

Evaluation / Impact Study of Rural Self-Employment Training Institutes (RSETIs)

Final Report

Submitted to:

The Director General
National Academy of RUDSETI (NAR),
Survey No. 30, Near Government School,
Kumbalagodu, Kengeri Hobli, Bengaluru South Taluk,
Bengaluru - 560 074

Submitted by:

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List of Abbreviations

AAP	:	Annual Action Plan
DNO	:	District Nodal Officer
DLRAC	:	District Level RSETI Advisory Committee
DRDA	:	District Rural Development Agency
DST	:	Domain Skill Trainer
EAP	:	Entrepreneurship Awareness Programme
FGD	:	Focus Group Discussion
FY	:	Financial Year
LDM	:	Lead District Manager
MoRD	:	Ministry of Rural Development
NABARD	:	National Bank for Agriculture and Rural Development
NGO	:	Non-Governmental Organization
NRLM	:	National Rural Livelihoods Mission
RSETI	:	Rural Self-Employment Training Institute
SDR	:	State Director
SOP	:	Standard Operating Procedure
SLSCR	:	State Level Steering Committee
SRLM	:	State Rural Livelihoods Mission

EXECUTIVE SUMMARY

India has a large population in the working age group and is expected to expand to 64% by 2026. However, the unemployment rate among its youth has been on an increasing trend. Aspiring youth particularly in rural and semi-urban areas are either unemployed or underemployed, working below their potential mostly in the informal economy, and unable to advance in their careers. In this context, skilling and periodic re-skilling of youth to enhance their employability. Self-employment as an alternative to wage or salaried employment in rural areas has immense potential to create sustainable livelihoods.

In order to address this growing unemployment problem and empower rural youth to become entrepreneurs, RSETIs are district-level short-term residential training institutes that provide skill and entrepreneurship development programs. They have been in operation for more than a decade and a half. Considering their expanse of operations, the National Academy of RUDSETI (NAR) commissioned the **Academy of Management Studies (AMS)** to conduct and Evaluation/ Impact Study of Rural Self-Employment Training Institutes (RSETIs).

For the study, 60 RSETIs ensuring at least 1 RSETI from each State Group were sampled. A mixed-methods approach was adopted for the data collection whereby data sources included both primary and secondary sources, and data collection tools were both qualitative and quantitative. Field based primary and secondary data collection was conducted in 30 of these RSETIs, and virtual primary and secondary data collection was conducted in the other 30. Respondents included trainees from the batches of 2017-2022, RSETI staff, sponsoring bank managers, District Nodal Officer, State Directors, employers of wage employed trainees, State Director, government representative from the Ministry of Rural Development (MoRD), and the NAR.

The Study covered aspects such as - organizational structure & governance, pre-training activities, training facilitation, infrastructure and human resources at RSETIs, post-training support, employment history and current employment status of trainees, business performance of self-employed trainees and other related aspects.

Key Findings, Observations and Recommendations:

Objective 1: Assess the Organizational Set-up & Governance of RSETIs
Scope of work: To assess roles played by various RSETI stakeholders (MoRD, States, Banks, NAR etc.). Their actual contributions vs their expected roles. <i>(Chapter: 3)</i>
Scope of work: Whether the objective and purpose of establishing and running the RSETIs are being fulfilled <i>(Chapters: 3, 4, 5, 6, 7, 8, 9, 10)</i>

Key Findings:
<ul style="list-style-type: none"> RSETIs are supported by multiple committees, government departments and agencies. This ensures that the Institutes have the required support and guidance of experts from different background who are all intent upon boosting rural entrepreneurship.
<ul style="list-style-type: none"> The organizational structure of RSETIs is hierarchical yet decentralized to an extent. The operating procedures are standardized at the top-level of NACER and therefore decision-making rests there, whereas the local levels of Institutes, sponsor banks and DLRAC are on the front line of implementation. This structure encourages accountability and better delivery of services but also sets a standard against which progress of different institutes can be measured and compared.
<ul style="list-style-type: none"> In order to have representation from the sponsor banks in the Evaluation Study, concerned officials such as managers, Lead District Manager (LDMs) of the respective banks were interviewed. It was found that 17% did not know whether a Trust had been formed. Although banks were the primary stakeholders in-charge of managing the RSETIs, it was found that awareness and involvement of concerned officials of sponsor banks was low in banks where the Trust was not formed. In these cases, the RSETI Directors did not have the required support from banks to effectively deliver the services.
Recommendations:
<ul style="list-style-type: none"> ➤ The involvement and support lent by banks to RSETI Directors in the management of Institutes can be boosted by holding capacity building programs to the concerned officials in the bank, especially when someone new is appointed as Lead District Manager. Additionally, a review of banks can be done to assess how many have functioning Trusts, and those without one can be mandated to form a Trust within a stipulated time.
Scope of work: How do the RESTIs address the issue of quality Faculty for training (Chapter: 4)
Scope of work: Whether the objective and purpose of establishing and running the RSETIs are being fulfilled (Chapters: 3, 4, 5, 6, 7, 8, 9, 10)
Key Findings:
<ul style="list-style-type: none"> Up to 60% of the staff roles were vacant in some RSETIs, particularly in the North-East, despite the mandate of a minimum number of staff. 97% of the RSETIs had a Director, 80% had both Faculty, and 70% had both Office Assistants. Upon further enquiry it was found that the banks take anywhere between a few days to a few months to fill the vacancy. The presence of the core staff such as Director and Faculty is very essential to the smooth functioning of RSETI. Therefore, long and frequent gaps without staff in RSETI could be disruptive to its overall functioning.
<ul style="list-style-type: none"> The Directors & Faculty at RSETI came with many years of experience and considerably

<p>high educational qualifications. The Directors had an average of 21 years of prior work experience. 51% had completed their Bachelor's Degree and the rest had completed their Post Graduation. The Faculty on the other hand, had an average of 6 years of work experience and 67% had completed their Post Graduation.</p>
<ul style="list-style-type: none"> • Although Directors come with years of experience as bank managers, the post of RSETI Director is a specialized assignment. Some Directors stated that they were unable to draw from their previous experience as bank managers to perform their roles except in relation to delivery of lessons on banking and EDP, and facilitation of loans. Overall, 5 Directors had not undergone 'Trainers' Training Program on Entrepreneurship Development', despite being in the position for more than 6 months. This would have otherwise helped them perform their roles more effectively.
<ul style="list-style-type: none"> • 94% of trainees were satisfied with the Faculty and 83% with the Directors. Qualitative interviews further revealed that the trainees were satisfied in terms of the training methods used, support and guidance provided, and their approachability for post-training handholding.
<ul style="list-style-type: none"> • In qualitative interviews, some Faculty and Directors expressed feeling short-staffed and unable to perform roles effectively. The Faculty especially expressed feelings of job insecurity as they were hired on a contract basis through agencies. On the other hand, the selection process for Directors in most banks did not ensure that those truly interested in the position and having the intention of social service were appointed.
<p>Recommendations:</p>
<ul style="list-style-type: none"> ➤ Appointment of staff to the RSETIs by banks should be closely monitored by the State Director to ensure that vacancies are filled faster.
<ul style="list-style-type: none"> ➤ Certain capacity building and refresher programs should be made mandatory for both Directors and Faculty to undergo at appropriate points in time so that they are adequately prepared to take on their roles.
<ul style="list-style-type: none"> ➤ Preventing disruption to RSETIs caused by frequent change of Directors would also help ensure smoother functioning of RSETIs.
<ul style="list-style-type: none"> ➤ Creating more positions or expanding the staff capacity in the Institutes to divide the multiple responsibilities among more persons would work to ensure that staff is able to carry out their assigned responsibilities efficiently and that targets are able to be achieved. Alternatively, the remuneration of Faculty and Directors could motivate them to perform better, while also making them coveted positions to seek.
<p>Scope of work: Evaluate the availability and quality of infrastructure and the Faculty/trainers, norms and requirements (Chapter: 5)</p>
<p>Scope of work: Whether the objective and purpose of establishing and running the RSETIs</p>

are being fulfilled (Chapters: 3, 4, 5, 6, 7, 8, 9, 10)
Key Findings:
<ul style="list-style-type: none"> • Only two-thirds of the RSETIs had developed their own premises. The rest were operating from temporary premises even though the average year of establishment of these Institutes was 2010, which can be considered a rather long time for the development of premises to have not taken place. RSETIs operating from temporary premises often lacked key infrastructure such as dormitories, workshops, computer labs, accessibility to Persons with Disabilities, and so on. The lack of workshops and computer labs visibly affected the training process as they were also major reasons for trainees' dissatisfaction with learning-related campus infrastructure.
<ul style="list-style-type: none"> • Majority of the RSETIs were regarded to be accessible. 93% had a proper approach road and 92% were accessible through public transport. 83% of trainees found their respective Institutes to be accessible.
<ul style="list-style-type: none"> • 100% of the RSETIs had classrooms. 90% of the Institutes had two or more classrooms. Only 85% had workshops and computer labs. Three-fourths of the RSETIs had dormitories and guest rooms for Faculty. The mean capacity of classrooms was 37 persons and that of dormitories was 30 persons. 68% of RSETIs were accessible for Persons with Disability. This was lowest in the Hilly States at 40% and highest in the Western & Central States (76%).
<ul style="list-style-type: none"> • Three-fourths of trainees did not reside on campus. Half of them did not reside on campus because they did not feel it was required whereas 20% of them did not reside on campus because trainings for them were conducted in off-campus locations, mostly in their villages for ease of convenience. Most off-campus trainings were conducted for Agriculture Courses but they were also conducted for the other types of courses.
Recommendations:
<ul style="list-style-type: none"> ➤ RSETIs that function from temporary premises do not have the flexibility to plan the infrastructure in a way as to include all the mandated facilities such as workshops, computer labs, dorm rooms, ramps for the physically disabled and so on. Mandating a reasonable time span for RSETIs to develop a permanent campus after establishment would avoid delays in the same and ensure that the Institutes have the required facilities to deliver quality training.
<ul style="list-style-type: none"> ➤ Conducting off-campus trainings for ease of convenience for the trainees may be a good idea for specific kinds of courses such as Agriculture EDP. However, it should only be allowed after ensuring availability of quality equipment and infrastructure.
Scope of work: An independent study on the NAR assessment efficiency and quality (Chapter: 3)
Scope of work: Whether the objective and purpose of establishing and running the RSETIs

are being fulfilled (Chapters: 3, 4, 5, 6, 7, 8, 9, 10)
Key Findings:
<ul style="list-style-type: none"> The National Academy of RUDSETI (NAR) is the umbrella policy making body and a resource organization for RSETIs established by the Government of India solely for the purpose of capacity building and mentoring of RSETIs. The NAR is headed by the Director General and has two main verticals: National Centre for Excellence of RSETIs (NACER), Assessments & Quality Assurance (A&QA).
<ul style="list-style-type: none"> The NACER is implementing body for all the policies and interventions designed by NAR, and monitoring the progress of RSETIs to achieving their objectives. NACER coordinates with the State Directors for this purpose. The A&QA is in charge of designing and administering assessments to trainees and ensuring the quality of training programs, Faculty and overall functioning of RSETIs. Under the RSETI system, assessments have been standardized across all courses in the country and are aligned with the NSQF.
<ul style="list-style-type: none"> It was found that among all the Committees, the DLRAC was the most closely involved in the functioning of RSETI. All issues that arise in the RSETI are addressed at the level of Institutes and Banks were escalated to the SLSCR or NACER only in a few cases. All target numbers and performance activities are reported to NACER, while close guidance is given to Institutes wherever required. Therefore, NACER played a crucial role in monitoring the progress of RSETIs as well.
Objective 2: Assess the training and post-training facilitation by RSETIs
Scope of work: Evaluate the processes involved in mobilization, selection of beneficiaries and organizing the training programme by the RSETIs and the effectiveness of these processes (Chapters: 6, 7)
Scope of work: If the trades in which the beneficiaries have been oriented, were what the beneficiaries themselves wanted or were they the trades, which were available and therefore offered. Was any counselling made with reference to the trades which the trainees took? (Chapters: 6, 7)
Scope of work: Whether the objective and purpose of establishing and running the RSETIs are being fulfilled (Chapters: 3, 4, 5, 6, 7, 8, 9, 10)
Key Findings:
<ul style="list-style-type: none"> Word-of-mouth was the biggest source of awareness for trainees (71%). Gram Sabha and Gram Panchayat meetings (24%), programs like SRLM and SDIS (16%), and EAPs (9%). The sources varied across state-zones suggesting that RSETIs relied upon different methods of mobilization according to their local context.
<ul style="list-style-type: none"> From the point of view of Directors and Faculty, EAPs were the most important means of candidate mobilization from since it allowed interactions between the staff and potential

<p>candidates. The staff was able to gain insights into the interests and expectation of candidates which they used as inputs for planning. Although most trainees did not become aware about RSETI through EAPs (9%), nearly half of them (41%) had attended EAP before enrolling, suggesting that it may have influenced attendees' decision to enrol, acted as an orientation program towards self-employment and informed them about what they could expect from RSETI training.</p>
<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • Majority of the trainees (62%) enrolled into RSETI in order to establish an enterprise and become self-employed. The desire to learn new technical skills (47%), to improve employability (38%), to upgrade existing technical skills (31%) were other major reasons for enrolment.
<ul style="list-style-type: none"> • Most trainees (32%), especially men (57%) had enrolled into Agriculture EDP courses possibly because the scope for agri-entrepreneurship in rural areas was higher. Majority of women (35%) had enrolled into Product EDP courses perhaps because such trades allowed home-based work which was cited by many women as a key reason for choosing self-employment.
<ul style="list-style-type: none"> • For 97% of the respondents, the selected course was their first choice. 3% of respondents did not enroll in a course of their first choice either because that particular course was fully enrolled or because they received guidance from the RSETI director and staff about the suitability of another course.
<ul style="list-style-type: none"> • 83% of trainees that were running enterprises had chosen an activity related to their RSETI course. This indicates that majority of the trainees were purposeful in the courses that they chose, and did not consider RSETI training as just a skill-training program where they learnt a new skill but rather a skill that they could begin or continue self-employment in. Major reasons for core activity being unrelated to the course were that the trainees were unable to establish enterprise / find employment in the activity related to training (8.3%), and they felt that scope was better in chosen activity (5.8%).
<ul style="list-style-type: none"> • Trainees expressed high levels of satisfaction with regard to most indicators such as choice of courses offered by Institutes (94%), course curricula followed (94%), training aids used (86%), guidance and counselling (84%) and course assessments (95%).
<ul style="list-style-type: none"> • Effectiveness of entrepreneurial components such as business management, marketing and communication lower than other training-related indicators. Only around half the trainees found these components to be effective which highlighted the gaps in the EDP components of skill training courses.
<ul style="list-style-type: none"> • Short duration of RSETI courses and incompleteness of practical components were major points of discontent for trainees revealed through survey as well as qualitative interviews. It was felt that the short duration of courses, especially in the Agriculture EDP category, did

<p>not allow time for more advanced skills and practical lessons to be taught. Erroneous judgements by trainees in incomplete aspects of training led to losses and shutting down of enterprises in some cases.</p>
<ul style="list-style-type: none"> • 98% of trainees received their final certificates, most of them within the first two months of training completion. This was a positive indicator since it avoided delays for trainees to pursue loan applications and employment without a long gap.
<p>Recommendations:</p>
<ul style="list-style-type: none"> ➤ Extending the duration of training was a major recommendation made by trainees, so that important lessons and more advanced aspects of the skill training such as practicals, workshops and more EDP components can be included which would enable them to run their enterprises with adequate skill-set.
<ul style="list-style-type: none"> ➤ Practical components were not conducted for some of the courses. Trainees felt the need for this component especially in Agriculture EDP courses. Although practical components and workshops are mandated for most courses and are prescribed in the curriculum, it may be so that some RSETIs do not complete it or pay enough attention to it. A means of verifying that practicals are conducted and completed as part of the Institute monitoring could be established in order to ensure that this critical component is being covered.
<ul style="list-style-type: none"> ➤ EDP components of skill-training courses received the lowest ratings by trainees. Since the objective of RSETIs is to not only teach trainees technical skills but also empower them to run enterprises, it is recommended that this gap be addressed by improving the EDP components of skill training courses.
<p>Scope of work: Evaluate post training follow-up, tracking system and its effectiveness <i>(Chapter: 8)</i></p>
<p>Scope of work: Beyond the tracking period is there any support available for such businesspersons? Interviews with some of such beneficiaries should also be made to understand the need for support and the manner in which this could be best served <i>(Chapters: 7, 8)</i></p>
<p>Scope of work: Whether the objective and purpose of establishing and running the RSETIs are being fulfilled <i>(Chapters: 3, 4, 5, 6, 7, 8, 9, 10)</i></p>
<p>Key Findings:</p>
<ul style="list-style-type: none"> • 41% of trainees reported being followed-up after training. There was a positive correlation between follow-up and settlement as more than half the trainees that were followed-up became employed. On the other hand, only a quarter of those who have remained unemployed were followed-up.
<ul style="list-style-type: none"> • Telephone calls were the most used mode of follow-up as reported by 28% of trainees. This was followed by personal visits (20%), group meetings (9%), Whatsapp (6%). RSETI

<p>Directors stated that they followed-up using these different modes as per convenience. Personal visits were undertaken for trainees that resided close to the RSETI.</p>
<ul style="list-style-type: none"> • More than half of the trainees were followed-up up to six months. 29% were followed up between six months and a year, 11% between one and two years, and 5% were followed up more than two years. When it came to the frequency of follow-up, majority of them (40%) were followed up once every two to three months. 35% were followed up once a month and 10% were followed up multiple times in a month, whereas 13% were followed up once a year and 2% once in two years. <p>It was observed that in state zones where trainees were followed-up up to six months were followed-up more frequently and vice versa in the zones where trainees were followed-up for up to two years.</p>
<ul style="list-style-type: none"> • As stated above, only 5% of trainees were followed-up for more than two years. Although it is not mandated that the trainees are followed-up beyond two years, it was observed that the personal interest of some Directors and Faculty in ensuring that the trainees are well-settled made them offer follow-up and handholding services for more than two years. Qualitative FGDs with settled trainees also revealed that Directors and Faculty were very approachable to seek guidance from whenever they needed it after training.
<ul style="list-style-type: none"> • Majority of those who received handholding services (60%) availed bank and credit linkage, followed by business planning and counselling services (41%).
<ul style="list-style-type: none"> • 86% of trainees found that the period of follow-up was adequate. 10% found it inadequate because they were unable to establish business or find employment within that period, whereas 7% felt they needed guidance even after follow-up period.
<ul style="list-style-type: none"> • Overall, 67% of trainees who were followed-up got settled during the follow-up period. Lack of funds to start enterprise was a major reason for trainees not getting settled in this period (21%), followed by lack of capacities such as infrastructure and human resource to start and run an enterprise (10%).
<ul style="list-style-type: none"> • Trainees expressed the least satisfaction when it came to handholding services as compared to other aspects of training. 59% were satisfied with banking support. When it came to marketing support, 67% were satisfied.
<ul style="list-style-type: none"> • ASARE (Association of Successful RSETI Trained Entrepreneurs) was inactive in most RSETIs. Only 10% of trainees reported that they were a part of it. ASARE provides a forum to trainees to network with each other so that their development continues beyond the follow-up period of two years, and as such, it can enhance the post-training activities undertaken by the RSETI staff.
<p>Recommendations:</p>
<ul style="list-style-type: none"> ➤ In order to make the process of follow-up more effective, it is recommended that trainees be followed-up through telephone calls until they are settled. Once settled, self-employed

<p>trainees can be followed-up through personal visits which would allow the staff to see how the trainee is running the enterprise and provide guidance if required. Trainees that have not been able to get settled six months after training can be invited to group meetings on campus which can be held quarterly or bi-yearly.</p>
<p>➤ In order to make ASARE more active, it is recommended that ASARE be made a trainee-run forum whereby successful trainees who are closely associated with the Institute be identified in each district and entrusted with the responsibility of conducting quarterly ASARE meetings under the guidance of the Director and Faculty.</p>
<p>Scope of work: To evaluate the extent of credit support to trained candidates by the Banks, timely and adequate finance, average quantum of finance and repayment pattern of loans by RSETI trained candidates (Chapter: 10)</p>
<p>Scope of work: Whether the objective and purpose of establishing and running the RSETIs are being fulfilled (Chapters: 3, 4, 5, 6, 7, 8, 9, 10)</p>
<p>Key Findings:</p>
<ul style="list-style-type: none"> • Around a quarter of trainees that were self-employed had relied on bank loans and 10% had relied on informal loans. Most (27%) did not avail a bank loan because they faced difficulties in accessing it. 26% did not require bank loan either because they used their own savings or sought informal loans, whereas another 26% lacked the awareness to avail loans. Complicated procedure of applying for loan (20%) and difficulty in arranging documents (89%) were also some of the other reasons for not applying for loans. 13% of the trainees applied for loan but were rejected.
<ul style="list-style-type: none"> • Trainees who applied for loans but were not approved stated that their loans were rejected because they were first time loan applicants (56%), they had incomplete documents (22%), insufficient cash flow / lack of collateral (21%), a lack of good business plan (9%).
<ul style="list-style-type: none"> • RSETIs helped in the facilitation of 76% of those who had availed loans. However, when seen with the fact that only a quarter of entrepreneurs applied for loans and a majority did not because they faced difficulty in accessing them, it points to gaps in the facilitation of loans by the Institutes. Only the Hilly States displayed positive trends in this aspect with nearly two-thirds of trainees having applied for loans and all of them having been facilitated by the RSETIs.
<ul style="list-style-type: none"> • Three-fourths of loan applications were processed within 1 week time. 18% were processed within 15 days, 3% within 30 days and 2% took more than 30 days. More than half of the trainees were satisfied with the loan amount.
<ul style="list-style-type: none"> • 70% of trainees that had availed loans had completed their tenure. 93% of those who had completed their tenure had repaid the loans, which was a positive indicator of the loan-repayment abilities of trainees.

