

VIKSIT BHARAT VISION: RURAL DEVELOPMENT & SELF EMPLOYMENT

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ABSTRACT:

Poverty and unemployment are the two sides of the same coin. When we solve one problem in the society, the second will be taken care along with it. In the present scenario, poverty and unemployment are the still most severe problems faced by the Indian economy. Special income generation and socioeconomic development programs were introduced among selected target groups in the rural sector for small farmers, landless agricultural labourers and for scheduled caste and scheduled tribes. This new strategy was adopted because, after the critical review of the earlier plans and their achievements, it was found that the benefits of economic growth had failed to percolate to the lower income groups and weaker sections of the society. The majority of the rural poor own very little or no land at all. They are not educated and have no skills, so they cannot find employment. To generate skills among rural youths so as to provide self-employment and wage employment to them, the government implemented a special scheme called 'Training of Rural Youth for Self-Employment (TRYSEM)'. This program was very much helpful to the untrained rural youth to take up self-employment. Thus, in this paper, it is felt necessary to evaluate the performance of the program at the micro level.

Keywords: Labourer, Poverty, Self-employment, Skill, TRYSEM.

INTRODUCTION : -

Poverty and unemployment are two sides of the same coin when we are going to solve one problem in the society, second will be taken care with that. The poverty and unemployment at present scenario are most severe problems of Indian economy'(Government of India, 1973). Rural unemployment has been more severe than urban unemployment in India. To solve the problem of rural unemployment, wage employment programs were stressed in a labour surplus economy like India. After independence, India started the experiment of mixed economy and introduced economic planning for the rapid economic development of the country. The Government of India appointed a Committee of Experts under the chairmanship of Professor

Dantwala in 1960s to give an estimate of unemployment in the country and the 'Committee of Experts on Unemployment' under the Chairmanship of Shri. M. Bhagawati in 1970 (Government of India, 1973). Based on the recommendation of these committees, poverty and unemployment alleviation had been the central objective of planned strategy, but it was

in the fifth five year plan that, for the first time, unemployment and poverty alleviation was adopted as an explicit objective.

Special income generation and socio-economic development programs were introduced among selected target groups in the rural sector for small farmers, landless agricultural labourers and for scheduled caste and scheduled tribes. This new strategy was adopted because, after the critical review of the earlier plans and their achievements, it was found that the benefits of economic growth had failed to percolate to the lower income groups and weaker sections of the society. During the last 20-year period, more than 25 specific rural development schemes have been implemented with the aim of alleviation of poverty in the rural sector. India has a long history of government programs for poverty alleviation. They include national rural employment programs like Minimum Needs Program (MNP) and Jawahar Rozgar Yojana (JRY) and target group specific programs like the integrated rural development program (IRDP)/ Small Farmers Development Agencies (SFDA), Training of Rural Youth for Self-Employment (TRYSEM), etc. A government spending on special area programs and food subsidy in real terms encourages both self-employment and wage-paid employment, and increases income generating opportunities in addition to making food available at subsidised prices under the public distribution scheme.

IMPORTANCE OF RURAL, DEVELOPMENT & SELF-EMPLOYMENT :-

India is a unique country where majority of the population live in the rural areas. With the rising prices and high cost of living, it is difficult to satisfy the basic needs of the rural population. The government of India as well as the state governments are showing great concern for rural poor and unemployed. Food is the major item of consumption for the poor and employment is the principal source of their income. The effects of the self-employment are highly favorable to the poor. The majority of the rural poor own very little or no land at all. They are not educated and have no skills, so they cannot find employment. To generate skills among the rural youths so as to provide self-employment and wage employment to them, the government implemented a special scheme called 'TRYSEM'. This program was very much helpful to the untrained rural youth to take up self-employment. Thus, in this paper, it is felt necessary to evaluate the performance of the program at the micro level.

OBJECTIVES & METHODOLOGY :-

The overall objective of this research paper is to assess the self-employment generation by the poverty alleviation programs in rural India. The specific objectives are to examine the extent and nature of employment generated through the TRYSEM program among the trained youths, to examine the relative importance of wage employment to self-employment under the TRYSEM and to examine the sustenance of the units created under TRYSEM. The study is undertaken with specific reference to the Belgaum district in Karnataka State. This study is confined to evaluate the TRYSEM program and its impact on the beneficiaries. The study is based on both primary and secondary data. The secondary data were collected from the District Rural Development

Office (DRDO), Belgaum; Zillah Panchayat (ZP) office, Belgaum; and District Statistical Office (DSO), Belgaum, and the primary data were collected through a structured questionnaire, canvassed among the selected sample beneficiaries. A sample of 80 beneficiaries was selected from four taluks, among the TRYSEM trainees who had undergone training under the program in 1997--98. Accordingly, 20 beneficiaries from four taluks were selected on a stratified random sampling. The number of beneficiaries selected from each trade is proportional to the total number of trainees in a particular trade from each taluka. The analysis of data was done by using simple statistical tools like, averages, percentages and cross-tabulations.

