural Economy and Employment Situation' tries to give to realistic image of withering grain economy against the popularity non-grain economy. For instance, the analysis of table 2.4, 2.5 and 2.6 (p 21-23) came out with a warning "the causal wage employment is steadily rising and at the same time, self-employment is declining" (p22) in rural India. The reading of discussion on 'Problem of Unemployment and Underemployment, and Migration and Unemployment' reminds us the hard truth – 'rural development is a difficult problem to solve; if not solved, the urban problems become unsolvable'.

Carrying the caption 'Programmes for Employment Generation', the third chapter gives a holistic picture of State sponsored anti-poverty programmes for the people at the bottom of the pyramid. They are basically input-led and hence, developed a sense of dependency syndrome and hand-to-mouth living. Except for Industry, Service and Business (ISB) component in Training Rural Youth for Self Employment (TRYSEM) and Swarnajananthi Grama Swarojgar Yojana (SGSY) designed with funding and training support for both group and standalone beneficiaries none added substantial to self-employment culture. Probably, Prime Minister's Rojgar Yojana (PMRY) that helped quite a few rural youth to take up self-employment might have slipped out of analysis on the ground rule that it is not targeted mainly on rural areas.

Before venturing into fourth chapter, it is appropriate to understand the meaning of *Self-employment*. It refers to full time involvement in one's occupation or pursuit in which one may or may not

have taken any risk to mobilise inputs and other resources to organise total production and services or to market the product and service. It is not mere income generation and at the same time growth-oriented entrepreneurship. After an in-depth analysis of difficulties of formal sector to absorb surplus labour from primary sector, and a bout of criticism of wage employment approach, the chapter turns to build a case for fostering self-employment initiatives. "When the literacy rate is going up, the number of drop-outs from secondary and higher education in rural India (p73) will increase in coming years. The main issue is how to absorb these growing *less*-educated unemployed in *non-farm* (p67) self-employment ventures. Solution primarily lies in capability development and empowering rural people to undertake self-employment ventures in rural areas". It makes a lot of sense that 'productivity improvements or absorption of new technology, essential for rapid growth is possible only if new entrants into rural non-farm sector are equipped with multi-skills going beyond hands-on skills including marketing, finance and management.' Situation is more challenging in the coming years as Self Help Groups (SHGs) are also demanding their slice of rural prosperity cake.

Chapter five speaks about supply-side initiatives on the promotion of self-employment in rural India. The reading on State-sponsored programmes to Commercial Bank-funded Self-employment Promotion Vehicles (*sic*, *SPIVs*), to the NGOs-led perked-up strategies, throws up a moot question whether institutionalised enterprise development movement has made any significant change in rural employment scenario or it is a mere statistical jugglery for public consumption. The author has rightly observed (p77), it is difficult to assess critically the overall achievements

of various schemes and programmes in creating sustainable self employment ventures.

It must be noted that dissipation of the myth 'entrepreneurs are born' started when entrepreneurship science crossed the portals of academic institutions for field research. In fact, David McClelland-led Kakinada Experiment in early 1960s was conducted under the aegis of Hyderabad-based Small Industry Extension Training (SIET), presently National Institute for Micro Small and Medium Enterprises (NIMSME). Spurred by these advances and consolidated by the pioneering efforts of premier institutions – EDII and NIESBUD, the 'Indian Model of Entrepreneurship Development' is widely disseminated in India and abroad. All the self-employment training institutions (mentioned in chapter six) happily imbibed the age-old hypothesis 'achievement motivation hidden within a human person can be kindled through training intervention and can be directed towards enterprise development'. However, analysis of training programmes conducted and success rate as exemplified as settlement rate will not cut much ice. The reviewer knows the hard reality of how these training institutes conduct a range of heterogeneous training programmes round the year (*normally they stuff more than they can chew*) and record the settlement rate on post-training correspondence between trainee and Achievement-Motivator Trainer (AMT). One can very well presume that actual start-up rate will be somewhere 'halfway' what they claim. Yet it is commendable performance, given the frigidity for enterprise culture among rural masses.

Of course, chapter seven is a must read-chapter. Seven case-studies along with clinical scanning of primary data on issues like training participation and capacity building, financing pattern, performance results and

employment generation (?) provides an interesting reading. Question of participation in training is not an issue mainly because all training programmes are residential and focused on imparting 'missing input' as propagated by Judith Tendler (2002). Especially in product/process EDPs conducted by training institutes, invariably the trainees have to attend them for learning the *tricks-of-the-trade*. The study would have brought some more glory if it probed the employment generated by trainees in their enterprise. It can be noted that trainees will be exposed to nuances of 'Banking for Business.' Hence, only 27 male (12.10%) and 38 female (33.33%) have not made use of borrowed funds (p152). Interestingly, rural youth have proved that even a small investment of less than Rs 10,000 can give a workable self-employment.

The last chapter sums up contributing factors and limitation of existing programmes. Probably the Union Government might have heard the author's fervent appeal to upscale RUDSET model and as the post-script mentions more than 300 RUDSET type of institutions will be established throughout India in the coming years.

Dr Moodithaya has succeeded in conveying the message that RUDSET model of training is quite useful for shifting the employment paradigm from farm to non-farm sector. The book is very useful for students and researchers who have inclination for knowing more about how rural economy *inter-alia* rural employment works. Best buy for Bankers and RUDSETI trainer faculty who are in nascent stages of entrepreneurial-education learning.

Funded Research Projects of the Institute:

1. *Housing Finance in India- a Study of Cross Country Experiences-* sponsored by Indian Institute of Banking and Finance, Mumbai (Completed).
 2. *District Five Year Plan-Udupi District-* sponsored by Udupi Zilla Panchayath (Completed).
 3. *Human Development Report for Udupi District-* Assisting Zilla Panchayath, Udupi district in the preparation of the Report (Completed).
 4. *Financial Inclusion and Beyond-* funded by Sir Ratan Tata Trust, Mumbai (Completed).
 5. *Evaluation of Floor Price Revolving Fund Scheme* funded by Karnataka State Agricultural and Marketing Board, Govt. of Karnataka (Completed).
 6. *CBEDF – SKDRDP Project: An Impact Study*, funded by Corporation Bank, Mangalore (Completed).
 7. *WTO and its implications on Indian Agriculture*, Indian Institute of Bankers, Mumbai (Completed).
 8. *Rural Self Employment Programs in India: An Appraisal* funded by ICSSR, New Delhi (Completed).
 9. *Micro Finance and Rural Employment - An Appraisal of the Potentialities*, funded by NABARD, Mumbai (Completed).
 10. *Corporate Philanthropy and Social Development*, funded by Ford Foundation, New Delhi (Completed).
 11. *Financial Inclusion: an Evaluation of the Experiments in Reaching out to the Unreached* funded by ICSSR, New Delhi (Completed).
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