<ul style="list-style-type: none"> Funding for establishment and growth of business was the biggest challenge encountered, and the biggest are of support required by the entrepreneurs, as stated by more than half of them. This further highlighted the need for funding support to be reinforced by RSETIs, not only by better meeting the targets of credit linkage but also creating avenues where established entrepreneurs may avail funding for expansion.
<p>Recommendations:</p>
<ul style="list-style-type: none"> Facilitation of credit linkage by RSETIs needs to be improved since less than a quarter of trainees received this support as opposed to the target of 50%. Lack of funds for establishment and expansion of enterprises was cited to be the biggest challenge for entrepreneurs. Given its importance, some Directors recommended the creation of a separate wing for the provision of credit where staff would be appointed specifically to liason with banks and ensure that trainees receive credit to start self-employment. If not for credit linkage, it can be considered to create a separate wing within the Institutes dedicated to the provision of effective handholding services since it is closely tied to achieving higher settlement rates.
<ul style="list-style-type: none"> Additionally, application of loans through the Jan Samarth Portal can be encouraged across all RSETIs, which would fast-track the process of application and increase the rate of approval of loans.
<p>Objective 3: Assess impact of the training on the participants' skill, attitude, performance, income</p>
<p>Objective 4: Assess the financial viability of the enterprises set up by RSETI trainees</p>
<p>Scope of work: Settlement of the candidates in time series may also be studied as it will be a good point to know how settled candidates fare over a period of time (Chapter: 9)</p>
<p>Scope of work: Whether the objective and purpose of establishing and running the RSETIs are being fulfilled (Chapters: 3, 4, 5, 6, 7, 8, 9, 10)</p>
<ul style="list-style-type: none"> 77% of trainees (39% of men and 19% of women) were unemployed before enrolling in RSETI. Among the trainees that were employed before, half were engaged in self-employment whereas the other half were into wage or salaried employment.
<ul style="list-style-type: none"> Only 17% of those who were unemployed were actively seeking employment before enrolling suggesting that the RSETIs enrolled a large percentage of trainees who were not inclined towards employment. Lack of previous work experience was the major reason for unemployment (40%) before RSETI training. It was followed by family concerns and household responsibilities (29%), lack of required skills (29%) and lack of opportunity in region (27%).
<ul style="list-style-type: none"> When trainees were enquired about the first employment that they secured immediately after training, 19% stated that they had established a new enterprise, 11% had expanded

<p>an existing enterprise and 16% had secured wage or salaried employment. More than half (53%) stated that they remained unemployed till the time of survey. However, the percentage of unemployed persons had decreased by 24% after training.</p>
<ul style="list-style-type: none"> • 26% (including those who had started a new enterprise and expanded their existing ones) were currently self-employed, 13% were wage / salaried employed, and 3% were both self-employed and wage employed. 58% were unemployed, which meant that 5% of trainees who were considered settled after training completion, were currently unemployed.
<ul style="list-style-type: none"> • More women (63%) as opposed to men (37%) were currently unemployed. However, the percentage decrease in unemployment when comparing before training and current status showed that there was not a significant difference between genders. Unemployment among women had decreased by 20% and among men by 24%. This shows that although the rate of unemployment is higher among women, when empowered with skill training, an almost equal proportion of women and men had secured employment.
<ul style="list-style-type: none"> • Family concerns and household responsibilities was the biggest reason for unemployment (28%). 88% of those who stated family concerns as a reason were women making it a major external barrier for them to pursue employment. 'Lack of previous work experience' was not the major reason for unemployment as it had been before training.
<ul style="list-style-type: none"> • Half of the wage employed or salaried trainees began job search within one month of their training completion and 42% found a job within a month of beginning job search. Similarly, when it came to self-employed trainees, there was not a major lag after training completion and start of enterprises as nearly three-fourths of trainees set up their enterprise within the first three months of RSETI training. 7% of trainees took more than a year to set up their enterprise.
<p>Recommendations:</p>
<ul style="list-style-type: none"> • The RSETIs enrolled a majority of candidates who were unemployed, in accordance with the SOP. However, Institutes were unable to ensure that they selected candidates who were inclined towards employment (it was found that only 17% of those who were unemployed were seeking employment). This affected settlement rates as well since more than half of the trainees have remained unemployed till the time of survey. Therefore, it is recommended that the RSETIs be guided to focus on quality over quantity with respect to enrolment of candidates.
<p>Scope of work: Assess impact of the training on the participants' skill, attitude, performance, income, etc. and also financial viability of enterprise set up by RSETI trainees (Chapter: 10)</p>
<p>Scope of work: Whether the objective and purpose of establishing and running the RSETIs are being fulfilled (Chapters: 3, 4, 5, 6, 7, 8, 9, 10)</p>
<ul style="list-style-type: none"> • Majority of entrepreneurs (81%), especially women (75%) took up self-employment

<p>because they wanted to be able to work from home or proximity to the residence since they are bound by stricter social norms. 34% chose self-employment because they had prior experience and keen interest in the chosen activity and wanted to start an enterprise in that trade. Inability to find a job was a reason for 27% of the trainees. 23% were not satisfied with their previous jobs and therefore chose self-employment.</p>
<ul style="list-style-type: none"> • The sector of enterprises was somewhat equally divided. 32% were running enterprises in Agriculture & Allied Activities sector, 35% in Manufacturing and 33% in Services.
<ul style="list-style-type: none"> • Majority of the trainees who were or became entrepreneurs after RSETI training were running micro or small enterprises as most of them had made small investments. Around two-thirds of the investments made by trainees were under Rs. 50,000. A significant majority of 82% had used personal funds. Directors were of the opinion that trainees often did not opt for bank loans and relied on savings or informal loans due to the small size of investments.
<ul style="list-style-type: none"> • The scale of business of majority of the trainees was relatively small. More than half of the trainee's income was under Rs.10,000. Around a quarter of them had an income between Rs.10,000 and Rs.30,000. 6% had an income over Rs.70,000. More than three-fourths of the trainees had an average monthly expenditure below Rs.10,000, and also had an average monthly profit below Rs.10,000. A small percentage were earning income (8%), and profits (3%) exceeding Rs. 50,000.
<ul style="list-style-type: none"> • Raw materials were the major source of expenditure overall, constituting one-third of the total expenses. A possible reason for this could be that around two-thirds of enterprises were in the agriculture and manufacturing sectors, where the requirement on raw materials is higher than it is for service-related business as inputs for production.
<ul style="list-style-type: none"> • Raw materials were the biggest source of expenditure (33%), possibly because two-thirds of enterprises were in the agriculture and manufacturing sector where the reliance on raw material input for production is higher. Salaries were the second biggest source of expenditure despite only 31% of trainees having employed other persons, probably because the proportion of expenditure that stems from salaries is higher than others.
<ul style="list-style-type: none"> • Only around one-third had employed other persons. 9% had employed other RSETI trainees. Since majority of the enterprises were operating at a very small scale, it holds good that employment generation from these enterprises would be low. However, a significant majority (85%) of the trainees saw potential to increase the scale of operations, and 84% had plans to increase scale. This was a sign of stability and sustainability of the enterprises.
<ul style="list-style-type: none"> • The major reasons for wage / salaried trainees not opting for self-employment were that they did not have the capacity to start an enterprise (44%), they felt that opportunity was better in wage / salaried employment (40%) and they did not have enough external support for self-employment (40%).

Recommendations:

- 80% of trainees were women as opposed to 20% men. Women also formed a major proportion of those who were currently unemployed. Their main reason for unemployment was family concerns and household responsibilities. Since most women preferred to be self-employed, enrol in Product and Process related courses, and engage in activities that allowed them to work from home, it is recommended that the offering of relevant courses be also tailored to meet this demand.

Background and Context for The Study

1

1.1 Introduction

The importance of skill development in the context of facilitating social and economic progress has long been recognized, especially in a developing nation like India. It has a profound impact on employability and income generation which allow individuals to be better positioned to secure gainful employment, thereby reducing unemployment rates and poverty levels. The ability to meet the diverse and dynamic demands of the labour market ensures that individuals can access a wider range of job opportunities and improve their earning potential. In turn, this fosters economic growth by increasing consumer spending, boosting tax revenues, and stimulating investment in various industries. Thus, in the broader context of a nation's development, knowledge and skills serve as the engines propelling progress which enable innovation, enhance productivity, and drive competitiveness on a global scale.

It is predicted that 64% of the Indian population will be in the working age group of 15 to 59 years by 2026¹. It is essential for India to take advantage of this rich demographic resource at the earliest. To make the most of this opportunity, it is necessary that the youth entering the workforce are made employable². However, there is a large body of evidence which indicates that India is not ready to tap its demographic potential since there is a definite skill gap among the youth³.

In India the rate of unemployment, especially among its youth who are supposedly its '*population dividend*', has continuously been on an increasing trend. On one hand the country's youths are not getting jobs while on the other, the emerging industries are not getting suitably trained manpower. The root of the problem lies in the gap between the skills imparted through traditional educational institutions and the dynamic skill set demanded by the contemporary job market. India's educational system, while producing a large number of graduates, often fails to equip them with the practical, industry-relevant skills needed to succeed in today's competitive job market. This misalignment between education and industry requirements perpetuates the unemployment problem, as job seekers are often ill-prepared to meet the expectations of potential employers.

¹EY and FICCI, "Reaping India's Promised Demographic Dividend — Industry in Driving Seat."

²Ministry of Youth Affairs & Sports, GOI, "National Youth Policy 2014."

³Ramana, "Skill Development Training in National Academy of Construction - Participants Evaluation."

1.1.1 The RUDSETI (Rural Development & Self Employment Training Institute) Model

The paucity of skilled workforce is a major challenge that India faces, hindering the nation's economic development. On the other hand, large numbers of educated and semi-educated youth do not possess the necessary skills and are therefore unable to find suitable employment. Aspiring youth particularly in rural and semi-urban areas are either unemployed or underemployed, working below their potential mostly in the informal economy, and unable to advance in their careers. In this context, skilling and periodic re-skilling of youth to enhance their employability and enable them to take up self-employment assumes great importance.

RSETIs Performance
(Since Inception)

- Total **591** RSETIs
- Cover **33** States/ UTs
- **23** Sponsor Banks
- Trained > **44 lakh** Unemployed Youth
- **70%** settlement rate
- **91%** of total settled in self-employment
- **50%** Bank Credit Linkage

To address the growing unemployment problem amongst the youth in the Country, an initiative called 'Rural Development and Self-Employment Training Institute' (RUDSETI) was set up in 1982

on an experimental basis jointly by Syndicate Bank, Canara Bank and the SDME Trust at Ujire, Dharmasthala. The Institute focused on training unemployed youth, particularly from the lower strata of the society who had no skills, no basic entry qualifications, lacked access to formal training institutions, and had no means to take up self-employment on their own. Free residential training was provided to them in their chosen vocation to take up self-employment. As illustrated in the figure below, the approach adopted by the RUDSETI was to **identify, orient, motivate, train** and **assist** unemployed youth in taking up self-employment as an alternative career and as a source of livelihood.



Figure 1.1: The RUDSeti Model

1.1.2 The Establishment of RSETI (Rural Self Employment Training Institute)

Rural Self Employment Training Institutes (RSETIs) came into existence in 2008 with a mandate to mitigate the problem of unemployment among rural youth by providing them with short-duration skill development training. RSETIs are run and managed by concerned Lead District Banks and are supported by the States and the MoRD.

Impressed by the **high quality of training** and **high settlement rate** of RUDSETI-trained candidates, the Ministry of Rural Development (MoRD) undertook a detailed study to assess its impact and examine its scalability. Satisfied with the results of the study, MoRD **decided to replicate the RUDSETI model** throughout the country. The Banks were advised to establish one RUDSETI-type Institute in all their Lead Districts.

Rural Self Employment Training Institute (RSETI):

RSETIs are district-level short-term residential training institutes that provide skill and entrepreneurship development programmes as well as re-skilling and skill upgradation programmes for rural youths who are already running enterprises. They are multi-stakeholder initiatives which are established and managed through a three-way partnership between Banks, the Central Government's Ministry of Rural Development and State Governments. They are also supported by other agencies such as State Rural Livelihoods Mission (SRLM), National Bank for Agriculture and Rural Development (NABARD), Department of Financial Services and so on.

Currently, there are 591 RSETIs spread across the country, covering all the States/ UTs. These Institutes are sponsored by 23 Banks. At an average of 4 lakh trainees per year, the RSETIs have trained 38+ lakh trainees since their inception, with about a 70% settlement rate. Out of total settled, approx. 90% of the RSETI trainees are in self-employment. Overall credit linkage to RSETI trainees in self-employment by the Banks is around 50%.

1.1.3 Role of the National Academy of RUDSETI (NAR)

The National Academy of RUDSETI, Bengaluru (NAR) is recognized as the National Resource Organization (NRO) for RSETIs since 2017. Its operations are funded under the World Bank-funded National Rural Economic Transformation Project (NRETP), which is built on the success of the National Rural Livelihoods Project (NRLP) and is therefore its extension.

As the NRO, NAR is mandated to undertake the following key activities:

- Support Banks in the implementation of RSETI
- Procure and set up a Project Management Agency (PMA) at the National Mission Management Unit (NMMU) in New Delhi
- Training of Trainers (TOT) / Capacity Building
- Procure and set up Call Centre
- Procure agency for development and hosting of online Assessment and Certification tool for RSETI
- Prepare Standard Operating Procedures (SOPs) for RSETI
- Develop Enterprise Resource Plan (ERP) for RSETI
- Impact/Assessment activities, etc.

1.2 Rationale for the Proposed Impact Assessment Study

The RSETIs have been in operation for almost one and a half decades now. Considering the vast expanse of operations both in terms of geography and scope of work, it is reasonable that the National Academy of RUDSETI (NAR), Bengaluru, intended to find out the outcomes of the RSETI activities and revisit their programs and policies for further improvement of the RSETIs. Recognizing

the role of a systematic impact assessment in finding answers to the questions relevant for an organization to learn from its own experiences, steer projects by results, and legitimize its actions, **Academy of Management Studies (AMS) was contracted by NAR to conduct an Evaluation/ Impact Study of Rural Self-Employment Training Institutes (RSETIs).**

1.3 Objectives and Scope of the Study

1.3.1 Objectives of the Study

The **overarching objective** of the study is **to undertake the evaluation/ impact assessment study of the RSETIs to assess the extent to which the scheme objectives have been fulfilled.**

The **specific objectives** of the study are as follows:

- Assess the Organizational Set-up & Governance of RSETIs:
 - Organizational structure of RSETIs
 - Governance - Roles and Responsibilities of various stakeholders
 - Human Resource Management at RSETIs
 - Standard RSETI Infrastructure - fixed and movable
- Assess the Training and Post-Training Facilitation of the RSETIs
 - Training Courses – Duration and Curriculum, Training Methodology
 - Mobilization & Selection of Candidates
 - Post Training Escort services & Credit Linkage
- Assess the impact of the training on the participants' skills, attitude, performance, income, etc.
- Assess the financial viability of the enterprise set up by RSETI trainees
- Suggest measures for improvement in RSETI functioning

1.3.2 Scope of the Study

Under this study, the following **key activities** were undertaken:

- Desk Research of various data/reports obtained from the RSETIs, and relevant Govt. Departments, etc., along with those available in the public domain, on the operation and functioning, impact, etc. of the RSETIs
- Design & Development of the Data Collection Tools and their Finalization after Pilot Testing
- Training of Field Staff
- Data Collection & Analysis
- Report generation & Dissemination of Study findings

2.2 Technical Approach & Methodology

2.2.1 Research Design & Data Collection Tools

A **cross-sectional research design** has been adopted for the study. Considering the wide range of activities undertaken under the broad umbrella of the RSETIs, a **mixed-methods approach** has been adopted for the data collection. Data sources include both **primary and secondary sources** for realizing the specific objectives of the study.

Both **qualitative** and **quantitative data collection tools** were used for the collection of the Primary Data.

For 30 RSETIs – Field Based Primary Data Collection + Secondary Data Collection

- **Secondary information** was collected through documents, reports, MIS, etc. obtained from the RSETIs and related Govt. Departments; and desk research conducted for relevant secondary information available in the public domain like reports, research papers, secondary data, etc.
- **Face to Face Interviews(F2F)** were conducted with the RSETI Trainees (Self-Employed & Waged) for collecting the quantitative information. For collecting such information, a **standard questionnaire** having mainly structured questions and a few qualitative questions requiring open-ended responses was used. **This questionnaire was duly canvassed through face-to-face interactions.**
- To obtain the views and opinions of employers on the impact, quality and relevance of RSETI training programs and the skills, attitude and performance of the RSETI trainees, **Semi-Structured Interviews (SSIs)** were carried out with the **employers of the waged RSETI trainees.**
- **Semi-structured Interviews (SSIs) with the trainers / Faculty and heads of the sample RSETIs** were conducted to understand the functioning of the RSETIs and the uptake of existing training, along with the demand for new training, etc.
- **In-depth interviews (IDIs)** were conducted with the concerned officials of the Lead District Banks, District Nodal Officers of the RSETIs, State Directors of RSETI and the concerned govt. officials from the state rural development department. This allowed us to gather credible information regarding the various activities carried out at the RSETIs and the process of credit linkage and the repayment patterns of loans.
- Additionally, at least **1 success story per sample RSETI** of the RSETI Trainees who have been successful in establishing their own enterprise was documented in the form of case studies.

For 30 RSETIs - Virtual Primary Data Collection + Secondary Data Collection

- **Secondary information** was collected through documents, reports, MIS, etc. obtained from the RSETIs and related Govt. Departments; and desk research conducted for relevant secondary information available in the public domain like reports, research papers, secondary data, etc.
- **Focus Group Discussions (FGDs)** were conducted through virtual conferencing mode with the RSETI Trainees of 30 RSETIs and **In-Depth Interview Guides** were filled by RSETI Directors.

A broad overview of the methodology for data collection is presented in the grid below:

Level of Data Collection	Stakeholders	Method of Data Collection
State	State Directors of RSETI Concerned Govt. Officials of the Dept. of Rural Development, MoRD Concerned Officials of NAR	In-depth Interview (IDI)
District	District Nodal Officer, Controlling Office of RSETIs in the District Concerned Officials of the Lead District Bank	
Institute	Directors/ Heads of Individual RSETI Trainers	Semi-structured Interview (SSI)
Employers	Employers of Trainees in Wage Employment	
Trainees/ Trainees of RSETIs	Trainees who passed out from the sample RSETIs	Face to Face Interview (F2F)

2.2.2 Sampling Approach

i. Sampling Universe: Currently there are 589 RSETIs in India. For the primary study, we needed to consider all the RSETI Trainees from 2017-2022. This population of RSETIs and their Trainees constitutes the sampling universe for this study.

ii. Selection of Sample RSETIs: The NAR has grouped all the 33 States/UTs into 13 State Groups and 4 Cohorts. A **total sample of 60 RSETIs** were sampled, ensuring at least 1 sample RSETI from each State Group.

RSETIs were sampled from each State Group using the **probability proportionate to size (PPS) sampling approach**. The RSETIs from each State Group were proportionally selected to represent the actual numbers of RSETIs per State Group in the study universe. An illustration of the method is provided below.

Illustration: Distribution of the Overall Sample of RSETIs across State Groups			
State	Total Trainees in a Scheme		District-wise No. of Sample Trainees
	Numbers	Proportion of Total	
State Group 1	N_1	$n_1 = N_1/\sum N$	$[N_1/\sum N] \times S$
State Group 2	N_2	$n_2 = N_2/\sum N$	$[N_2/\sum N] \times S$
State Group 3...	N_3	$n_3 = N_3/\sum N$	$[N_3/\sum N] \times S$
...State Group x	N_x	$n_x = N_x/\sum N$	$[N_x/\sum N] \times S$
Overall	$\sum N$	1	'S'

Also, using the **stratified random sampling technique**, the RSETIs for the study were proportionately represented on the basis of age, sponsor bank and grade.

S. No	Category	Stratums
1.	Age of the RSETI	4-10 Years, 11-15 Years, 16-20 Years, 21-25 Years, 26 Years & above
2.	Sponsor Bank	Nationalized Bank, Private Bank, State Bank, RUDSETI
3.	RSETI Grade FY 2021-22	High (AA, AB), Average (BA, BB, BC), Low (CB, CD, DD)

Any RSETI that is less than 4 years in age was not considered for sampling. The RSETIs for each State Group per category were divided into the aforementioned stratums and the sample was proportionately calculated. An illustration of the method is provided below.

Illustration: Distribution of Required No. of RSETIs in a State Group			
n th Stratum	Total No. of RSETIs		Category-wise No. of Sample RSETIs
	Numbers	Proportion of Total	
Stratum-1	N ₁₁	$n_{11} = N_{11}/\sum N$	$[N_{11}/\sum N] \times S$
Stratum-2...	N ₁₂	$n_{12} = N_{12}/\sum N$	$[N_{12}/\sum N] \times S$
...Stratum-x	N _{1x}	$n_{1x} = N_{1x}/\sum N$	$[N_{1x}/\sum N] \times S$
District Total	$\sum N$	1	'S'

The table below outlines the no. of RSETIs that were sampled from each State Group:

Cohort	State Group No.	States/ UTs	Total RSETIs in the State Group	Proportion of RSETIs in the State Group	No. of RSETIs sampled
South India	1	Karnataka	33	6%	3
	2	Tamil Nadu; Puducherry	33	6%	3
	3	Kerala; AP & Telangana	41	7%	4
Western & Central India	4	Maharashtra; Gujarat; D&N Haveli	64	11%	7
	5	Rajasthan; Punjab, Haryana	73	12%	7
	6	MP; Chhattisgarh	68	12%	7
	7	UP	75	13%	8
	8	Bihar; Jharkhand	63	11%	6
	9	West Bengal; A&N Islands; Lakshadweep; Odisha	51	9%	5
Hilly States	10	J&K; Ladakh	22	4%	2
	11	HP; Uttarakhand	23	4%	3
North-Eastern States	12	Assam	26	4%	3
	13	Meghalaya; Mizoram; Sikkim; Manipur; Nagaland; Arunachal Pradesh; Tripura	17	3%	2
TOTAL			591		60

iii. Selection of Sample RSETI Trainees

- **Sample Size Estimation:** The objectives of the study required the sample respondents to be drawn from the total settled candidates per RSETI. Accordingly, 150 RSETI Trainees from each sample RSETI were selected. This gave us a **total sample of 4500 RSETI Trainees** (= 30 RSETIs X 150 Sample Trainees).

- **Selection of RSETI Trainees:** The trainee database maintained by the sampled RSETIs served as the sampling frame for the selection of the respondent trainees. Using the systematic random sampling approach, a sample of 150 respondents was drawn from each RSETI.

The sample drawn from each RSETI was **proportionately distributed** between trainees currently in self-employment and in waged-employment. **Due representation** was given to the trades/trainings opted; rural-urban; gender (male/female); economic category (APL/BPL/Antyodaya); social category (SC/ST/OB/General); etc. A series of survey questions regarding their socio-demographic characteristics, training experience and impact, and their current job profile were administered to these trainees. Care was also be taken that the sample includes **representation of different RSETI sponsoring banks**.

2.2.3 Sample Distribution

The sample distribution for the study by data collection tool and by target groups/respondents is shown in the plan below.

SAMPLE SIZE PER RSETI					
Level of Data Collection	Stakeholders	Method of Data Collection	Sample Criteria	Sample Size	Tool-wise Sample Size
State	State Directors of RSETI	In-depth Interview (IDI)	1 per State Group, as per Availability	1	6
	Concerned Govt. Officials of the Dept. of Rural Development, MoRD		1 per State Group, as per Availability	1	
	Concerned Officials of NAR		As per Availability	2	
District	District Nodal Officer, Controlling Office of RSETIs in the District		1 per sample RSETI X 1 RSETI	1	
	Concerned Officials of the Lead District Bank		1 per sample RSETI District X 1 RSETI	1	
Institute	Directors/ Heads of Individual RSETI		Semi-Structured Interview (SSI)	1 per sample RSETI X 1 RSETI	
	Trainers	2 per sample RESETI X 1 RSETI		2	
Employers	Employers of Trainees in Wage Employment	Employers of 10% sampled trainees into Wage Employment, as per availability		3	
Trainees/ Trainees of RSETIs	Trainees who passed out from the sample RSETIs	Face 2 Face Interview (F2F)	150 per sample RSETI X 1 RSETI	150	150

2.2.4 Data Collection Mechanisms

The primary quantitative data collection for the study was carried out by using questionnaires developed particularly for the purpose in **computer-assisted personal interviewing (CAPI)** mode. For the same, smartphones were used that support both "off line" and "on line" modes of data

collection. These smartphones were earmarked from our own pool that we maintain regularly for undertaking similar large-scale field surveys involving voluminous data samples.

The primary qualitative data collection for the study was carried out either through audio recording or note-taking. Respondents' consent to audio recording of interviews was a pre-requisite, without which the interviewer did not proceed to record the interview or discussion. In case a respondent did not consent to recording, the interviewer would alternatively take notes of the given responses. However, since recording the audio and transcribing the interviews verbatim is a more preferred method, efforts were made to interview those who do consent to it.

2.2.5 Data Analysis Plan

Data analysis involved an integration of data using statistical techniques and coding of qualitative data. The **information collected from the primary and secondary sources was triangulated** to get an insight into the underlying factors behind the results obtained.

i. Analysis of Quantitative Data. The quantitative data collected through CAPI devices was converted into SPSS formats, specifying the variable names and value labels for each field. The **quantitative data** so collected through structured interviews was assigned codes by the centralized data analysis team. Further, consistency checks were run on the data and the data was cleaned to make it fit for generating reliable estimates so as to meet the purpose of this study. Further, the data was analysed through SPSS to generate desired estimates, fact sheets, tables and graphs to be used in the final analysis and presentation of data.

The following analytical techniques were adopted depending on the research questions:

- **Descriptive statistics** were calculated for the **range, mean, and standard deviation** of the scores for each variable obtained for all the participants. **Percentages and values** for various estimates desired under the study were also calculated using the specified formulae for each;
- **Inferential statistics** were used to examine the association between variables. Various tests of the association including chi-square, t-test etc. **Z-tests** were performed for testing the statistical significance of the difference between project beneficiaries and non-beneficiaries. **Chi-Square tests** were used to identify relationships between two categorical variables. Chi-Square tests for equality of proportions were used when at least one of the categorical variables has two levels, while tests for independence of all factors were used when both categorical variables have more than two levels; and,
- **Sub-groups analysis** was also undertaken to assess the difference in status across groups of the population. Estimates were generated which were disaggregated by nature of the intervention, type of livelihood activity, type of enterprise, social category and gender of beneficiaries and other similar classificatory variables as identified during data analysis. **Cross tabulations and correlations matrix** were drawn for depicting any specific patterns in the data with regard to any specific subgroup.

ii. Analysis of Qualitative Data. For the analysis of qualitative data gathered through in-depth interviews, the first step was its verbatim transcription. The same was then analysed in a systematic

and methodological manner using **Atlas-ti or N-Vivo** software. The transcribed information was scrutinized for its primary as well as latent content.