Training of Rural Youth for Self-Employment -;

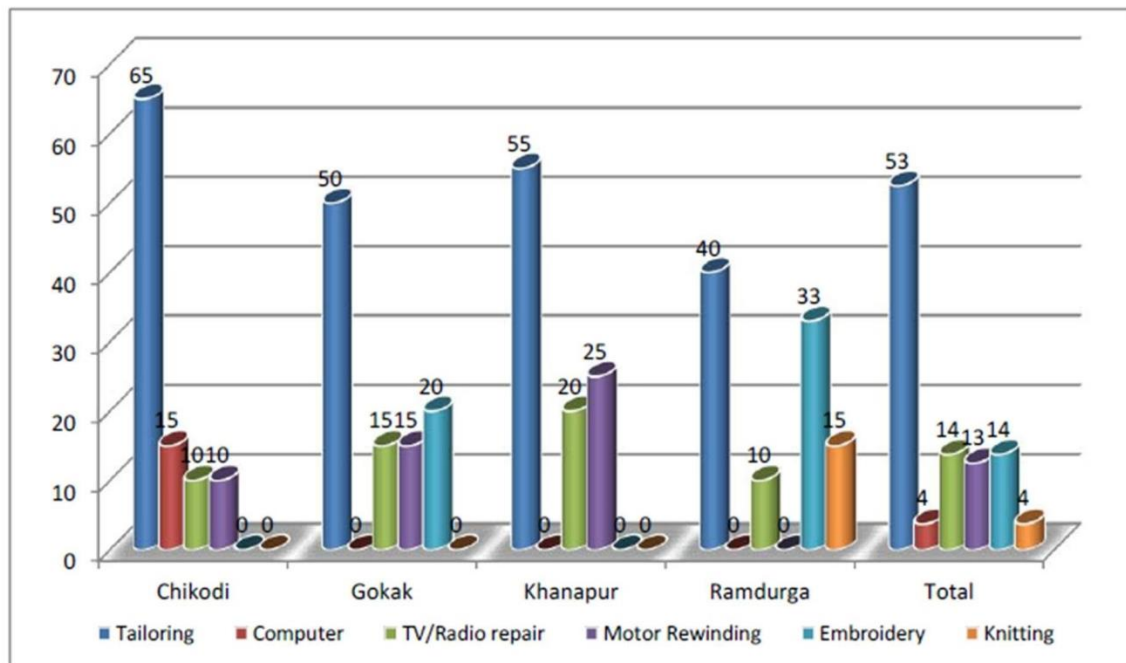
A centrally sponsored scheme, 'TRYSEM', was launched by the Department of Rural Development, the Government of India, on 15 August 1979 to provide training facilities and to create self-employment among the rural unemployed youths. It is a facilitating component of the IRDP (Government of India, 1991). The main objective of TRYSEM is to provide technical and basic skills to the rural youth from families below poverty line, and to enable them to take up self-employment in the broad fields of agriculture and allied activities. The target group comprises of rural youth between the ages of 18 and 35 years from the families below the poverty line. The duration of training course varies from a few days to several months. Trainees are paid stipend ranging from Rs. 250 to 500 per month. On the successful completion of training, the youths receive a combination of subsidy and institutional credit under the IRDP (Prasad, 1988). The Professor S.R. Hashim Committee reviewed the rural development and poverty alleviation programs in 1997 (Pal, 2002). It was admitted that the separate programs in themselves result in a lack of proper social intermediation and absence of desired linkages among these programs. To overcome these bottlenecks, the committee recommended a single self-employment program called the 'Swarnajayanti Gram Swarozgar Yojana'

RESULTS AND ANALYSIS -;

The socio-economic profile of the beneficiaries indicates that, while selecting the beneficiaries for the programme, the agencies have taken care of selecting the beneficiaries in the age group of 18--35 years as per the guidelines. The sex composition clearly shows that nearly 60% of the beneficiaries are male and 40% are female. The educational level of sample beneficiaries reveals that quite majority of them are well-educated and only 13% of them have got education up to primary level. The size of the land owned by the sample beneficiaries indicates that quite majority of them are small farmers, owning less than 4 acres, while another 8% of them are landless. In all, 40% of the sample beneficiaries are self-motivated to take up the training. About 73% of the beneficiaries have gone outside the native place and even beyond a distance of 10 km to have the training. The trade-wise self-employed beneficiaries are depicted in Figure 1.

It is evident from Table 1 that the maximum number of self-employed people is found in the tailoring trade, while trades like television/radio repair, embroidery and motor rewinding contribute to around 14 and 12%, respectively. Around 4% of the beneficiaries were trained in computer and knitting trades. From this data, it may be concluded that traditional trades like tailoring and embroidery are providing more self-employment. The modern trades like computer, TV/radio repair and motor rewinding are not contributing so much to the self-employment, because such trades need adequate training and finance.

Figure 1. Trade-wise self-employed beneficiaries



Source: Primary data.

The TRYSEM scheme aims at skill formation among the rural youths by giving them training so as to help them to undertake self-employment. An attempt is made to examine the impact of TRYSEM on self-employment. Finance is the lifeblood of a developmental activity. The various sources of finance of self-employed beneficiaries are analyzed in order to know the extent of institutional sources of finance. This is shown in Table 1.

It is clear from the Table 1 that the total beneficiaries who have started the business are from various activities. The average amount of investment varies from activity to activity. For instance, in three of the above-mentioned activities, namely, computer, television/radio repair and motor rewinding, the average amount of investment per unit is very high, as compared with others; whereas, for activities such as tailoring, embroidery and knitting, the amount of investment is less. The overall average amount of investment is less than Rs. 10,000 per unit. It means that these activities are well within the reach of poor people to start. By and large, the share of institutional credit in the total investment is 87% and the capital invested by the beneficiaries constitute to 12%. It is clear that quite majority of the beneficiaries, who have borrowed funds from the banks and financial institutions to start their business, have availed the subsidy facility

Table 1: Sources of finance for self-employed beneficiaries

Trades	Number of units	Average amount of investment (Rs. per unit)	Percentage share of finance from different sources			Number of beneficiaries who availed subsidy
			Own funds	Institutional finance	Money lenders	
Tailoring	42	2,400	18	80	02	33
Computer	03	66,500	08	92	--	02
TV/radio repair	11	30,000	10	90	--	09
Motor rewinding	10	18,000	18	82	--	08
Embroidery	11	2,650	10	84	06	10
Knitting	03	2,750	24	76	--	01
Total	80	9,693	12	87	01	63

Source: Field survey.

Hence, from the financial point of view, the self-employed beneficiaries have not experienced any financial burden as such in starting their activities. This is fully supported by the fact that most of the beneficiaries have not borrowed money from the moneylenders to a great extent.

Income Generated in Different Activities of the Self-Employed;-

Employment and income generation are the main objectives of the TRYSEM program . Along with employment generation, the income generation is also equally important in enabling the poor people in rural areas to cross over the poverty line. If we compare the average amount of investment per unit with average net return per unit, it is interesting to find out the return on investment*, which varies directly with the amount of investment per unit. This is evident from Table 2.

It is clear from the Table 2 that average amount of investment is Rs. 9,693 and average net return per unit is Rs. 2,472, indicating a return of Rs. 25.50 on the investment. Trade-wise comparison indicates that the maximum rate of return on investment (i.e. Rs. 42.70) is witnessed in computer trade, where the average amount of investment is also highest (i.e. Rs. 66,500 per unit), followed by TV/radio repair and motor rewinding trades. It indicates that there is positive relation between rate of return and amount of investment. In case of trades like tailoring, embroidery and knitting, the return on investment is Rs. 25.71, 25.62 and 25.50, respectively, and the amount of investment is Rs. 2,400, 2,650 and 2,750, respectively. It can be concluded from this that trades having large amount of investment will have high rate of return on investment and vice-versa.

Table 2: Rate of return on investment of self-employed (in Rupees)

TRADES	Chikodi			Gokak			Khanapur			Ramdurga			Total		
	Average investment	Average return	Percentage rate return	Average investment	AR return	Percentage rate return	Average investment	AR return	percentage rate return	Average investment	AR return	Percentage rate return	Average investment	AR return	Percentage rate return
Tailoring	2,267	691	30.5	2,490	635	25.5	2,650	520	19.6	2,240	570	25.4	2,400	612	25.5
Computer	66,500	28,393	42.7	-	-	-	-	-	-	-	-	-	66,500	28,393	42.7
TV/radio repair	35,000	10,964	31.3	36,667	11,211	30.5	23,333	6,577	28.2	26,667	7,117	26.7	30,000	8,753	29.2
Motor rewinding	25,000	7,708	30.8	15,000	4,440	29.6	19,250	5,025	26.1	-	-	-	18,000	5,013	27.8
Embroidery	-	-	-	2,825	808	28.6	-	-	-	2,561	661	25.8	2,650	679	25.6
Knitting	-	-	-	-	-	-	-	-	-	2,750	707	25.7	2,750	707	25.7
Total	15,012	3,904	26.0	9,819	2,483	25.3	10,206	2,509	24.6	5,456	1,364	25.0	9,693	2,472	25.5

Source: Field survey.