The following procedure was adopted for the content analysis of all the information gathered:

- **Free Listing** – Available responses to a particular question was listed to obtain the range of responses for all aspects interrogated in the qualitative exercises. The responses that are considered irrelevant under a specific question was moved to the appropriate question. During this process, the important statements or quotable quotes with their reference was extracted verbatim for use in the report as reference material;
- **Coding**– In the final screening, for every open-ended question, responses were coded according to the domains. Some responses were placed under more than one domain as a range of views might be stated in a single sentence. After careful scrutiny, the responses found to be completely irrelevant were discarded; and,
- **Summarizing** – Similar information sought from different stakeholders was triangulated to arrive at a conclusion with a greater degree of accuracy also from the viewpoint of reliability and validity. The analysis was done according to the study sites to check for 'between sites consistency' and other differences if any. The results were summarized for each of the issues.

2.2.6 Limitations

- For the trainees' survey, those who had completed training from the sampled RSETIs between the years 2017 and 2022 constituted the universe. From this universe, a sample of 150 trainees from each RSETI was drawn through a systematic random sampling approach. As mentioned earlier, it was proportionately distributed between trainees currently self-employed and wage employed. Due representation was also given to gender, area, social, and economic category. However, an equal number of trainees were not drawn from each year. The trainees represented in the survey therefore are not proportionate to the universe from each year between 2017 and 2022.
- The total sample of 60 RSETIs was divided into primary and secondary RSETIs. The 30 primary RSETIs were where field based primary data collection happened, whereas the 30 secondary RSETIs formed the base for virtual primary data collection and secondary data collection. However, we faced challenges in completing data collection in both primary and secondary RSETIs, for respondent categories like State Directors, Ministry of Rural Development Department, some RSETI Directors, District Nodal Officers and Bank Managers. A few of these interviews could not be completed ultimately due to refusal to participate. In the secondary RSETIs, arranging virtual conferences for conducting FGD and collecting secondary data from Directors could not be completed in 3 RSETIs despite repeated attempts.

Socio-Economic Profile of Trainees

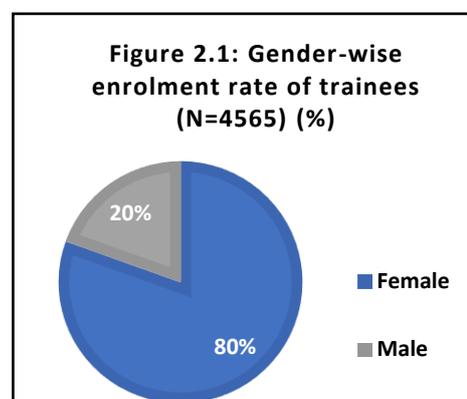
2

With the overarching objective of providing resources and training to rural youth who wish to pursue self-employment, the training courses at RSETIs are available for any unemployed youth in the age group of 18-45 years, irrespective of caste, creed, religion, gender and economic status, who have the aptitude to pursue self-employment and have some basic knowledge about the sector⁴. Additionally, in order to ensure that the programs are accessible to the socio-economically marginalized sections of the society, efforts were made to maintain a **minimum of 70% enrolment rate of trainees from rural areas and who belong to households in the Below Poverty Line (BPL) category**, at least until the District Rural Development Agency (DRDA) can certify that the Below Poverty Line (BPL) list for a specific district have been fully exhausted. Further, in accordance with the Swarnajayanti Gram Swarozgar Yojana (SGSY) guidelines, due weightage is also provided to **individuals from marginalized sections of society, including Scheduled Castes (SC), Scheduled Tribes (ST), minorities, individuals with physical disabilities, and women** during the candidate selection process⁵.

Learning about the socio-economic condition of the sampled respondents is key to understanding the effect of the skill development programs and whether the trainees have been able to utilize their new skills to the fullest. The sample for the study was chosen in order to have a fairly representative profile of the trainees in terms of their gender, region, social categories like caste, educational qualifications, and economic conditions. Some of the indicators that have been utilized in order to include a representative sample for the study are presented in the following sections.

2.1 Gender-Wise Profiling of Trainees

As highlighted in Fig 2.1, majority of the trainees (80%) enrolled in RSETIs were women compared to men (20%). The disparity in enrolment rates could be attributed to promotion of RSETIs through SHGs, where most members are predominantly women. It indicates the demonstration of high rate of interest among women regarding skill development for self-employment, and further intervention could be structured around designing courses that are targeted towards potential female entrepreneurs across the states.

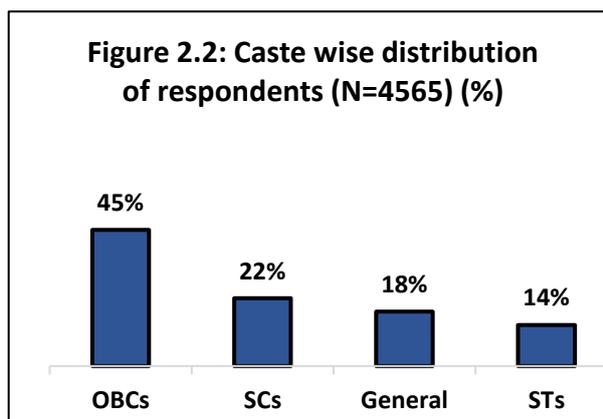


⁴http://nacer.in/eligibility_criteria.html (Accessed on 9.9.23)

⁵http://nirdpr.org.in/rseti/documents/RSETI_sqsy_Guidelines1.pdf (Accessed on 9.9.23)

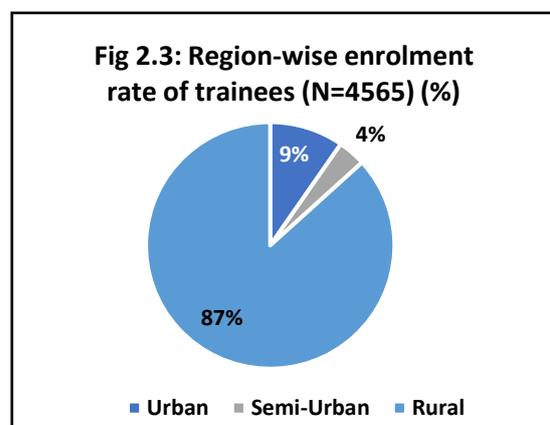
2.2 Social Background of The Trainees

While majority of respondents (45%) were from the Other Backward Classes (OBCs), rest of the sample was divided equitably among the remaining social categories such as Scheduled Caste (22%), General Category (19%) and Scheduled Tribes (13%). The figure 2.2 depicted a fairly representative sample and painted a comprehensive picture of the social background across the study areas.



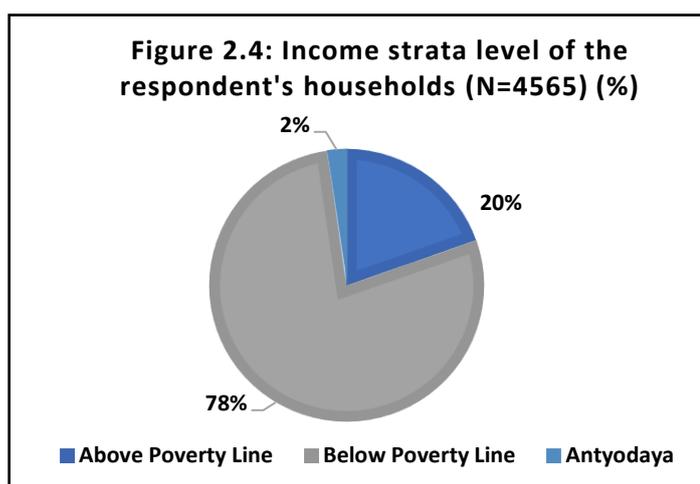
2.3 Regional Profiling of Trainees

Per the data highlighted in Fig 2.3, majority of the sampled candidates (87%) were from rural areas, followed by 9% of respondents from urban areas and 4% from semi-urban areas. These figures are representative of the selection criteria at RSETIs which give due weightage to youth from rural areas.



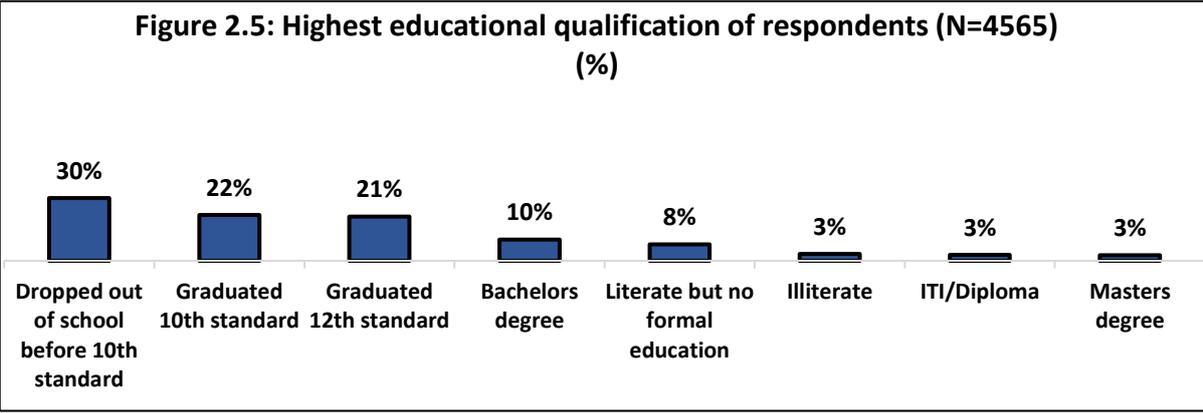
2.4 Household Income Strata of Trainees

As illustrated in Fig 2.4, the selected sample was fairly representative of the economic conditions of the households with 78% of respondents belonging to households in the 'below poverty line' category. Further, 20% of respondents belonged to households in the 'above poverty line' category while the remaining 2% were in the 'Antyodaya' category.



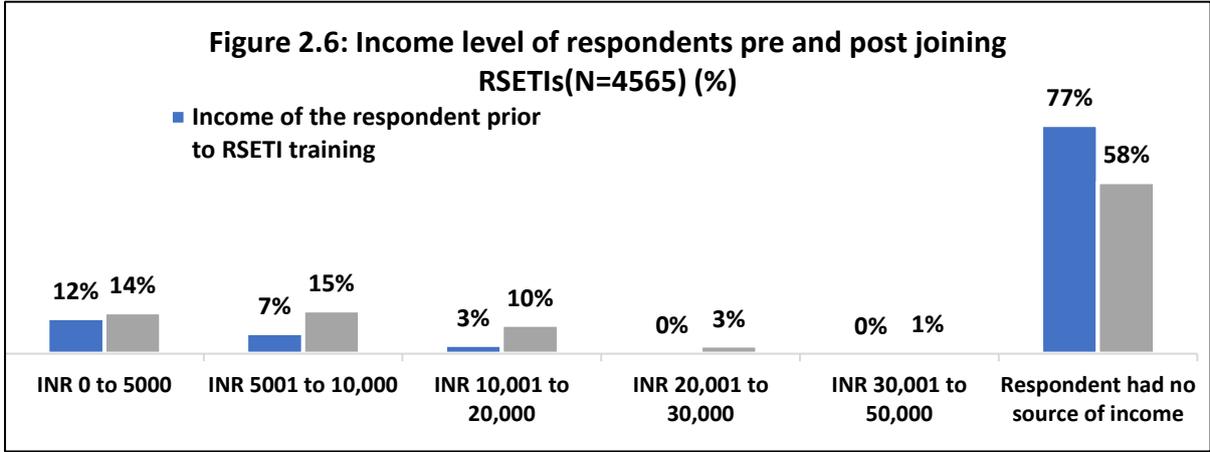
2.5 Educational Qualification of Trainees

Among the sampled respondents, the overall literacy rate reported by respondents was low with majority of the trainees (30%) had dropped out of school before completing their 10th standard, while 22% of respondents have completed their 10th standard and 21% of respondents graduated from 12th standard respectively. Additionally, only 10% of trainees had completed their Bachelors' degree while 8% of respondents reported that they were literate but had no formal education.



2.6 Impact on Income Level of Respondents

Based on the trends highlighted in Fig 2.6, the trainees reported a growth in their income level post the completion of their training courses at the RSETIs across all the income brackets. Additionally, they also reported a marked improvement in the ‘respondent has no source of income’ category; from 77% of trainees without a source of income prior to joining the training courses at RSETIs compared to 58% of respondents who reported that they did not have a source of income on the date of survey. It highlights the positive impact of RSETIs in encouraging people to expand their skillset, gain financial independence, and ultimately contribute to the economic well-being of their families and communities, as a result of self-employment and subsequent employment generation.



The socio-economic profiles of the study groups provide valuable insights into the unique local factors that play a significant role in shaping the developmental status of the population. The chapters ahead delve deeper into the characteristics of the sampled population and their status with regard to key project outcome and impact indicators identified under the study.

Organizational Structure & Governance of RSETIs

3

RSETIs operate as social service organizations with no profit basis. They are targeted towards addressing the rural unemployment problem, and have multiple stakeholders involved in the organization working towards that end. The ownership and management of RSETIs rests primarily with the lead district banks of each district, but the Institutes are supported by multiple committees at the district, state and national levels, and government departments such as the Ministry of Rural Development, the Ministry of Micro, Small and Medium Enterprises, as well as government agencies such as the National Bank for Agriculture (NABARD) and State Rural Livelihoods Mission (SRLM).

3.1 Sponsor Banks

In every district where an RSETI is present, the Lead District Bank of that district is appointed as the RSETI sponsor bank. The overall management of the RSETI is expected to be handled through a Trust formed by the bank. The development of the campus, deployment of staff, and guidance and monitoring of the Institutes is coordinated by through this Trust. Earlier, the responsibility of funding the RSETI rested with the sponsor bank which was managed through Corporate Social Responsibility (CSR) funds and support from the Ministry of Rural Development to some extent, funding has now been wholly taken over by the latter. Only the responsibility of management of the Institutes currently remains with the bank. However, in case of delay in release of funds by the MoRD, the financial needs of the RSETI are met through the bank's CSR funds.

In order to have representation from the sponsor banks in the Evaluation Study, concerned officials such as managers, Lead District Manager (LDMs) of the respective banks were interviewed. **It was found that 17% did not know whether a Trust had been formed. It was observed that awareness and involvement of the bank officials in the management of RSETIs varied from district to district. Involvement was generally low in Banks where a trust had not been formed.** For instance, in Odisha, neither of the sponsor banks of the sampled RSETIs had formed a Trust. The bank officials interviewed had very little knowledge about the roles and responsibilities of their banks in management of RSETIs; they were aware only about the role of loan facilitation to RSETI trainees.

The Banks mainly coordinated with MoRD, SRLM and sometimes with NABARD. Among the various Committees, the banks mainly coordinated with the State Level Bankers Committee (SLBC), which is a forum for coordination and joint implementation of development programs by financial institutions

that are operating in a state. The banks reported to the SLBC about the operation of RSETIs whereas the latter monitored the role of the banks in RSETI management. The banks also coordinated with the DLRAC to some extent through the LDM. The LDM was a representative of the sponsor bank in the DLRAC, which is a Committee that is closely involved in the functioning of RSETIs. The LDM was central to managing the RSETIs on behalf of the bank, and had roles such as selection of Faculty, conducting assessments, paying regular visits, and guiding the RSETIs. The banks had little coordination with the State Level Steering Committee and NACER.

The main roles and responsibilities of the bank included providing funds for maintenance and salaries, guiding the RSETI in preparing a budget and approving the same, providing credit linkage to trainees, and monitoring the activities of the institutes. From time to time, the performance of the Director is reviewed by the bank based on parameters such as management, number of targets achieved and feedback received from trainees **Although capacity building of Director and staff were one of the designated responsibilities, it was found that this was not being undertaken by the banks. In case of poor performance by the banks in management of the RSETIs, the State Directors took note of the same and addressed issues with senior management at the banks. If the issues were not resolved even then, the State Directors approached the National Director of RSETIs who would then intervene and prompt the senior bank management to resolve them.**

3.2 District Level RSETI Advisory Committee

At the Institute level, apart from the Director and the sponsor banks, the DLRAC is a committee is involved in managing the activities and functions of the RSETI. The DLRAC is headed by the District Nodal Officer (DNO) who is either the District Collector or the CEO of District Rural Development Authority or the Zilla Panchayath. The Committee has many other members including the RSETI Director, Regional Head of the sponsoring bank, LDM, District Manager of SRLM, heads of other vocational institutes such as Industrial Training Institutes, Krishi Vigyan Kendra, etc. **Although the DLRAC is also supposed to have representation from local businesses and NGOs connected with rural development, this was not present in more than half of the DLRACs.**

To have representation of the DLRAC in the Evaluation Study, DNOs or LDM were interviewed. In most districts, DLRAC meetings were being held regularly on a quarterly basis but in some districts, they were being held on a monthly basis. Apart from the quarterly meetings, special meetings are also held whenever important issues arise. The main agenda points discussed during these meetings are review of the agenda of the previous meeting and progress update, settlement and credit linkage targets achieved, mobilization strategies, and infrastructure development required. Upon demand for certain skill training, introduction of new courses in the Annual Action Plan are also discussed. All financial decisions related to the RSETI such as budgeting and funding are taken during the DLRAC meetings.

Members of the DLRAC also conduct monthly visits to the RSETI and interact with the trainees to discuss issues concerning training, accommodation, infrastructure and other facilities. These issues are brought to the attention of the Director who is then guided to address them. Trainees that have

completed training are also followed up on a random basis to verify the settlement status of trainees as reported by the RSETI.

Through the Evaluation Study, it was found that among all the Committees, the DLRAC was the most closely involved in the functioning of RSETI. All issues that arise in the RSETI are addressed at this level and escalated to the SLSCR or NACER only in a few cases. The representation of multiple stakeholders such as the Government, banks, NGOs in the DLRAC ensures that the RSETI, which is managed by a handful of staff, has enough support and guidance to lean on when required. The decentralized governance that the DLRAC represents allows efficient decision making, better supervision and control of the RSETIs.

3.3 State-Level Governance Structures

In order to have representation of the State Level Steering Committee, the State Director, SRLM Project Manager and a few Principal Secretaries of the MoRD were interviewed.

The State Director is in charge of the RSETIs in that state. SDRs are appointed from among retired bankers up to the age of 62. States that are larger in size in terms of the number of districts have more than one State Director. They play an advisory role to the RSETIs in all aspects of its functioning including mobilization, Annual Action Plan, facilitating sanctioning of funds. They conduct quarterly visits to RSETIs and interact with the trainees.

SDRs played a key role in the monitoring of RSETIs by conducting quarterly visits, conducting verifications of targets achieved by the Institutes, interacting with trainees to know whether the training processes were being conducted appropriately. In case some RSETIs were not able to achieve targets or were facing other challenges, the SDRs ensured that the performance of such Institutes was tracked on a more regular basis; they provided guidance where necessary, and motivated the Institutes to perform better. The SDR attended DLRAC meetings on occasions and liaised with the district-level officials and the sponsor bank to ensure effective operations of RSETIs. Matters of poor performance by the Institutes were first raised with the concerned sponsor bank officials. If the issues were not resolved by the bank, they were escalated to the SRLM Project Manager or National Director, NACER, who would guide the banks to resolve the issues at the earliest.

State Governments, through the Rural Development Department and SRLM, are constantly trying to create employment opportunities within the state. Improving the employability of rural people through skill and entrepreneurship development programs is one of the major ways that they go about trying to achieve this goal. Therefore, the state department plays a key role in supporting the activities of RSETI including allotting land for development of permanent premises, disbursement of funds to run operations, evaluate on and monitoring, mobilization of candidates and spreading awareness about RSETIs.

The State Level Steering Committee (SLSCR) oversees the functioning of all the RSETIs within a state. It is chaired by the Principal Secretary of the MoRD and is co-chaired by the General Manager of the

State Level Bankers Committee (SLBC) Convener Bank. Other members of the Committee include all RSETI Directors of the state, State Directors, Director General of NAR, SRLM Mission Director, etc. The Committee meets quarterly to discuss agenda such as the performance and progress of the Institutes, measures to achieve targets, implementation of various flagship programs, review of the functioning of financial inclusion projects funded by NABARD, and so on.

3.4 NAR & NACER

The National Academy of RUDSETI (NAR) is the umbrella policy making body and a resource organization for RSETIs established by the Government of India solely for the purpose of capacity building and mentoring of RSETIs. The NAR is headed by the Director General and has two main verticals: National Centre for Excellence of RSETIs (NACER), Assessments & Quality Assurance (A&QA).

The NAR established the NACER headed by a National Director as an implementing body for all the policies and interventions designed by NAR, and monitoring the progress of RSETIs in achieving the objectives. NACER coordinates with the State Directors for this purpose. The A&QA is in charge of designing and administering assessments to trainees and ensuring the quality of training programs, Faculty and overall functioning of RSETIs. It is headed by the National Controller.

Organizational Structure and Governance of RSETIs – Key Highlights

- RSETIs are supported by multiple committees, government departments and agencies. This ensures that the Institutes have the required support and guidance of experts from different background who are all intent upon boosting rural entrepreneurship.
- The organizational structure of RSETIs is hierarchical yet decentralized as decision-making lies at the national level through standardization of the operating procedures, but the overall responsibility of managing the Institutes lie with their sponsor banks at the local level. The Institutes are closely monitored by the DLRAC. Any issues that arise at the Institute level are usually resolved by the DLRAC, and is escalated to State Directors, SRLM and NACER only in exceptional cases. The local levels are therefore on the front line of implementation of the policies and SOPs created at the national level which makes for an efficient organizational structure since it encourages accountability and better delivery of services at the local levels but also sets a standard against which the progress of different RSETIs can be measured and compared.
- In order to have representation from the sponsor banks in the Evaluation Study, concerned officials such as managers, Lead District Manager (LDMs) of the respective banks were interviewed. It was found that 17% did not know whether a Trust had been formed. Although banks were the primary stakeholders in-charge of managing the RSETIs, it was found that awareness and involvement of concerned officials of sponsor banks was generally low, especially in banks where the Trust was not formed. In these cases, the RSETI Directors did not have the required support from banks to effectively

Human Resources at RSETI

4

Developing Human Capital is stated to be one of the core activities of RSETIs. They aim not only to develop skills and empower rural youth to become entrepreneurs, but it is also their intention to have a professional and committed team to render this service and conduct the activities of RSETI effectively.

4.1 Number of Staff at RSETIs

The human resource of an RSETI can be considered its backbone. In order to facilitate effective skill training, each RSETI is mandated to have certain minimum staff. Every Institute is required to have one Director, two Faculty, two Office Assistants, one Attender and one Watchman / Gardener.

The sampled RSETIs were enquired about the presence of these required staff. At the time of the Study, it was found that overall, **97% had a Director, 80% had both Faculty, 70% had both Office Assistants, 92% had an Attender and 73% had a Watchman / Gardener.** The North-Eastern RSETIs fared poorly in terms of staff capacity. While 80% had a Director and Attender, only 40% had both Faculty, both Office Assistants and a Watchman / Gardener. RSETIs from the Western & Central States also did not have any of the staff in full capacity. While 100% of the Southern & Hilly States had a Director, Faculty and Attender, they lacked Office Assistants and Watchman / Gardener.

Zone	Director (%)	Faculty (%)	Office Assistant (%)	Attender (%)	Watchman/ Gardener
Overall [N=60]	97	80	70	92	73
Southern States [N=8]	100	100	75	100	88
Western & Central States [N=42]	97	76	71	93	74
Hilly States [N=5]	100	100	80	100	80
North-Eastern States [N=5]	80	40	40	80	40

The presence of the core staff such as Director and Faculty is very essential to the smooth functioning of RSETI. The reason for absence of Directors in 3% of the RSETIs was that the previous ones had been transferred to another location or had received another posting from the sponsor

bank but their position had not been filled by another Director. Upon further enquiry it was found that the banks take anywhere between a few days to a few months to fill the vacancy. Until then, the LDM assumes the formal charge of running the RSETI whereas senior Faculty perform the roles & responsibilities of the Director.

4.2 Educational Qualification and Work Experience of Faculty & Directors

In every RSETI, the Director is deputed from the sponsor banks whereas the rest of the staff, including Faculty, Office Assistants, Attender and Watchman / Gardener are supposed to be hired by the RSETI Trust on contract. Both the Director and Faculty directly engage with the trainees and are the principal staff involved in facilitating the training.

The RSETI Director is in-charge of the overall management and functioning of the institute and also facilitates courses on Entrepreneurship Development. When it comes to Faculty, there are two types. One is permanent Faculty (each RSETI is required to have two permanent Faculty) and the other is Domain Skill Trainers (DST). Every state has a large pool of DSTs who are basically freelancers specialized in a specific skill and are hired by RSETIs within and outside the state (depending on their language of communication) on a need basis. It was found that some of the DSTs were previously trainees at RSETI and were hired as trainers based upon their grasp of their respective skills.

In order to assess the quality of the core staff of RSETIs, i.e., the Director and Permanent Faculty, they were enquired about their educational qualification and work experience prior to joining RSETI. It was found that majority of the Directors and Faculty were well-educated and had many years of experience behind them. **Directors had an average of 21 years of prior work experience. 51% of them had completed Bachelor's Degree** and the rest had completed Post Graduation or Masters' Degree. The **Faculty had an average of 6 years of work experience. Most of them had prior experience in teaching. 27% of them had completed Bachelor's, 64% had completed Post Graduation or Masters' Degree whereas 7% had completed schooling.**

4.3 Capacity Building Programs for Directors & Faculty

Although majority of the Directors and Faculty are well-qualified for their positions at RSETIs, in order to orient them to the objectives of the RSETI and to enable them to take on their roles seamlessly, the National Academy of RUDSETI (NAR) facilitates capacity building programs. These programs are held not only for Directors and Faculty but for other staff and the sponsoring banks as well.

There are multiple capacity building programs that have been designed by NAR. Directors and Faculty were enquired about which programs they had undergone. Overall, 5 Directors had not undergone **'Trainers' Training Program on Entrepreneurship Development'**, despite being in the position for more than 6 months. 31% had undergone the **'Trainers' Training on Financial Inclusion/Financial Literacy'**, and 29% had undergone the **'Refresher Training Program'**. A smaller percentage of Directors had undergone other programs such as **'Workshop on NRLM'**, **'Workshop on Facilitation Skills'**, etc. **38% of them had undergone multiple programs.** Some Directors had undertaken programs outside of RSETI to further develop themselves. Examples of these included a course on **'Formalization of**

Rural Informal Sector’ offered by the National Institute of Rural Development (NIRD) in Hyderabad, Program on Developing Agriculture & Allied Value Chain - Formation of Farmer Producer Organization (FPOs), etc.

Among the Faculty, **10% had not attended any program. 63% had undergone the ‘Trainers’ Training Program on Entrepreneurship Development’, 42% had undergone the ‘Refresher Training Program’, 33% had undergone the ‘Workshop on Project Report Preparation’. 60% had undergone multiple programs.**

Some Directors stated that their experience as bank manager was not suitable for the experience required to play the role of RSETI Directors effectively, except in the facilitation of banking lessons and Entrepreneurship Development. The capacity building programs are therefore of critical importance to orient Directors to induct them into their roles. It is significant that around one-third of them had not undergone any program.

Therefore, it is recommended that some, if not all, capacity building and refresher programs should be made mandatory for all Directors to undergo at appropriate points in time. Additionally, feedback can be collected on the utility of these programs and they can be further fine-tuned to serve the requirements of Directors and Faculty.

4.4 Roles, Responsibilities & Challenges of Faculty

The Faculty mainly assist the Director in facilitating trainings and other activities of the RSETI. They are involved in pre-training activities such as conducting EAPs, generating applications, and selection of candidates. They are also deeply involved in post-training activities. They conduct follow-up visits and telephone calls, provide guidance to entrepreneurs with various aspects of running their business, help with credit linkage and marketing. They are also in charge of collecting the settlement details of trainees and updating the same on MIS.

When it comes to training facilitation, the Faculty conduct sessions related to motivation, entrepreneurship, risk mitigation, finance management, customer relations and marketing. They provide support to trainees in the preparation of their business proposals so that they may avail loans. While most of the Faculty handle sessions on entrepreneurship development, some also handle skill training courses such as Tailoring, Beauty Parlour Management, etc.

The course module acted as a guide and reference to conduct different sessions. Motivated Faculty would go beyond the course module while handling sessions. For instance, one Faculty stated that he recalled experiences from their life and regularly read newspapers to pick out examples to provide in class that related to that particular session. He modified the recommended games and exercises with the aim of ensuring that the trainees understood the concept.

Apart from these core training related activities, the Faculty are also involved in other aspects such as organizing events and meetings at the institute, and the maintenance of campus infrastructure. In RSETIs where Office Assistants and Directors were absent for long periods of time, it was found that the Faculty took up their responsibilities and functions as well.

Many Faculty stated that the main challenges that they faced was with regard to performing multiple roles such as mobilization of candidates, conducting follow-ups as well as facilitating trainings and the many other management roles that they were assigned in the RSETIs. Having only two Faculty, two Office Assistants and one Director for multiple responsibilities made them feel short-staffed. They felt that their efficiency and ability to perform their roles effectively were affected due to this. To address this issue, they recommended that either the targets need to be reduced so that they can ensure quality work or that separate wings need to be created for these multiple activities, especially for follow-up and credit linkage as these are critical activities to support trainees in their journey.

Some Faculty also felt that their career is stunted as they do not have opportunity to grow in terms of positions at the RSETI. The recruitment of Faculty through outsourcing agencies was flagged as an issue in terms of job security as they were hired on a temporary basis, and were paid salaries through the agencies.

4.5 Roles, Responsibilities and Challenges of Directors

Directors are of critical importance to achieving the objectives of RSETIs in terms of pre-training post-training activities, and training facilitation.

In terms of pre-training activities, the Directors spread awareness about not only RSETI but also about Entrepreneurship in the district of operation. They are involved in the selection of candidates for training, identifying scope for entrepreneurial activities in the area, and developing the Annual Action Plan with the training schedule, funding plan for the year.

With regard to the facilitation of training process, they are in charge of organizing Faculty and assigning the appropriate DSTs for different courses, arranging the training material and ensuring quality of training. Their prior experience as bank managers is utilized during sessions on banking and entrepreneurship development. It is also utilized to facilitate credit linkage to trainees through both lead banks and other banks in the district. They liaise with bank officers, NGOs and government officials, and arrange capacity building programs and workshops for them.

The Director is deputed for a minimum tenure of three years and many of them do not extend their tenure beyond three years. Few of the Directors expressed that this tenure is not enough and that it should be extended to five years; the reason being that Directors come with no prior experiences related to entrepreneurship since they are deputed by the banks. It takes them a few years to understand the workings of RSETI and fully establish themselves in the role. By the time they sink into the role, their tenure ends and a new Director has to begin the process. The recommendation to extend Director's tenure was made by a few SDRs as well who observed that the frequent changing of Directors was disruptive to the efficient and smooth functioning of the RSETIs, and that they would benefit from more stability.

Some SDRs also recommended that Directors and Faculty need to have better financial incentives. One SDR was of the view that since Directors do not voluntarily apply for the role but are deputed by most banks, it is not possible to expect all of them to work with a high level of motivation and

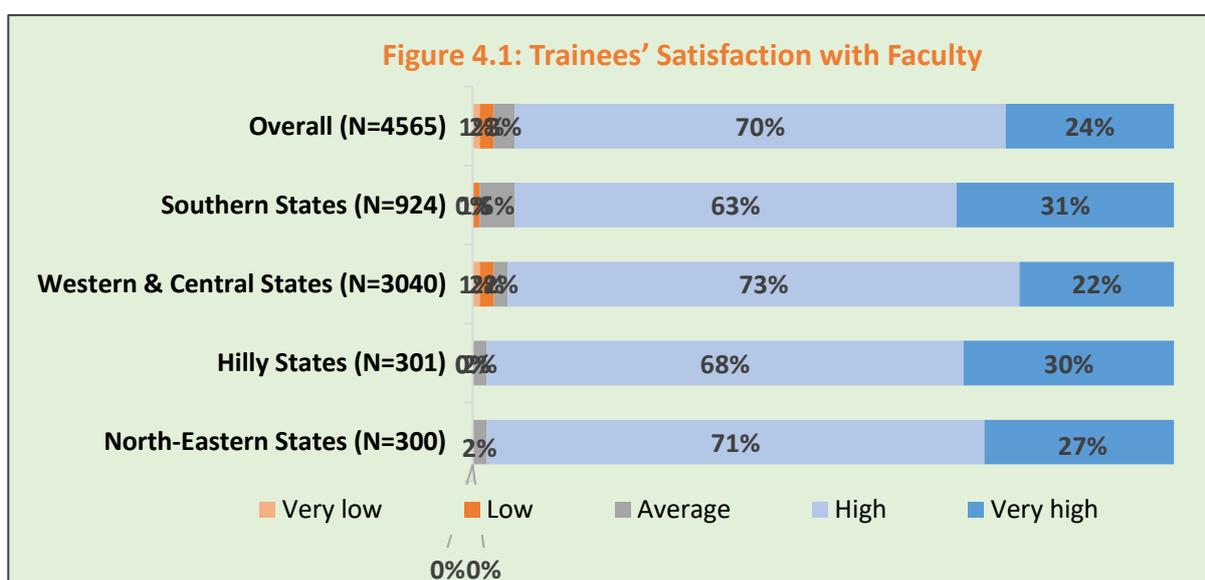
intent of social service. The roles of Directors and Faculty are also not easy roles to perform as they require intense field work as well. Therefore, better financial compensation can be a motivation for them to be more immersed in their roles.

An alternative suggestion to this was that only interested candidates should be appointed to the roles of Directors. However, this would be challenging to ensure in terms of closely monitoring each bank’s process of appointment. As reported by SDRs, some banks followed a process in which only interested candidates were appointed to the roles whereas some did not follow any particular selection process. It is therefore recommended that the best practices with regard to staff appointment and other aspects of RSETI management of the most well-performing banks in every state be evaluated, and standardized across the country.

4.6 Trainees Satisfaction with Directors & Faculty

As seen in Figure 4.1, a significant majority of trainees (94%) expressed that they were satisfied with the Faculty. Satisfaction was highest in the Hilly and North Eastern States at 98% each. It was lowest in the Southern States at 93%. The major reasons for dissatisfaction with Faculty were that they were not well informed (1.9%), they were unclear in communication (1.6%), they did not complete the course contents (1.1%) and could not respond to questions well (1%). 0.6% thought that the Faculty was not approachable. This is presented in Table 4.2.

Table 4.2: Reasons for Dissatisfaction with Faculty (Overall) [N=4565]	%
Not well informed	1.9
Unclear communication	1.6
Did not complete course contents	1.1
Could not respond to questions well	1
Not approachable	0.6



Trainees were comparatively more dissatisfied with the Directors. Overall, 4% were very dissatisfied and 8% were somewhat dissatisfied. 5% had average satisfaction. 83% expressed that they were either satisfied or very satisfied. The dissatisfaction was highest among trainees from the Central & Western States wherein 5% were very dissatisfied and 12% were very dissatisfied. Trainees in the North-Eastern States were most satisfied at 99%. 11% were dissatisfied because they felt that the Directors were not approachable, and 3.8% because they did not receive proper guidance from Directors. 3.5% felt that the Directors were not knowledgeable and 2% were dissatisfied because the Directors were not present in the RSETI during training.

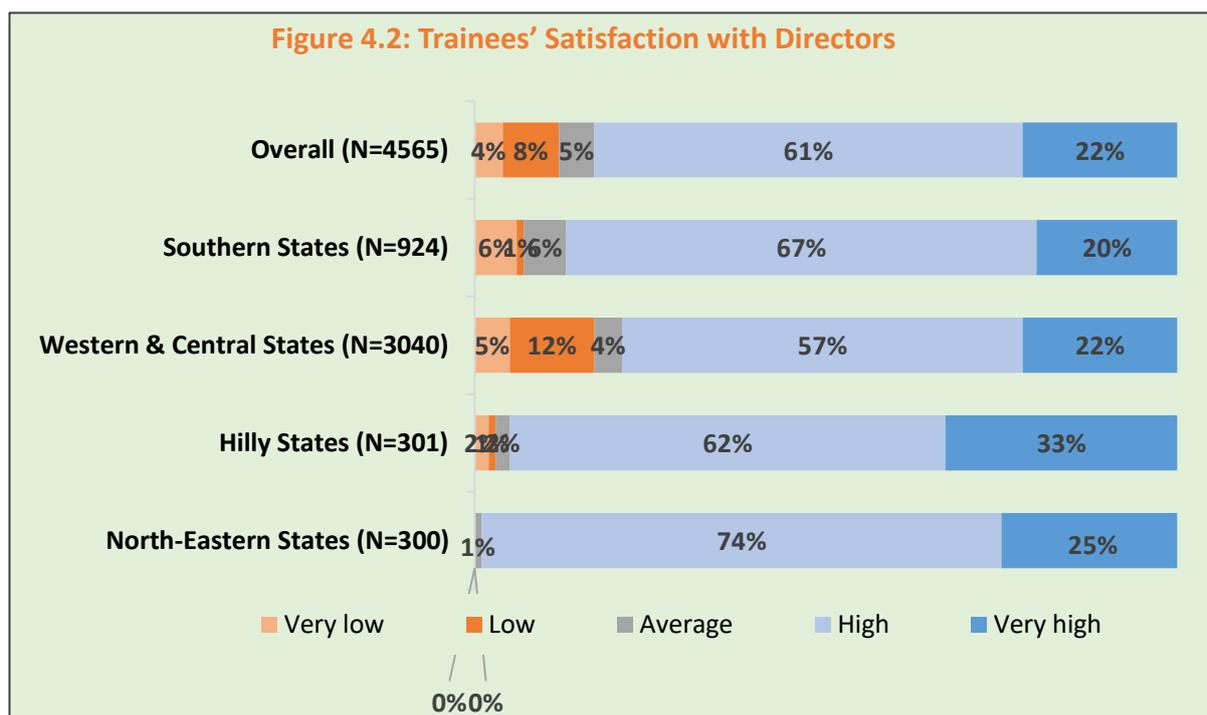


Table 4.3: Reasons for Dissatisfaction with Directors (Overall) [N=4565]	%
Not approachable	10.9
Lack of proper guidance	3.8
Not knowledgeable	3.5
Not present in RSETI	2

Human Resources – Key Highlights

- A majority of trainees (more than 80%) were satisfied with the Faculty and Directors. During FGDs, the trainees unanimously expressed high satisfaction with the Faculty in terms of their training methods, the support they provided, and their approachability for post-training handholding. The trainees were slightly less satisfied with the Directors, and the main reasons for the same were that they were not approachable and they did not provide proper guidance.

Human Resources – Key Highlights

- Up to 60% of some roles in the RSETIs across state zones were vacant despite the mandate of a minimum number of staff. The Institutes already have a limited number of staff with multiple roles & responsibilities, and many times face challenges in performing their roles even with full capacity. It would become all the more difficult for the operations to run smoothly when there are vacancies for extended periods of time. It is recommended that close monitoring of timely appointment of human resource by the banks is done by the State Director to ensure that vacancies are filled faster.
- The position of RSETI Director is a specialized assignment for bank managers. Although their previous experience could be applied for certain roles like delivery of lessons on banking, facilitation of loan, Directors ended up learning most of what is required for their roles on the job. Overall 5 Directors had not undergone **'Trainers' Training Program on Entrepreneurship Development'**, despite being in the position for more than 6 months.
- Some of the general recommendations made by the Faculty, Directors and SDRs alike included creating more positions or expanding the staff within the Institutes to divide the responsibilities among more persons, and increasing the financial incentive for the Faculty and Directors. Feeling short-staffed and unable to perform roles effectively was a grievance that was expressed by many Faculty and Directors. The Faculty especially expressed feelings of job insecurity as they were hired on a contract basis through agencies. On the other hand, the selection process for Directors in most banks did not ensure that those truly interested in the position and having the intention of social service were appointed. It was thought that higher remuneration would motivate the Faculty and Directors to perform better, while making them coveted positions to seek.

RSETI Infrastructure

5

RSETIs emphasize the need to create a conducive learning environment for proper delivery of training. Therefore, infrastructure development is a key aspect of its operations. Ideally, RSETIs are encouraged by the Ministry of Rural Development to have their own permanent campus premises with comprehensive training facilities. The training infrastructure is divided into two categories: Fixed such as land, building, fixed installations and training equipment, and Movable Infrastructure such as training aids and furnishings.

5.1 Type of Premises

In order to develop their own campuses, RSETIs are provided lands by their respective state governments at free of or nominal cost. They are also provided a one-time grant by the Central Ministry of Rural Development to develop the premises according to common specifications laid down by the Ministry.

Most RSETIs start their initial operations from a temporary premise provided by the Sponsor Bank or the state government and gradually shift operations to permanent premises. Since RSETIs are residential training institutes that require standard classrooms and workshops, many of these facilities may be lacking in temporary premises. Therefore, it has been observed that a permanent premise developed according to the specifications is necessary for effective delivery of training.

As seen in Table 5.1, 62% of the sampled RSETIs had permanent premises. Around three-fourths of Southern, Western & Central States had the highest percentages among all zones. In the Hilly states, none of the sampled RSETIs had permanent premises, whereas 20% in the North-Eastern States had permanent premises.

Zone	Type of Premises	%
Overall [N=60]	Permanent	62
	Temporary	38
Southern States [N=8]	Permanent	75
	Temporary	24
Western & Central States	Permanent	74

Zone	Type of Premises	%
[N=42]	Temporary	26
Hilly States [N=5]	Permanent	0
	Temporary	100
North-Eastern States [N=5]	Permanent	20
	Temporary	80

Having permanent premises allows Institutes to be located at a convenient and ideal location, and for the Institutes to have all the facilities that are required for efficient training processes. This would not be possible in a temporary premises because in such premises, the Institutes don't have much choice with regard to the facilities that can be included. A permanent building also becomes a capital asset which appreciates over a period of time.

It was found that the average year of establishment of the Institutes which had temporary premises was 2010. This is a rather long time-span for the development of permanent premises to have not taken place, especially when funds for the same are readily available. The reasons for delay could be further explored and a reasonable time frame for the development of permanent premises can be mandated in the SOP.

5.2 RSETI Accessibility

Although RSETIs are meant to be residential institutes, it has been observed that many temporary premises do not have residential facilities. Sometimes trainees attending RSETIs with residential facilities also choose not to stay on campus. Therefore, while the location and accessibility of RSETI campuses is a key concern by itself, it is especially so for day scholars since they have to commute to the Institute on a daily basis.

According to the SOP, RSETIs are recommended to be located in the district headquarters or at least the nearest block headquarters if the former is not possible. As seen in Table 5.2, **58% of the RSETIs were located in the District HQs, 25% in the Block HQs, and 17% were located in neither.** Hilly States had the highest proportion of RSETIs which were located in the District HQs (80%) whereas the North-Eastern States had the lowest proportion (40%). **In cases where the RSETIs were neither in District nor Block HQs, the average distance from District and Block HQs was 15 kilometers.**

Zone	Location	%
Overall [N=60]	District HQ	58
	Block HQ	25

Table 5.2: Distribution of RSETIs According to Distance from District & Block HQs		
Zone	Location	%
	Neither	17
Southern States [N=8]	District HQ	63
	Block HQ	25
	Neither	12
Western & Central States [N=42]	District HQ	74
	Block HQ	26
	Neither	0
Hilly States [N=5]	District HQ	80
	Block HQ	20
	Neither	0
North-Eastern States [N=5]	District HQ	40
	Block HQ	40
	Neither	10

In terms of accessibility through public transport, the average distance from the nearest railway station was 15 kilometers whereas the average distance from the nearest bus stand was 6 kilometers. RSETIs in the Western & Central Indian States were closest to the railway station whereas those in North-Eastern and Hilly States were at the farthest distance from the railway station. The nearest bus stand in RSETIs from all zones were under 6 kilometers.

Table 5.3: Average Distance of RSETIs from Nearest Railway Station & Bus Stand		
Zone	Accessibility to Railway Station and Bus Stand	Kilometers
Overall [N=60]	Nearest Railway Station	15
	Nearest Bus Stand	6
Southern States [N=8]	Nearest Railway Station	17
	Nearest Bus Stand	4
Western & Central States [N=42]	Nearest Railway Station	14
	Nearest Bus Stand	6
Hilly States [N=5]	Nearest Railway Station	23
	Nearest Bus Stand	6
North-Eastern States [N=5]	Nearest Railway Station	28
	Nearest Bus Stand	3

As reported by the Institutes, 93% of the RSETIs overall had a proper approach to the campus. The 7% that didn't have a proper approach were all located in the Western & Central States.

92% of the RSETIs were accessible through multiples modes of public transport such as bus, auto, e-rickshaws and shared cabs. All zones except the Western & Central States were accessible through public transport. Those RSETIs which weren't accessible through public transport could be reached through private vehicles.

Table 5.4: Availability of Public Transport to RSETIs	%
Overall [N=60]	92
Southern States [N=8]	100
Western & Central States [N=42]	88
Hilly States [N=5]	100
North-Eastern States [N=5]	100

Trainees were also enquired about whether they felt that their respective campuses were accessible through public transport. Table 5.5 shows that 84% of the trainees overall felt that their respective campuses were easily accessible through public transport. North-Eastern States had the lowest percentage of trainees that felt that their campuses were accessible (70%), whereas the Hilly States had the highest percentage (97%).

Table 5.5: Trainees' Perception on Accessibility of Campus through Public Transport	%
Overall [N=4565]	84
Southern States [N=924]	78
Western & Central States [N=3040]	86
Hilly States [N=301]	97
North-Eastern States [N=300]	70

5.3 Standard Immovable Infrastructure

Every RSETI has to have certain basic facilities on campus such as classrooms, workshops, computer labs, dormitories and so on. As mentioned earlier, permanent premises are more likely to have these facilities as RSETIs are at a liberty to build them on their campus. It is more difficult for RSETIs operating from temporary or rented premises to accommodate these facilities in pre-existing structures.

100% of the RSETIs had classrooms and washrooms. 85% of RSETIs had workshops and computer labs. Around three-fourths of RSETIs had dormitories for men, women and guest rooms for Faculty.

The mean capacity of a single classroom was 37 persons, and that of computer lab 22 persons. Dormitories had a mean capacity of 30 persons whereas it was 2 persons in Faculty guest rooms. This is represented in Table 5.6.

Table 5.6: Standard Immovable Infrastructure Available in RSETIs (Overall) [N=60]	%	Mean Capacity per room
Classrooms	100	37
Workshops	85	NA
Computer Lab	85	22
Director's Chamber	98	NA
Administrative Chamber	95	NA
Washrooms	100	NA
Reception	90	NA
Store Room	93	NA
Dining Hall	92	38
Gents Dormitory	78	30
Ladies Dormitory	77	30
Guest Room for Faculty	75	2

Although Institutes are mandated to have a minimum of two classrooms, it was found that **83% of Institutes had two classrooms whereas 7% had two or more classrooms. 10% of them had a single classroom.** Majority of those having a single classroom were Institutes that were operating from temporary premises.

Almost all RSETIs that did not have workshops, computer labs, dining halls, dormitories and guest rooms were operating from temporary premises. Good quality infrastructure at the Institutes is very important to ensure a quality training process. The absence of workshops and computer labs in some Institutes raises questions as to how practical lessons are imparted in these Institutes, and whether that affects the completeness of the trainings. Dining hall is essential even in Institutes that don't have dormitories since lunch is provided on campus. Therefore, the absence of dining hall in 8% of the RSETIs is also a matter of concern. The insufficiency of infrastructure in temporary premises further highlighted the need for RSETIs to develop and shift to permanent premises in a shorter time span.

5.4 Additional Infrastructure

RSETI infrastructure is required to be accessible for Persons with Disabilities (PwD) since there are some courses that are exclusively dedicated to them. Overall, **68% of the RSETIs were totally accessible to PwD whereas the rest were either somewhat or not at all accessible. Western &**

Central States had the highest proportion (76%) and the Hilly States had the lowest proportion (40%) of RSETIs accessible to PwD. 70% of permanent campuses and 68% of temporary campuses were accessible to PwD.