Cost of Production:-

After examining the returns on investment, it would be essential to have a comparative analysis of cost of production as percentage of income*. The details of cost of production as a percentage of income are given in Table 3. The cost of production as a percentage of income depends on nature of activity and income generated. Thus, it is concluded that, cost of production and percentage of income varies from trade to trade depending on the total cost and income of that activity.

Table 3: Cost of production as percentage of income

Trades	Chikodi	Gokak	Khanapur	Ramdurga	Total
Tailoring	61.35	65.58	66.63	52.25	62.26
Computer	64.10	-	-	-	64.10
TV/radio repair	65.38	59.38	59.02	59.75	60.62
Motor rewinding	56.86	49.77	58.43	-	55.44
Embroidery	-	61.19	-	54.69	57.87
Knitting	-	-	-	60.21	60.21
Total	61.92	58.98	61.36	56.90	61.69

Source: Field survey.

Note: Figures indicate cost of production as percentage of income

Reinvestment in Business :-

The sustenance and growth of units require a part of income generated to be reinvested in the activity that is already started. It is now worth examining to see the reinvestment in these selfemployed units. The reinvestment process is clearly given in Table 4.

Table 4: Reinvestment by self-employed in their business

Trades	Chikodi			Gokak			Khanapur			Ramdurga			Total		
	NSe	NRi	ARi	NSe	NRi	ARi	NSe	NRi	ARi	NSe	NRi	ARi	NSe	NRi	ARi
Tailoring	13	05	150	10	06	145	11	05	175	8	04	150	42	20	155
Computer	3	03	8,000	0	-	-	0	-	-	0	-	-	3	03	8,000
TV/radio repair	2	01	1,500	3	02	2,000	4	03	1,250	2	02	1,800	11	08	1,633
Motor rewinding	2	01	1,200	3	02	910	5	03	1,000	0	-	-	10	06	1,027
Embroidery		-	-	4	02	100	0	-	-	7	04	100	11	06	100
Knitting		-	-	0	-	-	0	-	-	3	02	100	3	02	100
Total	20	10	1,858	20	12	875	20	11	808	20	12	5375	80	45	1,066

Source: Field survey.

NSe, No. of self-employed; NRi, No. of reinvestors; Ari, Average amount reinvested. It is evident from Table 4 that the average amount of reinvestment is Rs. 1,066. Out of 80 selfemployed beneficiaries, 45, i.e. 55%, of them are reinvesting in their business. The reinvestment process very much depends on the nature of the activities. The reinvestment amount is directly related to the income generated from the business. In trades like computer, TV/radio repair and motor rewinding, the income generated is more, hence the reinvestment is more. We can conclude that the activities that need more investment and generate more income, show more reinvestment.

FINDINGS-;

- About 67% of self-employed are found in tailoring and embroidery trades. The activities that are new and modern in nature, like computer, TV/radio repair and motor rewinding, create more of wage employment than self-employment.
- Larger the investment, higher is the rate of return on investment and vice-versa. Computer trade, with highest return on investment, exhibits as the most successful trade in generating income, followed by TV/radio repair and motor rewinding. The reinvestment amount is directly related to the income generated from the business. There is positive relation between net returns and repayment of loans in the study area.
- Only 50% of the self-employed units are sustaining for 5 years, which is mainly contributed by 100% sustainability in computer and 57% each in TV/radio repair and motor rewinding trades.
- Thus, income generated in a particular activity has a positive impact on sustainability of units.
- The TRYSEM program is not successful in solving the unemployment problem in rural areas.

CONCLUSION -:

The overall observation in the study is that tailoring and embroidery trades contributed more towards self-employment. Self-employment in modern trades needs very high investment, and major part of finance comes in form of institutional finance. Larger the investment, higher the returns on the investment and vice-versa. Traditional activities are self-

employment-oriented, as compared with modern trades. There is a positive relation between rate of return and repayment of loans. Self-employed units are employing both hired and family labourers. Only 50% of the self-employed units have sustained for 5 years. Thus, modern trades are more income generating, while traditional trades generate more of self-employment.

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