Table 5.7: Accessibility of Campuses to PwDs	Yes (%)	Somewhat (%)	No (%)
Overall [N=60]	68	12	20
Southern States [N=8]	50	13	37
Western & Central States [N=42]	76	10	14
Hilly States [N=5]	40	40	20
North-Eastern States [N=5]	60	0	40

Furthermore, 92% of campuses had open space with parking around the building. 58% of the campuses had additional infrastructure such as solar panels, CCTV cameras, sports ground, garden, and recreation rooms installed. One of the RSETIs had installed sanitary pad burning machine, biometric system, fire extinguisher and a xerox machine under the active guidance of its director. There was an emergency medical kit present in 98% of the campuses.

5.5 Trainees' Experiences with Campus

5.5.A Residence on Campus

Since the courses taught at the Institutes are short-duration, intensive courses, RSETIs are designed to be residential institutes so that teaching and learning happens round the clock. **Although 85% of RSETIs had dormitories, only a quarter of the trainees had resided on campus.** In the Hilly States, a mere 2% of trainees had resided on campus, the lowest among all zones. Southern States had the highest percentage of trainees that had resided on campus (37%).

Table 5.7a: Percentage of Trainees that Resided on Campus	%
Overall [N=4565]	25
Southern States [N=924]	37
Western & Central States [N=3040]	25
Hilly States [N=301]	2
North-Eastern States [N=300]	19

As seen in Table 5.8, the main reason for trainees not opting to stay on campus was that their residences were close by and therefore they did not feel it was required to stay on campus (50%). For 20% of them, the training was conducted in off-campus locations such as schools, gram panchayat buildings, clubs, community halls mostly in the trainees' villages. Further, 14% did not stay on campus due to family concerns and household responsibilities, and 3% because they felt that the residential facilities were not satisfactory.

Upon further enquiry about off-campus trainings, it was found that RSETIs conducted training in the trainees' villages for ease of convenience to the latter. 39% of off-campus training was held for Agriculture Courses, followed by 37% for Product Courses, 17% for Process Courses, and 7% for General EDP Courses. Conducting off-campus trainings for ease of convenience for the trainees may be a good idea for specific kinds of courses such as Agriculture EDP. However, it should only be allowed after ensuring availability of quality equipment and infrastructure.

Table 5.8: Reasons for Not Residing on Campus (Overall) [N=4565]	%
Campus was close to home / did not feel it was required	50
Training was conducted off-campus	20
Family concerns / household responsibilities	14
Residential facilities were not satisfactory	3

5.5.B Satisfaction with Residence-Related Infrastructure

Trainees that resided on campus were asked about their satisfaction level with the residence infrastructure. Their responses are depicted in Figure 5.1. **94% of them were satisfied with residence infrastructure.** 100% of the trainees in the Hilly and North-Eastern States were satisfied whereas 3% in the Southern States were dissatisfied with residence infrastructure. As seen in Table 5.9, **the main reasons for dissatisfaction with the same were that the infrastructure was not comfortable and the facilities were unhygienic (0.5%), there was poor lighting and ventilation (0.4%), the dormitories did not accommodate all students (0.3%), the trainees felt unsafe (0.2%) and because the quality of food was poor (0.1%).**

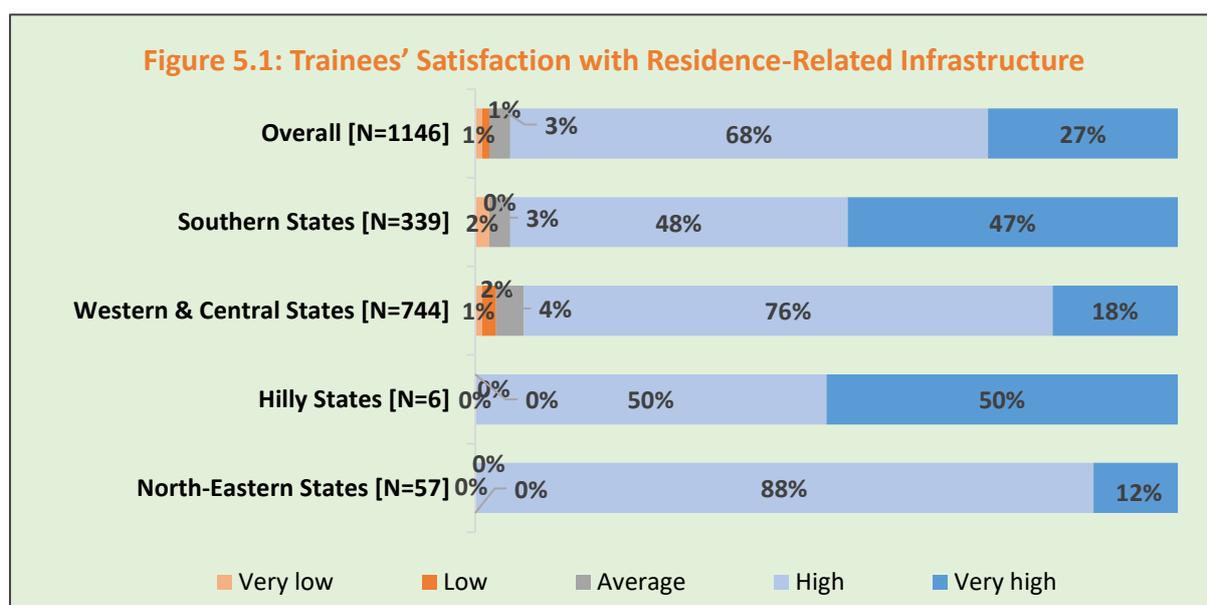
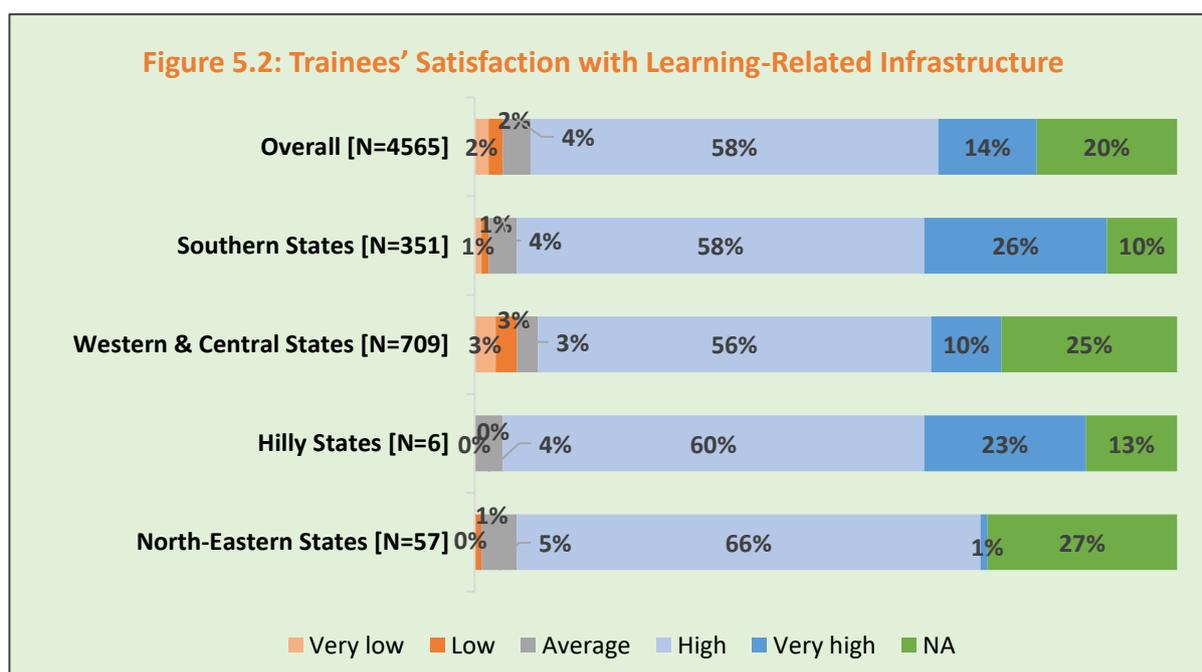


Table 5.9: Reasons for Dissatisfaction with Residence-Related Infrastructure (Overall) [N=4565]	%
Infrastructure was not comfortable	0.5
Unhygienic	0.5
Poor lighting and ventilation	0.4
Did not accommodate all students	0.3
Unsafe	0.2
Poor quality food	0.1

Compared to residence-related infrastructure, lesser percentage of trainees (72%) were satisfied with learning infrastructure. 4% were dissatisfied whereas another 4% had average satisfaction. 20% of them had not undergone training on campus and therefore were not counted. Trainees in the Western & Central States had the highest dissatisfaction at 8%, whereas those in the Hilly States were most satisfied at 95%. Major reasons for dissatisfaction as seen in Table 5.10 included the absence of workshops (3.6%), absence of computer lab (2.6%), lack of capacity to accommodate all students (2.1%), inaccessible or uncomfortable infrastructure (2.0%), and poor lighting and ventilation (1.3%).

Table 5.10: Reasons for Dissatisfaction with Learning-Related Infrastructure (Overall) [N=4565]	%
Workshops not present	3.6
Computer lab not present	2.6
Did not accommodate all students	2.1
Infrastructure not comfortable / accessible	2.0
Poor lighting and ventilation	1.3



RSETI Infrastructure – Key Highlights

- All Institutes had classrooms but a few, mostly temporary campuses, lacked workshops, computer labs, dining halls and dormitories. The lack of workshops and computer labs visibly affected the training process as they were also the major reasons for trainees' dissatisfaction with learning-related campus infrastructure.
- With regard to residence infrastructure, half of the trainees did not reside on campus because of the proximity of their residence to the campus whereas for 20% of them, training was conducted off-campus, mostly in their villages for ease of convenience. Conducting **off-campus trainings** for ease of convenience for the trainees may be a good idea for specific kinds of courses such as Agriculture EDP. However, it should only be allowed after ensuring availability of quality equipment and infrastructure. A significant majority (95%) of those who resided on campus were satisfied with the residence infrastructure.
- Only two-thirds of the RSETIs had developed their own premises. The rest were operating from temporary premises even though their average year of establishment of these Institutes was 2010. It is common practice that most Institutes start out on a temporary premises and eventually shift operations to a permanent premises. However, it is recommended that a reasonable time span is mandated for RSETIs to move to a permanent premises because most temporary premises did not have the infrastructure that were required to deliver quality training.
- Majority of the RSETIs were regarded to be accessible. As per the SOP, more than half were located in the District HQs and a quarter in the Block HQs, and the rest in neither with an average distance of 15 kilometers from the District or Block HQs. 93% had a proper approach road and 92% were accessible through public transport. 83% of trainees found their respective Institutes to be accessible. It wasn't just Institutes in temporary campuses but also those in permanent campuses that were regarded to be inaccessible by the trainees. For instance, the Southern States had the highest percentage of permanent campuses but RSETIs in these states were also rated to be comparatively more inaccessible by trainees. This suggests that accessibility factors can be better considered when choosing a site for development of permanent campuses.

Pre-Training Activities

6

In order to facilitate unemployed/unskilled and under-skilled youth to become a skilled person capable of starting and managing an enterprise, activities under the RSETI model of Entrepreneurship Development is divided into three distinct stages:

1. Pre-Training
2. Training
3. Post-Training

The Pre-Training activities are broadly divided into three types: Awareness creation among rural youth about skill development and self-employment, mobilization of interested and potential candidates towards RSETI training, and selection of candidates.

The lack of adequate jobs for rural youth who mostly have a basic education and lack employable skills has made self-employment appear as an important alternative career option. However, rural youth also face lack of business opportunities and have attributes like low self-confidence, lack of motivation, low business acumen and the needed supportive environment to become entrepreneurs.

For awareness creation and mobilization efforts, RSETIs target rural youth between the ages of 18 to 45 years, who are primarily from poor families. The target groups include youth from BPL households, MGNREGA card holders, Antyodaya Yojana card holders, SHG members, and beneficiaries of government poverty alleviation programmes like PM Awas Yojana, PM Jyoti Bheema Yojana, and so on.

Awareness creation about self-employment as a viable alternative career option and about RSETIs as entrepreneurship development institutes is therefore a major activity that are conducted through formal and semi-formal structured interventions, primary among which are Entrepreneurship Awareness Programmes (EAPs).

6.1 Entrepreneurship Awareness Programmes (EAPs)

EAPs are considered one of the core activities of RSETIs as they serve multiple objectives of creating awareness among rural youth about entrepreneurship as well providing information about the activities and services of RSETIs for entrepreneurship development.

RSETI are expected to conducted a minimum of 5 EAPs per month but on an average, most **RSETIs were found to be conducting 7-9 EAPs per month**. These were organized by RSETI Faculty and directors at important places in their district of operation such that target groups from a cluster of villages can convene.

Table 6.1 shows that overall, 47% of trainees had attended EAPs. North-eastern states had the highest proportion of respondents that had attended EAPs (56%) whereas hilly states had the lowest proportion of respondents that had attended EAC (13%) although the number of EAPs held in the latter was the same as the overall average. As seen in Table 4.2, lack of awareness about EAP was the biggest reason for non-attendance for 48% of respondents.

Table 6.1: Percentage of Trainees that had Attended EAP	
Zone/Overall	%
Overall [N=4565]	47
Southern States [N=924]	39
Western & Central States [N=3040]	51
Hilly States [N=301]	13
North-Eastern States [N=300]	56

Table 6.2: Major Reasons for not Attending EAP (Overall) [N=2438]	
	%
Was not aware of EAP	48
Was not free during EAP	4
Did not feel the need to attend EAP	3
Location of EAP was far	2

RSETI Directors felt that EAPs were indispensable to the overall planning process of the RSETIs since they presented opportunities to RSETI staff to interact with potential trainees which helped gain a better understanding of ground-level realities such as business opportunities in the region, scope for entrepreneurship, and the changing needs of rural youth. These insights were used as inputs for planning and scheduling RSETI courses. For the trainees, attending the EAP prior to enrolment oriented them towards the concept of self-employment and gave them an idea as to what they could expect from the training. Therefore, EAP was a critical and functional component of the pre-training activities.

6.2 Other Means of Mobilization

Spreading awareness about RSETI through **Gram Sabhas, Gram Panchayats, other local government bodies, Self-Help Groups, banks, banners and media** were other major means of mobilizing rural youth to enrol in RSETIs. Some RSETIs were also **leveraging existing networks of NGOs and youth groups** to spread the word about RSETI and mobilize potential candidates.

An RSETI in Karnataka visited degree colleges and technical institutions within the district to mobilize candidates and present the alternative of taking up self-employment to fresh graduates who are more inclined towards wage employment. RSETIs are given targets to mobilize a certain number of candidates. Therefore, this is one of the major activities of the Institutes in which not just the RSETI staff, but also other stakeholders such as banks, SRLM, District Level RSETI Advisory Committee are involved. Failure to achieve targets results in withholding of funds for disbursement. A few RSETI Directors and State Directors were of the opinion that the penalty of non-disbursement of funds in case of failure to achieve target caused RSETI Directors to enrol even those candidates who were not entirely interested in the training or in taking up self-employment. This affected the settlement ratio as well because such trainees usually reverted to their original area of interest such as wage-employment. It was the Directors' opinion that the pressure of targets took the focus away from ensuring quality in the training process, and therefore recommended that the target numbers should be reduced in order to improve the quality of training, efficient usage of funds, and settlement ratios.

6.3 Major Sources of Awareness about RSETIs

As seen in Table 6.3, Word-of-mouth played the biggest role in generating awareness about RSETIs among potential candidates. 71% of the trainees had learnt about RSETI through word-of-mouth or through other RSETI trainees. This was further substantiated by the finding that 65% of trainees had already recommended RSETI training to others.

Gram Panchayats were the second major source of awareness for 24% of the respondents. Other programs like SRLM and Skill Development Initiative Scheme (SDIS) were a source for 16% of respondents. Only 9% of respondents had got to know about RSETI through EAPs. Although EAPs were not a primary source of awareness about RSETI, almost half the trainees attended EAPs prior to enrolling in RSETIs.

While word-of-mouth was the major source of awareness in all zones, it played a larger role in Western & Central India and the Hilly States (over 70%) than in Southern and North-eastern States (under 50%). Gram Panchayats and Gram Sabhas remained the second major sources of awareness in all states except the North-East. Here, programs like SRLM and SDIS were the second major source of awareness (46%). Media played a more significant role in the Southern (18%) and Hilly States (25%) than the rest.

Table 6.3: Source of Awareness About RSETIs (Overall) [N=4565]	%
Word-of-mouth / Other RSETI trainees	71
Gram Panchayat / Gram Sabha meetings	24
Other programmes like SRLM, SDIS etc.	16
EAP	9
Door-to-door visits	9

Table 6.3: Source of Awareness About RSETIs (Overall) [N=4565]	%
Media	7
Government departments	5
Banner/poster	4
Banks	3

Table 6.4: Source of Awareness About RSETIs (Southern States) [N=924]	%
Word-of-mouth / Other RSETI trainees	44
Gram Panchayat / Gram Sabha meetings	25
Media	18
Other programmes like SRLM, SDIS etc.	16
Government departments	14
EAP	11
Door-to-door visits	11
Banks	9
Banner/poster	5

Table 6.5: Source of Awareness About RSETIs (Western & Central States) [N=3040]	%
Word-of-mouth / Other RSETI trainees	80
Gram Panchayat / Gram Sabha meetings	22
Other programmes like SRLM, SDIS etc.	13
EAP	8
Door-to-door visits	8
Government Departments	4
Banner/poster	2
Banks	2
Media	2

Table 6.6: Source of Awareness About RSETIs (Hilly States) [N=301]	%
Word-of-mouth / Other RSETI trainees	72
Gram Panchayat / Gram Sabha meetings	34
Media	29
Banner/poster	24

Table 6.6: Source of Awareness About RSETIs (Hilly States) [N=301]		%
Door-to-door visits		17
Other programmes like SRLM, SDIS etc.		8
Banks		5
EAP		3
Government Departments		2

Table 6.7: Source of Awareness About RSETIs (North Eastern States) [N=300]		%
Word-of-mouth / Other RSETI trainees		50
Other programmes like SRLM, SDIS etc.		46
Gram Panchayat / Gram Sabha meetings		37
EAP		18
Media		3
Government Departments		2
Banks		1
Banner/poster		1
Door-to-door visits		0

6.4 Trainees' Selection Process

RSETI training programmes are geared to be need based and result oriented. Against this backdrop, the institutes focus on the selection of appropriate and suitable candidates for every training programme based on a broad and flexible eligible criterion. Preference is given to rural candidates from marginalized socio-economic backgrounds such as BPL households, MGNREGA card-holding households, candidates from households with SHG members as reflected by the socio-demographic profile of respondents. The age limit for most courses is 18 to 45 years old but for some courses like Beauty Parlour, Tailoring and Computer, the age limit was 18 to 30 years. Ability to read and write is another eligibility criteria.

Qualitative interviews revealed that RSETIs scouted for candidates that fall under this eligibility criteria from different blocks of the district. Once they received applications containing information about the candidates' personal background, interest in a particular programme, investment capacity, etc., the RSETIs screened the applications by conducting personal interviews. This stage allowed the director or Faculty to assess the personality of the candidates, their motivation level, entrepreneurial traits, etc., and gather information as to their suitability for the programme. The personal interview sessions were also used as counselling sessions to guide candidates towards programmes that they may be better suited for.

The **duration of selection process ranged from one day to two weeks**. Some RSETIs that had a shorter selection process stated that they kept it short in order to prevent loss of interest among the candidates. Identification of suitable candidates with the right motivation and a reasonable duration of the selection process was critical to containing drop-outs.

6.5 Skill Gaps & Potential Identification

All RSETIs set goals, devise strategies for implementation, and mobilize resources for implementation at the beginning of the year by drafting the Annual Action Plan (AAP). Creation of AAP is an essential part of the planning process wherein all training and non-training activities that will be conducted by the RSETI during the relevant year are charted out. The AAP contains course and EAP schedule for the year, post-training follow-up activities, proposed infrastructural development, budget for programs and maintenance.

It was found from qualitative interviews that in order to identify skill gaps and potential opportunities in the district, RSETIs relied on inputs from agencies like DRDA, NABARD and the DLRAC. Some RSETIs collected relevant data during interactions with EAC participants to identify skill gaps and potential trainee needs, bridged the same with inputs collected from DRDA, govt. agencies and NGOs. This was then incorporated into the Annual Action Plan of the Institutes.

Pre-Training Activities – Key Highlights

- EAPs were the most important means of candidate mobilization from the point of view of RSETI Directors and Faculty. They allowed a two-way interaction between potential candidates and staff, based on which the latter gained an understanding of ground-realities such as courses that the candidates were interested in, business opportunities in the region, and so on. Insights gathered from EAPs were bridged with inputs collected from government agencies such as DRDA, NABARD, and the DLRAC regarding skill gaps and potential opportunities in the region. This was then incorporated into the Annual Action Plan.
- Interestingly, while EAPs were not the biggest source of awareness for trainees (9%), nearly half of the trainees had attended an EAP before joining the program. The EAP acted as an orientation program for potential trainees to the concept of self-employment and set their expectations about RSETI training.
- 71% of the trainees became aware about RSETI through word-of-mouth or through other trainees. This was further substantiated by the finding that 65% of trainees had recommended RSETI to others.
- Gram Sabha and Gram Panchayat meetings, programs like SRLM and SDIS, SHGs, were other important source of awareness. The sources of awareness varied across state zones suggesting that RSETIs had adopted different methods of mobilization according to their ground realities. For instance, an RSETI in Karnataka mobilized candidates by visiting degree colleges and technical institutions, and presenting self-employment as a viable alternative to wage or salaried employment.

Pre-Training Activities – Key Highlights

- A few RSETI Directors and State Directors were of the opinion that the penalty of non-disbursement of funds in case of failure to achieve target caused RSETI Directors to **enroll even those candidates who were not entirely interested in the training or in taking up self-employment**. This affected the settlement ratio as well because such trainees usually reverted to their original area of interest such as wage-employment.

➤

Training Process

7

Effective delivery of training programs in order to transform unemployed rural youth to self-confident entrepreneurs is perhaps the most critical aspect of RSETI training. RSETI programs are different from most other short-term skill development programs due to their focus on entrepreneurship rather than wage employment. They run with an approach of short-term training and long-term handholding of entrepreneurs. The pre-training activities discussed in the previous chapter are conducted in preparation of smooth rollout of the training programs.

7.1 Main Reasons for Enrolment

Understanding trainees' reasons for enrolling into the RSETI programs gives us insights into what their major expectations from the program are. **Overall, a majority of the trainees (62%) enrolled into RSETI in order to build capabilities to set up an enterprise for self-employment, in line with the objective of RSETIs.** The desire to learn new technical skills was the second most important reason for 47% of respondents. 24% of respondents enrolled to secure wage employment while 38% of respondents wanted to improve their general prospects of employability. 31% of respondents wanted to upgrade their existing technical skills.

Table 7.1: Reasons for Enrolment (Overall) [N=4565]	%
To set up enterprise for self-employment	62
To learn new technical skills	47
To improve employability	38
To upgrade existing technical skills	31
To secure wage / salaried employment	24
To improve chance to get funding	21
To improve soft skills (example – communication, leadership, problem solving)	8
Low / no course fees	7
Recommendation from someone	5
Ineffectiveness of other skill training courses	1

According to zone-wise findings, the desire to set up enterprise for self-employment was a major reason for enrolment in all states except the Hilly States. Interestingly, trainees in the Hilly States were more inclined towards learning and improving their skills; 89% of them enrolled to learn new technical skills, 60% to upgrade existing technical skills (60%) and 40% to improve soft skills (40%).

Table 7.2: Reasons for Enrolment (Southern States) [N=924]	%
To set up enterprise for self-employment	50
To improve employability	43
To secure wage / salaried employment	35
To learn new technical skills	34
To improve chance to get funding	26
To upgrade existing technical skills	20
Recommendation from someone	9
To improve soft skills (example – communication, leadership, problem solving)	8
Low / no course fees	6
Ineffectiveness of other skill training courses	1

Table 7.3: Reasons for Enrolment (Western & Central States) [N=3040]	%
To set up enterprise for self-employment	69
To learn new technical skills	48
To improve employability	37
To upgrade existing technical skills	30
To secure wage / salaried employment	24
To improve chance to get funding	17
Low / no course fees	7
To improve soft skills (example – communication, leadership, problem solving)	4
Recommendation from someone	4
Ineffectiveness of other skill training courses	1

Table 7.4: Reasons for Enrolment (Hilly States) [N=301]	%
To learn new technical skills	89
To upgrade existing technical skills	68
To improve soft skills (example – communication, leadership, problem solving)	40

Table 7.4: Reasons for Enrolment (Hilly States) [N=301]	%
To set up enterprise for self-employment	30
To improve employability	21
To improve chance to get funding	21
To secure wage / salaried employment	4
Low / no course fees	3
Recommendation from someone	3
Ineffectiveness of other skill training courses	1

Table 7.5: Reasons for Enrolment (North-Eastern States) [N=300]	%
To set up enterprise for self-employment	62
To learn new technical skills	60
To improve employability	41
To improve chance to get funding	33
To upgrade technical skills	27
To improve chance to get funding	33
To secure wage / salaried employment	22
Low / no course fees	3
Recommendation from someone	3
Ineffectiveness of other skill training courses	1

7.2 Distribution of Respondents by Course Category

RSETIs offer more than 64 courses which have scope for business in rural and semi-urban regions. These courses are divided into 5 broad categories: Product EDPs, Process EDPs, Agriculture EDPs, General EDPs and Skill Upgradation & Growth Programs.

Product EDP courses focus on teaching manufacturing and selling of utility articles. Some of these courses offered under this category are Agarbatti Making, Basket Making, Soft Toys Making, etc. Process EDP courses teach skills that are required to provide services such as Electrical Wiring, Refrigeration and Air-conditioning, Beauty Parlour Management.

General EDP courses impart general entrepreneurship development skills to trainees who are interested in starting a business. Such courses are imparted to trainees that are either unsure about which activity to select or those that already have the necessary technical skills and would like to improve their entrepreneurial skills. General EDP courses teach all aspects of entrepreneurship such as business

planning, marketing, management, finance and risk-taking, and so on. Some of the courses that come under this category are: Prime Ministers' Employment Generation Program (PMEGP), Bank Mitra, Employability Training to Persons with Disabilities for Computer Based Skilled Jobs, etc.

Agriculture EDP courses focus on agriculture and allied activities. Given that the majority of population of the country are dependent on agriculture, these courses are particularly relevant to rural regions. These courses aim at empowering rural youth to undertake agri-businesses such as Dairy Farming & Vermi Compost, Bee Keeping, Animal Husbandry, and so on.

Table 7.6 shows that the distribution of trainees across course categories was somewhat equitable, **Agriculture EDP courses had the highest uptake among the respondents with 32% having enrolled into these courses. Product EDP courses followed closely behind with 29%** of respondents having enrolled into these. 22% had enrolled into Process EDPs and 17% had enrolled into General EDPs. Only 2% had enrolled into Skill Upgradation & Growth Programs.

Table 7.6: Distribution of Trainees According to Course Category (Overall) [N=4565]		%
Agriculture EDP		32
Product EDP		29
Process EDP		22
General EDP		17

The distribution of trainees according to course categories varied across the different zones. **In the Southern States, most respondents had enrolled to General EDP courses (30%)** followed by Process EDP (24%). In the **Hilly States, almost half of the respondents (47%) had enrolled to Product EDP courses**, whereas in the **North-eastern States more than half (57%) had enrolled to Agriculture EDP courses**. Western & Central Indian states matched the overall trends.

Table 7.7: Distribution of Trainees According to Course Category (Southern States) [N=924]		%
General EDP		30
Process EDP		26
Agriculture EDP		23
Product EDP		22

Table 7.8: Distribution of Trainees According to Course Category (Western & Central States) [N=3040]		%
Agriculture EDP		35
Product EDP		30
Process EDP		22
General EDP		13

Table 7.9: Distribution of Trainees According to Course Category (Hilly States) [N=301]		%
Product EDP		47
General EDP		24
Process EDP		20
Agriculture EDP		10

Table 7.10: Distribution of Trainees According to Course Category (North-eastern States) [N=300]		%
Agriculture EDP		57
Product EDP		19
General EDP		12
Process EDP		12

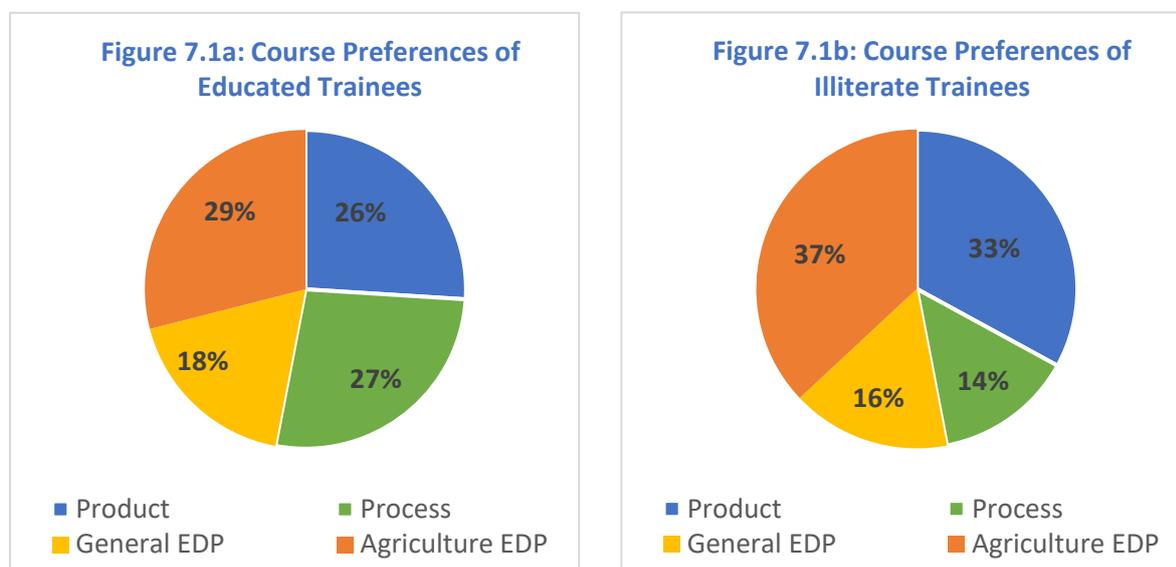
When seen according to gender distribution, more than half of male trainees (57%) had enrolled to Agriculture EDP courses as opposed to 26% of female trainees. Among female trainees, Product EDP courses were the most enrolled (35%) whereas only 3% of male trainees had enrolled into Product EDP courses. A higher percentage of female trainees had enrolled into Process EDP courses and a higher percentage of male trainees had enrolled into General EDP courses. This is shown in Table 7.11.

Table 7.11: Distribution of Trainees According to Course Category and Gender		
Course Category	Female [N=3695]	Male [N=870]
Agriculture EDP	26	57
Product EDP	35	3
Process EDP	23	17
General EDP	16	23

It would be reasonable to assume that the large scope for agricultural entrepreneurship in rural areas and the prior experience and familiarity that rural youth have to agriculture would make Agriculture EDP the most popular among other courses. As seen from the gender-wise findings, male trainees were more interested in Agriculture courses than female trainees. Product EDP courses were preferred by female trainees perhaps because they allowed opportunities to work from home.

Educational qualification was also factored to see if it had any bearing on trainees' selection of courses. This is presented in Figure 7.1. Both educated and illiterate trainees preferred Agriculture EDP courses the most, followed by Product courses. A higher percentage of educated trainees preferred Process courses over General EDP whereas it was vice versa for illiterate trainees; they

preferred General EDP more than Process courses. Furthermore, a higher percentage of illiterate trainees compared to educated trainees preferred Agriculture and Product courses.



7.3 Reasons for Selection of Course

For 97% of the respondents, the selected course was their first choice. 3% of respondents did not enroll in a course of their first choice either because that particular course was fully enrolled or because they received guidance from the RSETI director and staff about the suitability of another course.

Table 7.12 shows the motivating reasons for trainees to select their respective courses. **Almost three-fourths (74%) of respondents enrolled into a course out of their personal interest in learning that skill or trade.** 31% enrolled simply because they were eligible for that particular course and another 31% enrolled because they were encouraged to choose that course by their friends and family. 17% of trainees chose a course out of guidance received from the RSETI Director and Faculty. 13% of trainees chose a course out of timing and availability of course in RSETI. 8% of trainees chose a course out of scope/opportunity in fields related to course. 6% of trainees chose a course out of education/previous work experience was related to course.

Table 7.12: Reasons for Selection of Course (Overall) [N=4565]		%
Personal interest		74
Was eligible for course		31
Encouragement from friends/family		31
Through guidance/counselling done by RSETI director/Faculty		17
Timing and availability of course in RSETI		13
Scope/opportunity in fields related to course		8
Education/previous work experience was related to course		6

Personal interest remained the main reason for selection of course across all state zones; it was particularly high in Hilly States (95%) and North-Eastern States (92%). Scope / opportunity for employment in fields related to course as a reason was significantly low in the Western & Central (5%) and Southern States (8%), whereas almost a quarter of the trainees in the North-Eastern and Hilly States considered this. On the other hand, the guidance of RSETI Director and Faculty played a greater role in the Southern (22%) Western & Central (18%) States than it did in North-Eastern and Hilly States (2%).

Table 7.13: Reasons for Selection of Course (Southern States) [N=924]		%
Personal interest		70
Through guidance/counselling done by RSETI director/Faculty		22
Encouragement from friends/family		21
Was eligible for course		20
Education/previous work experience was related to course		12
Timing and availability of course in RSETI		10
Scope/opportunity in fields related to course		8

Table 7.14: Reasons for Selection of Course (Western & Central States) [N=3040]		%
Personal interest		72
Encouragement from friends/family		37
Was eligible for course		34
Through guidance/counselling done by RSETI director/Faculty		18
Timing and availability of course in RSETI		16
Scope/opportunity in fields related to course		5
Education/previous work experience was related to course		5

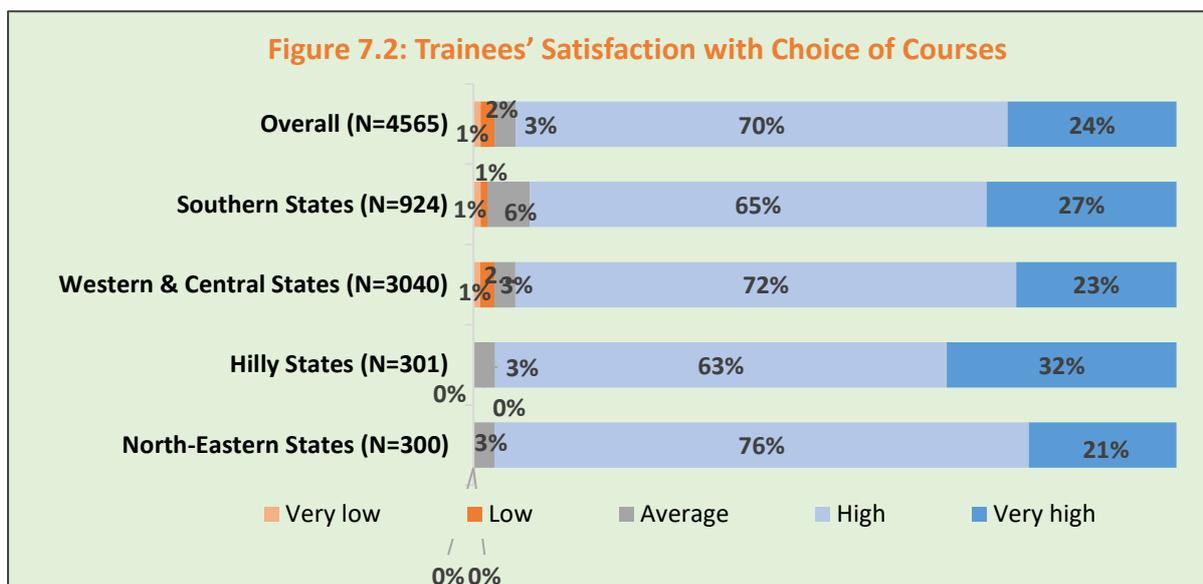
Table 7.15: Reasons for Selection of Course (Hilly States) [N=301]		%
Personal interest		95
Was eligible for course		26
Scope/opportunity in fields related to course		20
Encouragement from friends/family		17
Through guidance/counselling done by RSETI director/Faculty		2
Education/previous work experience was related to course		2
Timing and availability of course in RSETI		1

Table 7.16: Reasons for Selection of Course (North-Eastern States) [N=300]		%
Personal interest		92
Was eligible for course		34
Scope/opportunity in fields related to course		22
Encouragement from friends/family		15
Education/previous work experience was related to course		11
Timing and availability of course in RSETI		10
Through guidance/counselling done by RSETI director/Faculty		2

7.4 Choice of Courses

RSETI has a wide array of courses with scope for rural entrepreneurship. Different RSETIs can choose to offer the various courses according to the demand and relevance to the region. The demand for a particular course is assessed from interaction with trainees during EAPs and the RSETIs put courses with high demand for offer during the FY. None of the courses offered by RSETI are discontinued. Rather, the choice of offering a course is left to individual RSETIs.

Respondents were asked to rate their satisfaction level with the choice of courses on offer at RSETIs. The responses to the same are depicted in Figure 7.2. A significant majority expressed high levels of satisfaction. 70% were satisfied and 24% were very satisfied, leaving 6% of respondents who had average to very low levels of satisfaction. Seen zone-wise, while trainees expressed some level of dissatisfaction in the Southern, Western & Central States, no respondent expressed dissatisfaction with the choice of courses in Hilly and North-Eastern States.



Among those who expressed low levels of satisfaction, the major reasons for dissatisfaction were that courses relevant to the region were not offered (1.7%), and that the courses that were offered had low scope for employment (1.7%). These findings are shown in Table 7.17.

Table 7.17: Reasons for Dissatisfaction with Choice of Courses (Overall) [N=4565]	%
Courses relevant to the region not offered	1.8
Courses had low scope for employment	1.8
Narrow choice of courses	1.7
Courses offered in other programs not offered	1.1

A large majority of 97% of trainees felt that the RSETI did not need to offer any other courses apart from the ones already being offered. The 3% who felt that other courses should be offered were asked for their recommendations on which new courses should be offered. Most mentioned courses which were already being offered by RSETIs such as embroidery, vegetable plantation, pickle and papad making, out of unawareness. Some suggested advanced courses in tailoring, dairy farming & vermi compost, and beauty parlour. This was a suggestion that was frequently brought up even during FGDs of trainees that are currently running enterprises from the secondary RSETIs. Many trainees who were running enterprises felt that since most courses offered in RSETIs taught basic skills, it was not enough to grow and expand their business. They felt a need to learn more advanced skills in order to offer better services and products which met market demands, and therefore suggested that advanced courses should be taught for some of the popular trades.

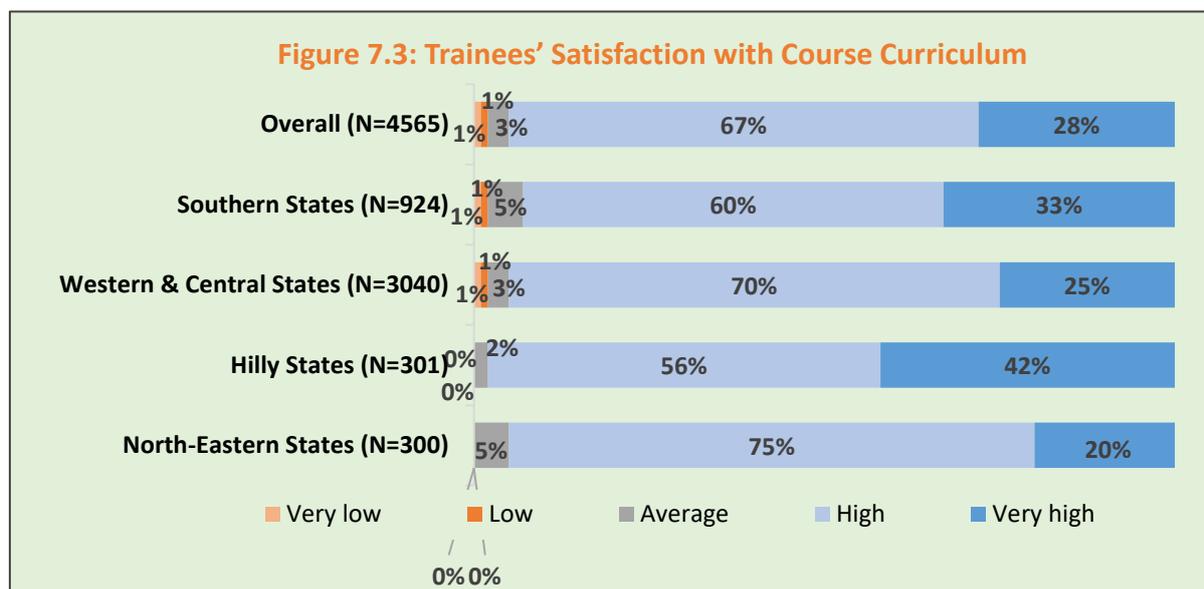
7.5 Course Curriculum

The curricula on offer for the courses taught at RSETI is standardized across the country and are not region specific. Only the language of curriculum delivery is adapted according to the region. However, individual RSETIs are at liberty to, and are encouraged to adapt the curriculum to make it more relevant not only to the region but also to the needs of different batches. For instance, in the case of agriculture courses, lessons on agricultural practices of a particular region were woven into the curriculum to make it context specific.

In order to keep up with changing industry standards and market demands, the curriculum is comprehensively reviewed and updated once in three years, whereby the National Skill Qualification Framework's (NSQF) approval is sought for the updation.

Trainees were enquired about their level of satisfaction with the curriculum followed for their enrolled course. Responses for the same are shown in Figure 7.3. Once again, a significant majority expressed high levels of satisfaction. 67% were satisfied and 28% were very satisfied, leaving 5% of respondents who had average to low levels of satisfaction. Similar to the satisfaction level with the

choice of courses, a very small percentage of respondents (less than 1%) were dissatisfied in the North-Eastern and Hilly States. Satisfaction level exceeded 90% in all zones.



The main reasons for dissatisfaction with course curriculum, as shown in Table 7.18, were that the practical components were inadequate (1.8%) and that the contents of the course curriculum did not match the course or were not what the trainees thought would be taught in the course (1.6%). Few of them (1.4%) felt that important topics were left out of the curriculum, and that the theory component was inadequate (1.2%).

The inadequacy of practical components was an issue that came up frequently during FGDs as well. It was felt that due to the short duration of training, important aspects of the trade could not be covered during training. **For instance, trainees that had taken up Dairy Farming & Vermi Compost which is offered for seven days, felt that lessons on identification of the right breeds, right diagnosis and treatment of diseases were left out of the training. This cost heavily to some trainees as poor knowledge about these aspects led to selection of low-quality breeds or non-identification of diseases which led to death of cattle and shutting down of enterprises.**

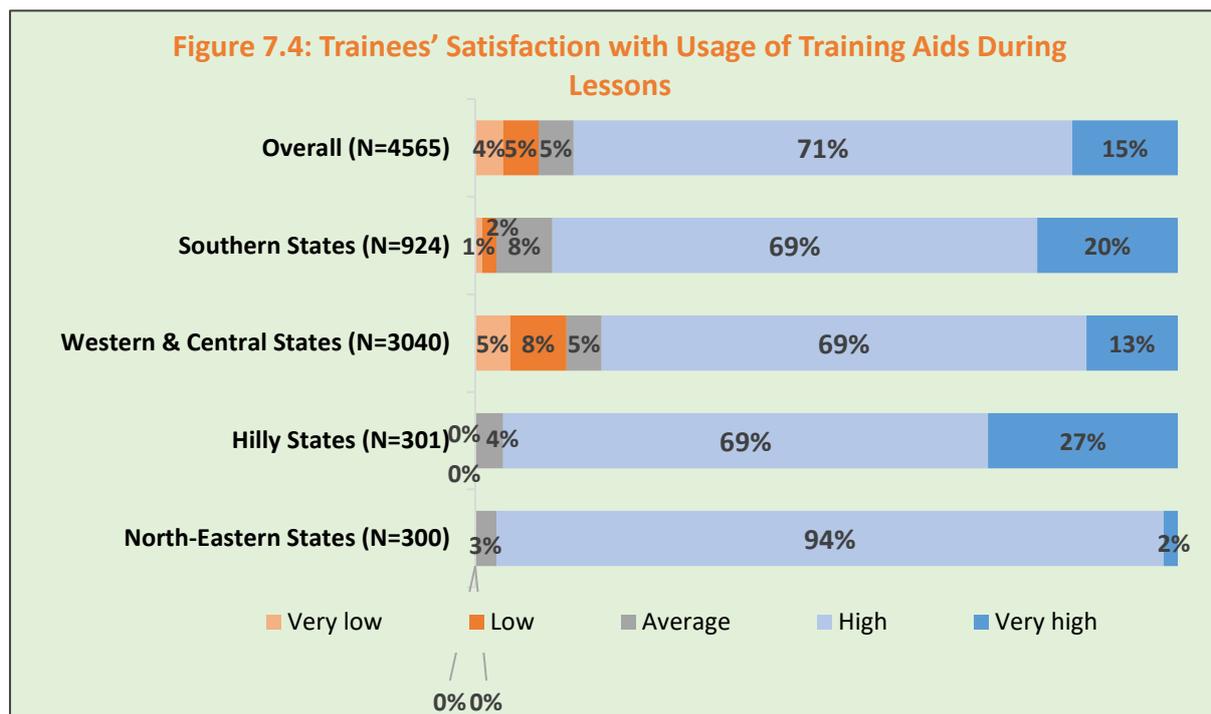
Furthermore, 21% of trainees felt that the course duration needs to be extended. This was an oft repeated suggestion by trainees during FGDs as well as by Directors and Faculty.

Table 7.18: Reasons for Dissatisfaction with Course Curriculum (Overall) [N=4565]	%
Practical component was inadequate	1.8
Curriculum did not match course properly	1.6
Curriculum did not cover important topics	1.4
Theory component was inadequate	1.2

7.6 Training Aids Used in Teaching

The effectiveness of a training program essentially boils down to the manner in which the training is delivered. While a prepared curriculum is followed by the course instructors for ease of delivery of the training, the way it is adapted to make it relevant to the classroom context and to the needs of the particular batch being trained is up to the instructors. Course instructors have at their disposal a variety of training aids that they use to support their training to make it more interactive and prevent monotony. Apart from classroom lectures, instructors make use of case studies of successful and unsuccessful entrepreneurs, group activities, behavioural games such as ring toss and tower building games to build entrepreneurial skills like risk taking, goal setting and decision making, exposure visits to enterprises, industries and farms and so on.

Figure 7.4 depicts the satisfaction level of trainees with regard to the usage of such training aids in during lessons. 71% of respondents were satisfied and 15% were very satisfied. 13% of respondents had very low to average satisfaction with the training aids used. The highest level of dissatisfaction was among trainees from Western & Central States where 13% were dissatisfied and 5% had average satisfaction. In the North-Eastern States, majority were satisfied whereas 2% were very satisfied. Hilly States had the highest satisfaction level at 27%.

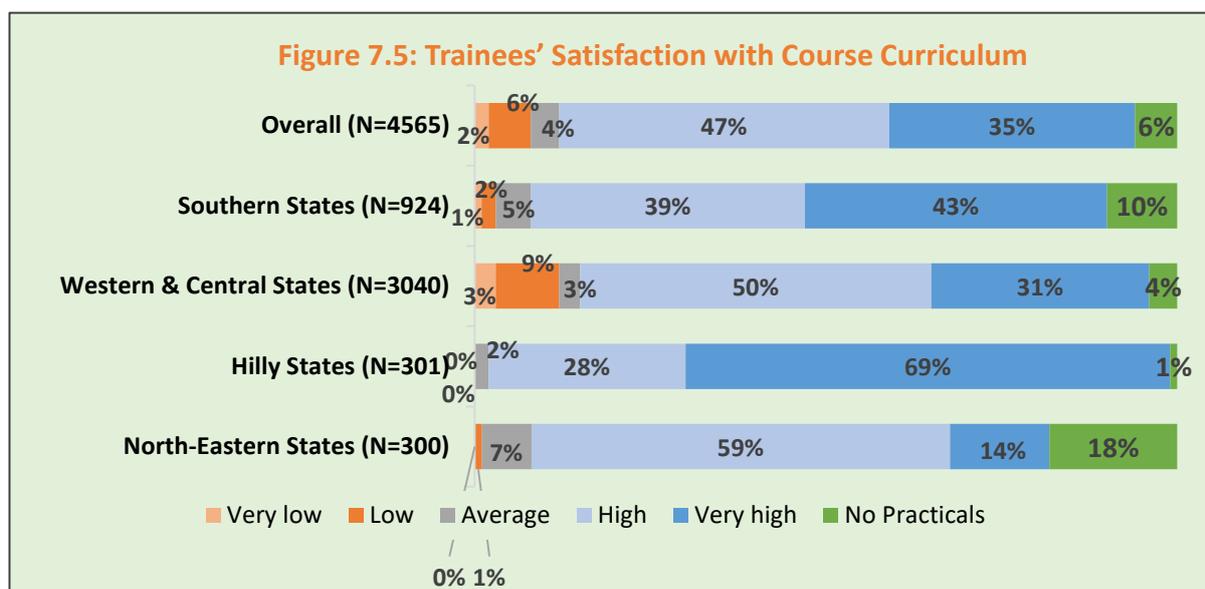


The main reasons for dissatisfaction were that the quality of training aids used were poor or not up to the mark (6.8%), that the usage of training aids were not adequate to support the training (3.8%), the training aids that were used were ineffective for learning (3.6%) and that the training aids used were not relevant to the course (2%).

Table 7.19: Reasons for Dissatisfaction with Usage of Training Aids During Lessons (Overall) [N=4565]		%
Poor quality of training aids		6.8
Inadequate use of training aids		3.8
Training aids were ineffective for learning		3.6
Training aids was not relevant to course		2

7.7 Practical Components & Workshops

Since a majority of the courses offered by RSETIs are skill-based courses except a few General EDP courses, practicals and workshops are an integral part of the training without which the training would remain incomplete. Figure 7.5 depicts trainees' satisfaction level with the practical components and workshops of the courses that they undertook. 6% of the respondents stated that they did not have any practicals in their course. Half of the respondents were satisfied with the practical component and 37% were very satisfied. 9% were not satisfied whereas 4% had an average level of satisfaction. Trainees from the Western & Central States were the most dissatisfied with the practical components (12%). Satisfaction levels were very high in the Hilly States at 97%.



As seen in Table 7.20, 6.8% were dissatisfied with the practical component because they felt that there was a lack of suitable equipment in workshops. 2.8% were dissatisfied because their practical lessons were not completed whereas 2.5% felt that the lessons were unclear or were not delivered properly. 1.2% felt that the practical lessons did not complement theory and a small percentage of 0.6% were dissatisfied because they felt that practical's did not match the course curriculum.

Table 7.20: Reasons for Dissatisfaction with Practical Components and Workshops (Overall) [N=4565]		%
Lack of equipment for practical lessons		6.8
Incomplete practical lessons		2.8

Table 7.20: Reasons for Dissatisfaction with Practical Components and Workshops (Overall) [N=4565]	%
Practical lessons were not clear/delivered properly	2.5
Did not complement classroom lectures	1.2
Did not match curriculum	0.6

As seen earlier, the inadequacy of practical component was also a major reason for dissatisfaction with the course curriculum. As mentioned earlier, the inadequacy and incompleteness of the practical component was brought up frequently during FGDs held with trainees from secondary RSETIs. Many stated that practical components were not conducted for Agriculture-related courses such as Poultry Farming and Dairy Farming & Vermi Compost. They highlighted the need to not only make the practical component more substantial by increasing the course duration, but also to hold practical examinations.

7.8 Guidance & Counselling

RSETI directors and Faculty provide guidance and counselling to trainees at all stages of training. In the pre-training stage, guidance is provided for candidates to select appropriate courses that suit their interests. During the training, guidance is provided to develop business proposals for loan application. Guidance is extended to them after training completion in the establishment of business, marketing, risk management, etc.

As seen in Figure 7.6, 63% of trainees overall were satisfied and 21% of them were very satisfied with the guidance and counselling provided to them. 6% had an average level of satisfaction where 10% were dissatisfied.

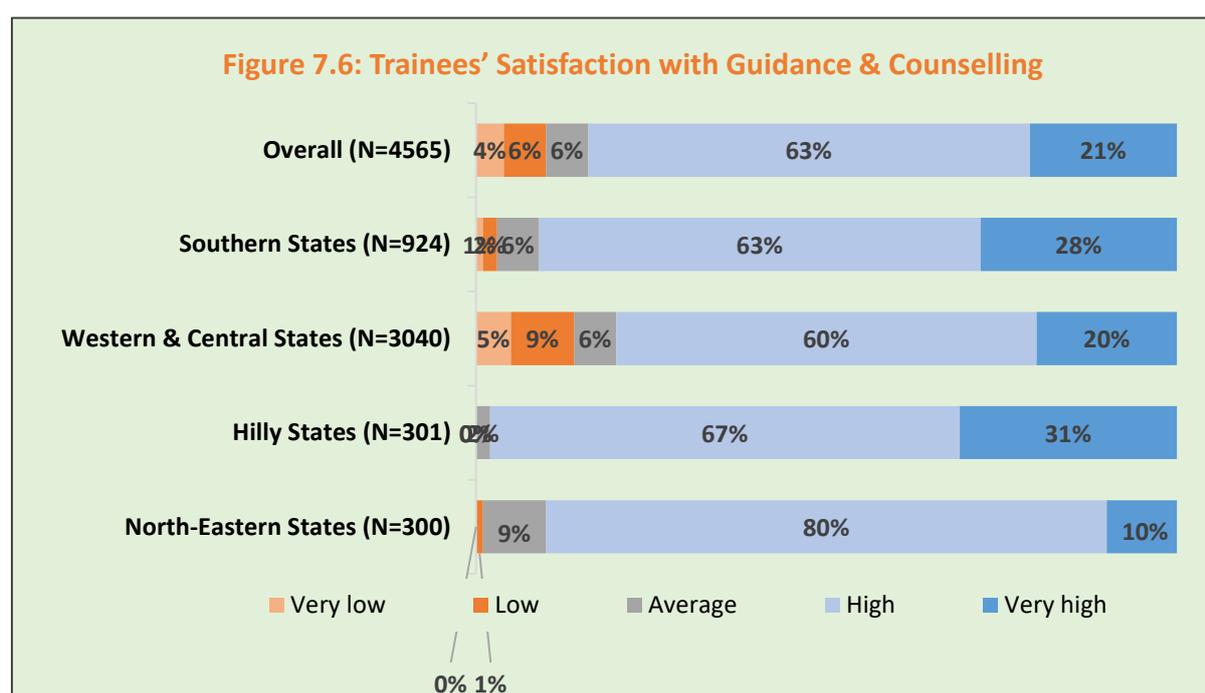


Table 7.21 represents the major reasons for dissatisfaction with guidance and counseling. Lack of individual attention in counselling was the biggest reason for dissatisfaction for 7.8% of trainees, followed by inadequacy of guidance and counselling (6.8%). 5.5% felt that the guidance given was not suitable for starting a business whereas 4% were dissatisfied with the counseling offered for selection of course.

Table 7.21: Reasons for Dissatisfaction with Guidance & Counselling (Overall) [N=4565]		%
Individual attention was not given		7.8
Adequate guidance/counselling not given		6.8
Guidance/counselling for starting business/employment was not suitable		5.5
Guidance/counselling for course selection was not suitable		4

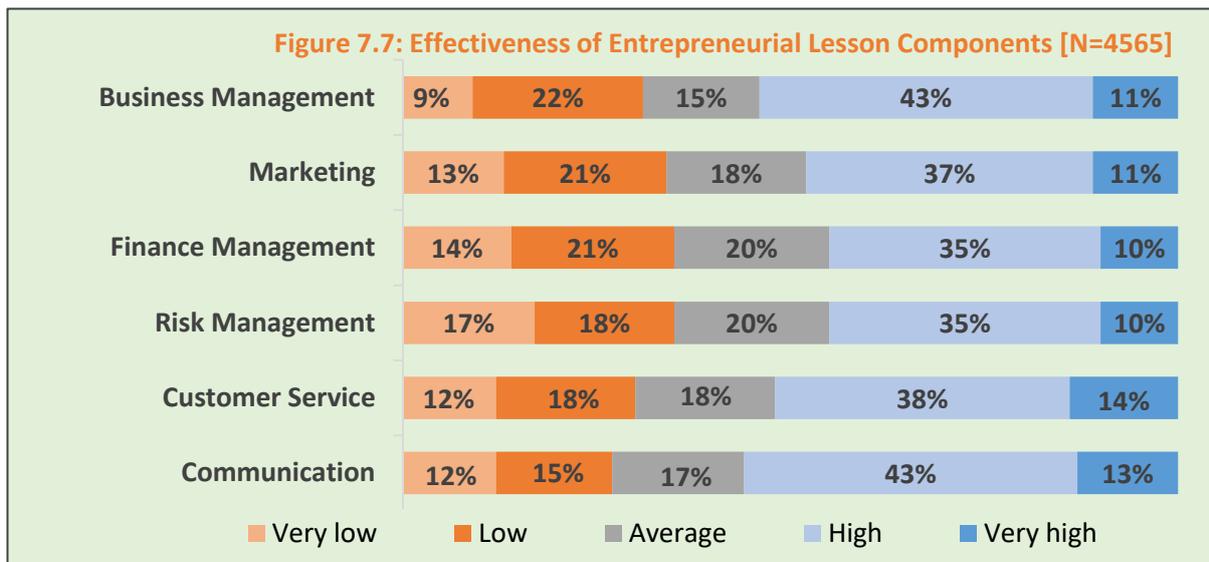
The service of guidance and counselling provided by RSETI staff forms a very important part of the support system to trainees who are mostly unemployed rural youth, many without prior work or entrepreneurial experience, as they can learn from the expertise of directors and Faculty who have years of experience and knowledge of business management.

The staff of most RSETIs provided guidance only during the two-year follow up period whereas some RSETIs provided guidance even beyond that period. **It was observed from Faculty and Directors' interviews that their level of involvement in the post-training processes, especially in guiding trainees, depended on their personal motivation and interest to see that the trainees were well-settled after the training.** Many RSETI staff felt overburdened with the many responsibilities entrusted upon them with targets to achieve, that guidance and counselling became slightly overlooked as can be inferred from the finding that most trainees were dissatisfied because of the lack of individual attention.

7.9 Effectiveness of Entrepreneurial Lesson Components

All skill training courses mandatorily have entrepreneurial development components in order to equip trainees to start and sustain businesses in that particular trade. The different entrepreneurial development components covered are Business Management, Marketing, Finance/ Accounts Management, Risk Management, Customer Service and Communication.

Respondents were asked to rate the effectiveness of these components. The findings are shown in Figure 7.7. All the components had more or less a similar trend. Majority of the trainees found each component to be effective. Almost half of them found each component to be effective or very effective. **Communication received the highest rating. 56% rated it effective or very effective.** It was followed closely by business management (54%) and customer service (52%). On the other hand, finance management and risk management (45%) and marketing (48%) received the lowest rating of effectiveness.



The kind of EDP components that received weightage depended on the course being taught. For example, customer service was emphasized more in Process EDP courses such as Beauty Parlour whereas finance management was focused more in Product EDP courses where investment in raw materials and inventory management mattered more.

However, when compared with the satisfaction level expressed by trainees with different aspects of the training such as course choice, curriculum, practical components and so on, the effectiveness of entrepreneurial lessons received visibly lower ratings. This suggests that while EDP components were being covered in all the skill-related courses, they were not up to the satisfaction of nearly half of the trainees perhaps because not all EDP components were given equal weightage during training. The finding that trainees were most dissatisfied with finance and risk management, two of the most essential aspects of running an enterprise suggests that EDP training in skill-related courses can be further improved. As implicit in the surveys and interviews, it can be assumed that incompleteness of EDP components was more due to the short-duration of courses than due to poorly-designed curricula.

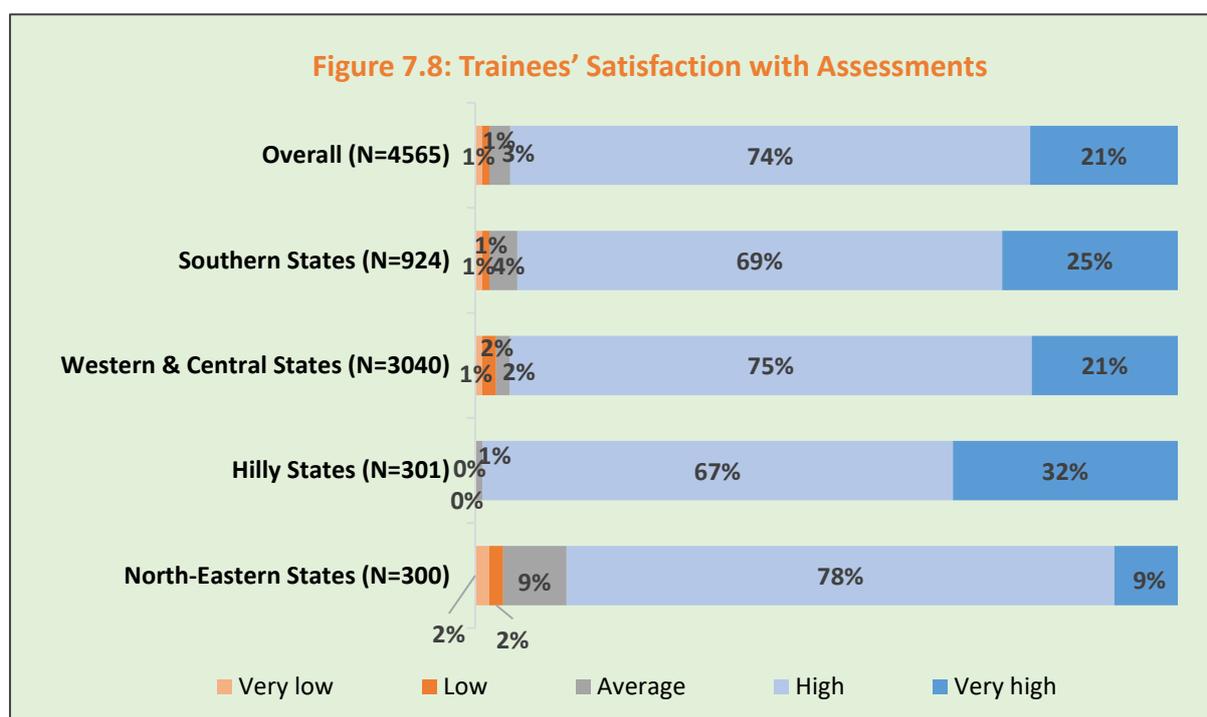
7.10 Assessments

Assessments are an important component of the training process. They are used to measure whether the training objectives have been met, whether the outcomes have been achieved and the extent to which they have been achieved. Assessing what the trainees have learnt in the course also encourages the trainees to be more involved in the learning process.

Under the RSETI system, assessments have been standardized across all courses in the country and are aligned with the NSQF. The NSQF is a nationally integrated education and competency-based framework that organizes qualifications according to a series of levels of knowledge, skills and aptitude. Learning outcomes are graded on a composite score of 300. One-third of it is dedicated to evaluating the trainees' participation in the daily training process such as workshops, discipline,

presentation skills, etc. This is categorized as ‘formative assessment’. Another one-third is dedicated to testing theoretical knowledge and the remaining one-third evaluates practical learning outcomes such as skills, setting up technical equipment, safety norms followed, and so on. This is categorized as ‘summative assessment’.

Figure 7.8 shows that overall, satisfaction levels with assessments were significantly high. Almost three-fourths of respondents were satisfied with the assessments, and 21% were very satisfied. Only 5% of respondents expressed average to low levels of satisfaction. Trainees in the Hilly States had the highest level of satisfaction of 99%. The highest percentage of dissatisfied trainees was in the North-Eastern States whereby 4% had low or very low satisfaction and 9% had average satisfaction.



The main reasons for dissatisfaction were that practical assessments were not conducted (2.6%) and that the examinations did not properly test what was learnt in the course (1.4%). A small percentage of 0.7% trainees felt that grading of the assessments was not fair.

Table 7.22: Reasons for Dissatisfaction with Assessments (Overall) [N=237]		%
Practical assessments were not conducted		2.6
Assessments did not adequately test what was learnt in course		1.4
Assessment grading was unfair		0.7

As depicted in Figure 7.9, 10% of trainees stated that they faced challenges with assessments. The major challenges as experienced by 7.6% of trainees was that the time duration for the assessments was not enough, followed by 1.6% felt that the assessment questions were unclear.

1% felt that the assessments did not adequately test what was taught in the course and less than 1% felt that the assessments were not well-structured and that the grading was not fair. This is shown in Table 7.23.

Increasing the time duration of assessments was also among the major suggestions made for improvement of assessment. It was also recommended by many that practical assessments need to be conducted, indicating that although practical examinations are part of the assessment, they are not being conducted for all courses at all RSETIs. The need to have verbal examinations and written examinations in the local language was recommended especially by those who faced difficulties in reading and writing.

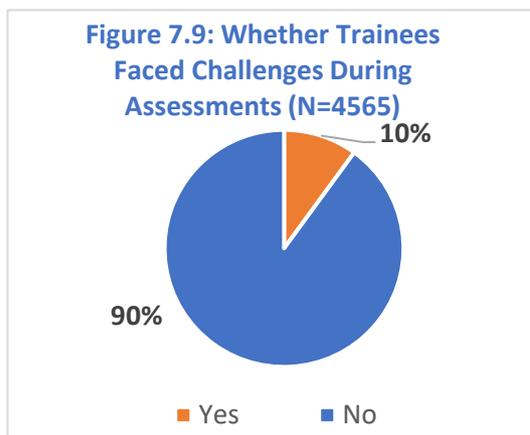


Table 7.23: Challenges Faced During Assessment (Overall) [N=4565]		%
Time duration for tests was not enough		7.6
Assessment questions were unclear		1.6
Assessments did not test what was taught in the course		1
Assessments were not well structured		0.7
Grading was not fair		0.6

7.11 Final Certification

The RSETI final certificate that the trainees receive upon course completion holds much value. This is one of the primary documents that is required by the trainees to apply for loans to start an enterprise or to apply for jobs. 98% of the trainees reported having received the final certificate. Among the 2% that did not receive, half of them did not collect it from the RSETI whereas the other half did not complete the course.



As seen in Table 7.24, majority of the trainees received their certificate shortly after training completion. 87.5% of the trainees received the final certificate within the first month after training completion, around 7% received it within three months. For 2% of trainees, it took up to twelve months and for 0.4% of the trainees, it took more than a year to receive the certificate. Among the zones, 82% of trainees from the Southern States received the final certificates within the first month whereas it was more than 90% received in the rest of the states.

Table 7.24: Time Span of Receiving Final Certificate	%
Within 1 month	87.5
1 – 2 months	4.8
2 -3 months	2.7
3 – 12 months	2
More than 1 year	0.4

The fact that distribution of final certificates was done within the first month of training completion for a majority of trainees is a positive indicator because it allows trainees to pursue loans application and employment without a long gap, while the learnings from the course are still fresh in their minds.

Training Process – Key Highlights

- Trainees also expressed high satisfaction levels (84%) with the guidance & counselling provided by RSETI Directors and Faculty. In some RSETIs, the staff provided guidance beyond the follow-up period of two years. It was observed that the level of staff's involvement in providing guidance to trainees depended upon their personal interest to see that the trainees were well-settled post training.
- Trainees rated the effectiveness of entrepreneurial components such as business management, marketing and communication lower than other indicators related to training. Only around half of the trainees felt that the EDP components were effective. Communication (56%) was rated to be most effective whereas finance management and risk management, two critical aspects of running a business, was the least (45%). This highlights gaps in the EDP components of skill training courses.
- Trainees' satisfaction with course assessments was significantly high (95%). Lack of practical examinations was the biggest reason for dissatisfaction. 10% of trainees stated that they faced challenges with assessment, mostly related to short-time duration of tests. Recommendations for improving assessment included conducting practical examinations, and having verbal examinations and written examinations in the local language since some trainees faced difficulties in reading and writing.
- 98% of the trainees had received their final certificate. The rest did not receive it either because they did not collect it or because they did not complete the course. 92% of trainees received the certificate within the first two months after training which was a positive indicator as it allowed trainees to pursue loan applications and employment without a long gap.

Training Process – Key Highlights

- Majority of the trainees (62%) enrolled into RSETI with the intention to set up an enterprise for self-employment. However, as seen in the following chapters, only a quarter of the trainees went on to become entrepreneurs whereas more than half remained unemployed. In the previous chapter, it was found that RSETIs often enrolled even those candidates who were not truly interested in the training or in taking up self-employment, in order to meet enrolment targets. Therefore, it can be said that RSETIs were not very successful in transforming those who had a casual interest towards the training program into entrepreneurs or securing wage employment.
- Trainees were somewhat equally distributed among course categories, with the highest percentage (32%) having undergone training in Agriculture EDP courses. This varied across state zones. More than double the percentage of men (57%) as opposed to women had enrolled in Agriculture EDP. The scope for agri-entrepreneurship in rural areas and prior experience and familiarity of rural youth to agriculture would have made such courses desirable to them. Majority of female trainees (35%) enrolled in Product EDP courses perhaps because it allowed opportunities to work from home whereas a mere 3% of male trainees enrolled in the same. Personal interest in a particular skill played the biggest role in selection of course.
- The choice of courses offered by RSETI was vast and varied, as indicated by the findings that 94% of trainees were satisfied with the choice, and 97% felt that there was no need for courses other than existing ones to be added.
- Trainees also expressed high satisfaction with the course curricula followed, training aids such as case studies, group activities, and behavioral games used in lessons.
- The short duration of courses and incompleteness of practical components were major points of discontent among trainees. 21% of trainees overall felt that the course duration should be extended. Many trainees, especially those that had taken up Agriculture EDP courses whose duration was around one week, felt that the short duration of courses did not permit the lessons to go beyond a basic level which was not sufficient to run the enterprises. Many had to rely on other sources such as the internet, friends and family to pick up more advanced skills. For instance, those who took up animal husbandry felt that important lessons on identification of the right breeds, diagnosis and treatment of diseases were not included in the curricula. Erroneous judgments by trainees in these aspects led to losses and the shutting down of enterprises in some cases.

Post-training Support

8

Short duration courses offered in the RSETI training programs may teach new technical skills to trainees but the training by itself is not enough to empower them to become entrepreneurs. Since transforming rural youth into entrepreneurs is one of the main objectives of RSETI, post-training facilitation or handholding support at every stage of business establishment and management is crucial for small scale entrepreneurs, especially in the initial months. Post-training facilitation is a critical factor which influences the success rate of RSETI training programs. The main objectives of post-training facilitation are:

- i. To sustain the motivation and interest of trainees in entrepreneurship after training completion
- ii. To assist trainees in mobilizing resources and launching micro enterprises
- iii. Facilitating bank credit linkage to trainees
- iv. Providing networking and marketing support for business growth

8.1 Trainees' Follow-up

RSETIs are mandated to track or follow up all trainees for a period of two years after completion of training or until the trainee is settled, whichever is earlier. A trainee would be considered settled if they started and were able to run an enterprise for three months or if they secured wage or salaried employment.

Follow-up activities are undertaken by the Director, Faculty and Office Assistants of each RSETI. Although RSETIs are mandated to follow-up for a period of two years or until the settlement of the trainee, they are recommended to follow-up even after two years to ensure that the trainee is able to sustain and continue the enterprise.

Upon being asked whether the RSETI followed-up with them after the completion of training through modes like visits, calls or Whatsapp, **41% reported that they were followed-up. Southern States had the highest percentage of trainees that were followed-up at 63%, whereas a mere 33% of trainees in the Western & Central States were followed-up.** This is presented in Table 8.1.

Table 8.1: Follow-up of Trainees by RSETIs	%
Overall [N=4565]	41
Southern States [N=924]	63
Western & Central States [N=3040]	33
Hilly States {N=301}	51
North-Eastern States [N=300]	41

It was also found that there was a positive correlation between follow-up and settlement. More than half of the trainees who got settled after RSETI were followed up. For instance, 66% of trainees who established an enterprise after training were followed-up. On the other hand, only a quarter of those who have remained unemployed were followed up, suggesting that follow-up could have played a role in settlement of trainees. The same is presented in Table 8.2.

Table 8.2: Percentage of Trainees who were Followed-up Cross-tabulated with Trainees' Employment Status Immediately After RSETI (Overall) [N=4565]	%
Established enterprise after training	66
Expanded existing enterprise	56
Secured wage / salaried employment	53
Has remained unemployed till now	25

Follow-up is perhaps the most basic post-training activity, which is not only required to provide handholding support but also to track the settlement status of the trainees. Considering this, the finding that less than half the trainees reported being followed-up is a major shortcoming which also raises questions on the settlement numbers reported by RSETIs.

8.1.A Modes of Follow-up

RSETIs use multiple methods to follow-up with the trainees. They undertake personal visits to the trainees' enterprise, follow-up through telephone calls or social media like Whatsapp, hold group meetings or cluster meetings at the RSETI.

Table 8.3 shows that telephone calls were the most used method for follow-up reported by 28% of respondents who were followed up. 20% of them reported being followed-up through personal visits. 9% were followed-up through group meetings and 6% were followed-up through Whatsapp. A negligible percentage of respondents were followed-up through emails and correspondence. In the Southern States, Personal Visits were the most used method (37%); Telephone Calls remained the major mode across all other zones.

Table 8.3: Main Modes of Follow-up (Overall) [N=4565]		%
Telephone Call		28
Personal Visits		20
Group Meeting		9
Whatsapp		6
Email		0.2
Letters		0.2

Table 8.4: Main Modes of Follow-up (Southern States) [N=924]		%
Personal Visits		37
Telephone Call		31
Group Meeting		11
Whatsapp		7
Email		0.4
Letters		0.3

Table 8.5: Main Modes of Follow-up (Western & Central States) [N=3040]		%
Telephone Calls		24
Personal Visits		15
Group Meeting		9
Whatsapp		5
Letters		0.2
Email		0.1

Table 8.6: Main Modes of Follow-up (Hilly States) [N=301]		%
Telephone Calls		49
Personal Visits		22
Whatsapp		13
Group Meeting		12
Letters		0
Email		0

Table 8.7: Main Modes of Follow-up (North Eastern States) [N=300]		%
Telephone Calls		35
Personal Visits		15
Whatsapp		3
Group Meeting		0.3
Letters		0
Email		0

RSETI Directors reported that they followed-up using these different modes as per convenience. For instance, personal visits were undertaken mostly when the trainees resided close to the RSETI. When they resided far away, they were followed-up through telephone calls. Personal visits were also done when the trainees had started an enterprise. In such cases, the visits helped ascertain the status of business, understand the business challenges that the trainees were facing and provide appropriate guidance.

In order to have a more structured approach to follow-up, the Institutes can be recommended to follow-up through telephone calls until the trainee is settled. Once settled, self-employed trainees can be followed-up through personal visit which would allow the staff to see how the trainee is running the enterprise and provide guidance if required. Trainees that have not been able to get settled six months after training can be invited to group meetings on campus which can be held quarterly or bi-yearly. The challenges faced by such trainees can be discussed and the necessary handholding support can be provided to help them settle.

8.1.B Duration and Frequency of Follow-up

RSETIs are expected to follow up at least once in 60 days after the first six months of training completion, and at least once in three months post that or till settlement. RSETIs are mandated to conduct personal visits for at least five full days in a month. RSETI directors stated that they conducted personal visits every month. Those RSETIs which conducted group or cluster level meetings did so quarterly.

More than half of the trainees reported that they were followed up only till the first six months after training completion. 29% were followed up from six months to one year, 11% were followed up for more than one year, and 5% more than two years. This is presented in Table 8.8.

Table 8.8: Duration of Follow-up (Overall) [N=1870]		%
Less than 6 months		55
6 months to 1 year		29

Table 8.8: Duration of Follow-up (Overall) [N=1870]	%
1 to 2 years	11
More than 2 years	5

The trends in the Southern, Western & Central States followed the overall trends wherein majority of the trainees were followed up only till the first six months. Only 3% were followed-up up to two years. In the Hilly States, almost a quarter of the trainees were followed-up up to two years.

Table 8.9: Duration of Follow-up (Southern States)[N=581]	%
Less than 6 months	56
6 months to 1 year	30
1 to 2 years	11
More than 2 years	3

Table 8.10: Duration of Follow-up (Western & Central States) [N=1013]	%
Less than 6 months	61
6 months to 1 year	24
1 to 2 years	12
More than 2 years	3

Table 8.11: Duration of Follow-up (Hilly States) [N=152]	%
Less than 6 months	35
6 months to 1 year	33
1 to 2 years	9
More than 2 years	23

Table 8.12: Duration of Follow-up (North-Eastern States) [N=124]	%
Less than 6 months	30
6 months to 1 year	67
1 to 2 years	2
More than 2 years	0

When it came to the frequency of follow-up, majority of them, 40% were followed up once every two to three months. 10% of respondents reported that they were followed-up multiple times in a month, 35% were followed up once a month. The overall figures are presented in Table 8.13.

Table 8.13: Frequency of Follow-up (Overall) [N=1870]	%
Multiple times in a month	10
Once a month	35
Once every two to three months	40
Once a year	13
Once in two years	2

It was observed that in state zones where trainees were followed-up up to six months were followed-up more frequently and vice versa in the zones where trainees were followed-up for up to two years. For instance, in the Southern States where 56% of trainees were followed-up up to six months, nearly half of them were followed-up once a month. On the other hand, in the North-Eastern States where trainees were followed-up for a longer duration, the frequency of follow-up was lesser.

Table 8.14: Frequency of Follow-up (Southern States) [N=581]	%
Multiple times in a month	7
Once a month	48
Once every two to three months	34
Once a year	9
Once in two years	2

Table 8.15: Frequency of Follow-up (Western & Central States) [N=1013]	%
Multiple times in a month	14
Once a month	28
Once every two to three months	41
Once a year	15
Once in two years	2

Table 8.16: Frequency of Follow-up (Hilly States) [N=152]	%
Multiple times in a month	2
Once a month	63
Once every two to three months	30
Once a year	4
Once in two years	1

Table 8.17: Frequency of Follow-up (North-Eastern States) [N=124]		%
Multiple times in a month		0
Once a month		2
Once every two to three months		63
Once a year		33
Once in two years		2

8.1.C Aspects of Follow-Up

Along with offering the trainees advice and guidance on various aspects of self-employment, RSETIs also provide handholding support in the form of business planning, bank or credit linkage and marketing support for a period of two years. This is a unique feature of RSETIs and the purpose of this is to ensure that the trainees, most of whom do not have prior experience as entrepreneurs, have the necessary support to start and run their enterprises. Although RSETIs are mandated to provide post-training support for a period of two years after training completion, the same is available to RSETI alumni who seek it even after two years in order to ensure that the enterprises are sustained.

8.1.D. Types of Handholding Services

There are various types of handholding services that RSETIs provide. Linking trainees with banks and facilitating loans is perhaps the most crucial of them since funding is crucial to new entrepreneurs. The RSETI system wherein institutes are sponsored and managed by lead district banks is particularly geared towards the ease of loan facilitation to trainees. Business planning or guidance is another type of handholding support provided by directors and Faculty in order to assist trainees to make important business decisions while setting up and managing their enterprises. RSETIs also provide networking support with established entrepreneurs in the district or with NGOs and government departments such as the SRLM which can be leveraged by trainees to grow their enterprises. Marketing support is also provided through RSETI bazaars which are exhibitions for RSETI-trained entrepreneurs to display their products and services and build output market linkages. Input market linkages are facilitated by some RSETIs when they have a good knowledge of the same in the district.

As seen in Table 8.18, overall, almost two-thirds of the trainees, 60% of them who availed handholding services received bank and credit linkage. 41% of them availed business planning and counselling services. Around a quarter of them (21%) availed marketing support for purchase of raw material from input markets and selling of products at output markets.

Table 8.18: Types of Handholding Services Availed (Overall) [N=610]		%
Credit / loan linkage		60
Business planning guidance / counselling		41
Marketing support		21
Business networking		15

When seen zone-wise, Southern, Western & Central States followed the overall trends. Hilly States had the highest proportion of trainees that availed credit linkage (86%). In the North-Eastern States, a majority availed business development and counselling services (79%) as opposed to credit linkage. 15% of them sought business networking assistance from the RSETI for growth and expansion of their enterprises.

Table 8.19: Types of Handholding Services Availed (Southern States) [N=220]		%
Credit / loan linkage		60
Business planning guidance / counselling		32
Marketing support		13
Business networking		5

Table 8.20: Types of Handholding Services Availed (Western & Central States) [N=254]		%
Credit / loan linkage		60
Business planning guidance / counselling		42
Marketing support		23
Business networking		12

Table 8.21: Types of Handholding Services Availed (Hilly States) [N=64]		%
Credit / loan linkage		86
Business networking		47
Marketing support		41
Business planning guidance / counselling		23

Table 8.22: Types of Handholding Services Availed (North-Eastern States) [N=72]		%
Business planning guidance / counselling		79
Credit / loan linkage		33
Marketing support		26
Business networking		22

8.1.E Adequacy of Follow-up

Since the purpose of follow-up is to ensure that the trainees are settled and that they are able to continue their enterprise, it becomes important to consider whether the duration of follow-up post training is adequate for them. A significant majority, 87% of trainees felt that the duration of follow-up was adequate for them. The Hilly States had the highest percentage of trainees that felt that the follow up was adequate (95%), followed by the North-Eastern States (89%), Southern States (85%), and the Western & Central States (84%). These findings point that a slightly higher percentage of trainees where the duration of follow-up was longer and the frequency was shorter were more satisfied with the follow-up.

Table 8.23: Adequacy of Follow-up for Trainees	%
Overall [N=1870]	86
Southern States [N=581]	85
Western & Central States [N=1013]	84
Hilly States [N=152]	95
North-Eastern States [N=124]	89

The major reasons for trainees to feel that follow-up was inadequate are presented in Table 8.24. 68% of those who stated that the follow-up period was not long enough felt so because they were unable to establish business or find employment in that period. 47% of them felt it was inadequate because they needed guidance even after the follow-up period.

Table 8.24: Reasons for Inadequacy of Follow-up (Overall) [N=1870]	%
Was not able to establish business/find employment within that period	10
Needed guidance even after follow-up period	7
Needed financial support even after follow-up period	4
Faced challenges in business after follow-up period	2

8.1.F Settlement of Trainees During Follow-up Period

Table 8.25 shows that a **little more than two-thirds of respondents who got settled after training completion were able to get settled during the follow up period itself**. Hilly States had the largest percentage of trainees who got settled during this period (83%) whereas Southern States had the smallest percentage (58%).

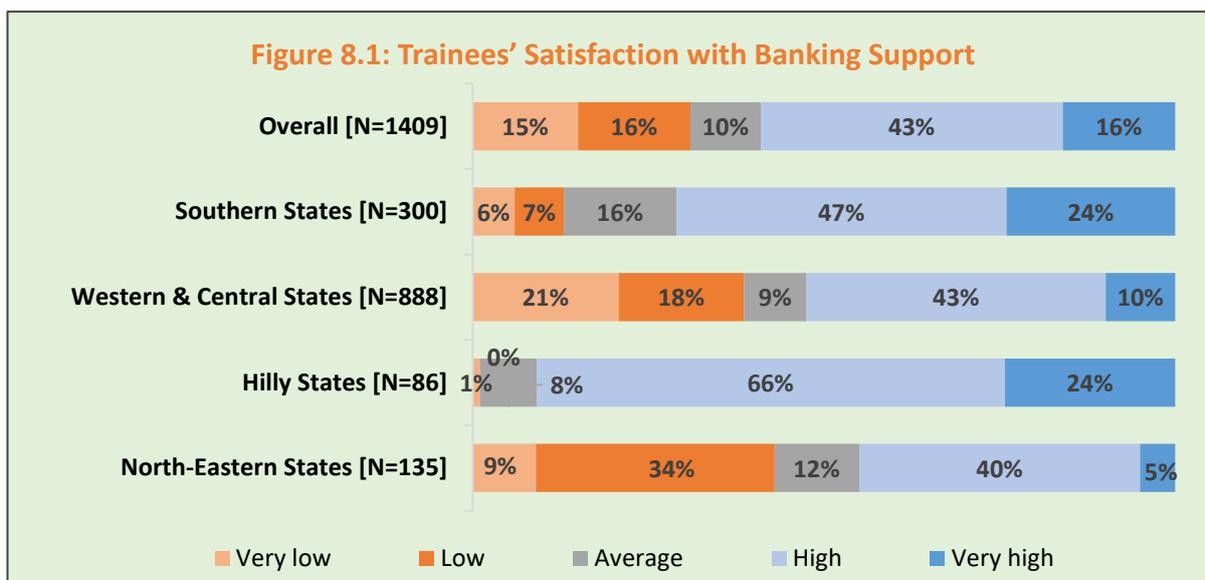
Table 8.25: Percentage of Trainees Settled During Follow-up Period	%
Overall [N=1632]	67
Southern States [N=536]	58
Western & Central States [N=824]	71
Hilly States [N=74]	83
North Eastern States [N=198]	79

The major reason for not getting settled during the follow-up period was the lack of funds to start an enterprise as reported by 21%, indicating that many trainees struggled with inaccessibility of funds for a long period of time after training completion. This was followed by the lack of capacities to start and run an enterprise as reported by 10% of respondents. 9% of the trainees stated that they lacked clarity to start an enterprise which was followed by 7% of them who felt that they lacked the needed guidance to start an enterprise. These and other major reasons for non-settlement of trainees during follow-up period is presented in Table 8.26.

Table 8.26: Reasons for Non-Settlement During Follow-up Period [N=1632]	%
Lack of funds to start enterprise	21
Lack of capacities to start and run enterprise (infrastructure, human resource)	10
Lack of clarity to start enterprise	9
Lack of guidance / poor guidance	7
Lack of opportunities for the desired activity/sector	7
Personal concerns	5
Lack of technical skills to start / sustain enterprise	4
Lack of business management skills to start / sustain enterprise	4

8.1.G Satisfaction with Banking Support and Marketing Services

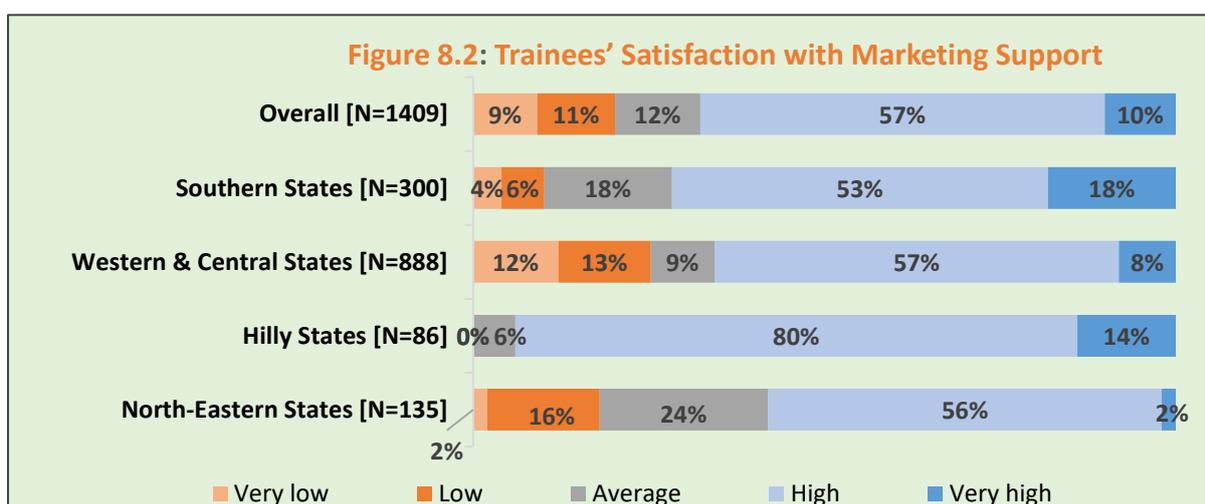
Compared to other indicators, a higher proportion of respondents were dissatisfied with the banking assistance. Overall, 15% were very dissatisfied, 16% were dissatisfied and 10% had average satisfaction. 43% were satisfied with the same and 16% were very satisfied. The North-Eastern States saw the highest dissatisfaction level of 43% followed by Western & Central States of 39%. This is depicted in Figure 8.1.



As seen in Table 8.27, for 32% of trainees who availed handholding facilities, the main reason for dissatisfaction was that credit linkage was not provided through banking assistance. 12% of them were dissatisfied because the assistance did not help them secure loan and 8% felt that the assistance was not adequate.

Table 8.27: Reasons for Not Dissatisfaction with Banking Assistance (Overall)		%
[N=1409]		
Credit linkage assistance was not properly provided		32
Assistance did not help secure credit		12
Assistance was not adequate		8

When it came to marketing support, more than half, i.e., 57% were satisfied and 10% were very satisfied with the same. 11% were dissatisfied and 9% were very dissatisfied. 12% of them had an average level of satisfaction. Trainees from Western & Central States were most dissatisfied (25%), followed by Southern (120) and North-Eastern States (18%). None of the trainees in the Hilly States were dissatisfied with marketing support. The same is presented in Figure 8.2.



The main reasons for dissatisfaction were that marketing support was not adequate (19%) and that RSETI bazaars were not held (16%). 7% were dissatisfied because forums for networking were not created and 3% because marketing support was misguided.

Table 8.28: Reasons for Not Dissatisfaction with Marketing Assistance (Overall) [N=1409]	%
Marketing assistance was not adequate	19
RSETI Bazaars were not held	16
Forums for networking were not created	7
Marketing support was misguided	3

8.2 Alumni Association

In order to provide a platform for the alumni of RSETI to mingle and learn from each other, RSETIs have what is known as the Association of Successful Alumni of RSETI Entrepreneurs (ASARE). The objective of ASARE is to promote a spirit of collaboration and cooperation among alumni who have become entrepreneurs so that their development continues and is supported beyond the follow-up period of two years.

As seen in Table 8.29, only 10% of trainees surveyed were a part of ASARE. Southern States had the highest percentage of trainees in alumni association (10%), whereas none of the trainees in the North-Eastern states were part. 60% of trainees were not part of ASARE because they were not aware about the existence of the same. 24% of them were not part of it because ASARE was not formed in their RSETI. 6% of trainees did not feel the need to be part of the association whereas 3% were earlier a part but later dropped out.

Table 8.29: Percentage of Trainees Part of Alumni Association	%
Overall [N=4565]	10
Southern States [N=924]	15
Western & Central States [N=3040]	11
Hilly States [N=301]	3
North-Eastern States [N=300]	0

Table 8.30: Reasons for Not Being Part of Alumni Association (Overall) [N=4565]	%
Not aware about alumni association	60
Alumni association does not exist	24
Did not feel the need to be part of alumni association	6
Was earlier a part of association, later dropped out	3

ASARE could play a crucial role in providing post-training support to trainees as it can be a platform where they can learn about the ground realities of running enterprises from other trainees. It can supplement the efforts of RSETI staff in providing handholding services which would be beneficial since RSETIs are not able to provide these services very effectively. However, ASARE appeared to be neglected among RSETIs and was inactive in most Institutes. The reason for this could be that among all the post-training responsibilities of the staff, they were unable to dedicate enough time to maintain an active ASARE. It is therefore recommended that few successful trainees that continue to be closely and voluntarily associated with the Institute, be identified and nominated in each district to undertake the responsibility of conducting ASARE meetings under the supervision of the Director and Faculty. The meeting frequency can be mandated in the SOP ensuring that they are easily tracked. Making ASARE a trainee-run forum could motivate trainees to actively participate in the meetings towards their own self-interest and development while easing the burden off of RSETI staff.

Post-Training Support – Key Highlights

- Although RSETIs are mandated to follow up every trainee for a period of two years or until they are settled, it was found that less than half (41%) of the trainees were followed-up. Further, there was a positive correlation between follow-up and settlement as more than half of trainees that became employed were followed up whereas, on the other hand, only a quarter of those who have remained unemployed were followed-up.
- Telephone was the mode of follow-up for 28% of trainees. 20% of them reported being followed-up through personal visits, 9% through group meetings and 6% through Whatsapp.
- More than half of the trainees were followed-up up to six months. 29% were followed up between six months and a year, 11% between one and two years, and 5% were followed up more than two years. Majority of them (40%) were followed up once every two to three months. While 35% were followed up once a month and 10% were followed up multiple times in a month, 13% were followed up once a year and 2% once in two years.
- It was observed that in state zones where trainees were followed-up up to six months were followed-up more frequently and vice versa in the zones where trainees were followed-up for up to two years.
- In order to make the process of follow-up more efficient, it is recommended that trainees be followed-up through telephone calls until they are settled. Once settled, self-employed trainees can be followed-up through personal visits which would allow the staff to see how the trainee is running the enterprise and provide guidance if required. Trainees that have not been able to get settled six months after training can be invited to group meetings on campus which can be held quarterly or bi-yearly.
- Majority of those who received handholding services (60%) availed bank and credit linkage, followed by business planning and counselling services (41%).

Post-Training Support – Key Highlights

- 86% of trainees found that the period of follow-up was adequate. 10% found it inadequate because they were unable to establish business or find employment within that period, whereas 7% felt they needed guidance even after follow-up period.
- Overall, 67% of trainees who were followed-up got settled during the follow-up period. Lack of funds to start enterprise was a major reason for trainees not getting settled in this period (21%), followed by lack of capacities such as infrastructure and human resource to start and run an enterprise (10%).
- ASARE was inactive in most RSETIs. Only 10% of trainees reported that they were a part of ASARE. The ASARE provides a forum to trainees to network with each other so that their development continues beyond the follow-up period of two years, and as such, it can enhance the post-training activities undertaken by the RSETI staff. In order to make ASARE more active, it is recommended that ASARE be made a trainee-run forum whereby successful trainees who are closely associated with the Institute be identified in each district and entrusted with the responsibility of conducting quarterly ASARE meetings under the guidance of the Director and Faculty.

Employment History & Current Employment Status



An understanding of the employment history of the respondents is essential to be able to track the change in employment status after training and analyze the impact of the RSETI training on the employment status of trainees. In this chapter, we will be delving into aspects of employment history such as type of employment, number of jobs held and reasons for unemployment. Then we will look at the trainees' employment status immediately after RSETI training with a focus on wage employed trainees, the duration of job search and reasons for delay in job placement.

9.1 Employment Status of Trainees Before RSETI Training

As seen in Table 9.1, it was found that around a quarter of trainees were employed before RSETI training. A majority of them, 77% of them were unemployed. North-Eastern States had the highest percentage of trainees that were employed prior to RSETI (40%) whereas the Hilly States had the lowest (17%). When seen gender-wise, overall, only 19% of women were employed as opposed to 39% of men were employed. The North-Eastern States had the highest percentage of women who were employed (40%); it was also equal to the percentage of men that were employed. In the Hilly States, only 2% of women were employed as opposed to 61% of men.

Zone	Overall (%)	Female (%)	Male (%)
Overall [N=4565]	23	19	39
Southern States [N=924]	38	33	56
Western & Central States [N=3040]	17	15	29
Hilly States [N=301]	16	2	61
North-Eastern States [N=300]	40	40	40

Those who were unemployed were further asked if they were looking for employment before RSETI. Table 9.2 shows that **among those who were unemployed, only 17% (15% of women and 27% of men) were seeking employment before enrolling in RSETI.** The Southern States had the highest percentage of trainees who were seeking employment (36%) whereas only 3% in the Hilly States were seeking employment.

Zone	Overall (%)	Female (%)	Male (%)
Overall [N=3526]	17	15	27
Southern States [N=574]	36	34	48
Western & Central States [N=2518]	14	12	25
Hilly States [N=253]	3	2	7
North-Eastern States [N=181]	31	35	15

It is established through many studies that women face many hurdles in accessing employment. Socio-cultural norms prevent them from taking up education reducing their chances of gaining employment. Moreover, restrictions on their ability to travel within or beyond their communities also creates roadblocks to seeking employment.

Despite these hurdles, many rural women are part of the work force. The work force participation rate is higher for rural women at 42% as opposed to urban women at 35% (MoSPI, 2017). However, according to the Periodic Labour Force Survey of 2017-18, 93% of rural women were in informal employment as opposed to 77% of urban women. It is also significant to note that women tend to underreport their engagement in economic activities, which may be a reason for such a high percentage of women respondents being neither employed or looking for employment.

9.1.A Employment Type Prior to RSETI Training

Half of the previously employed trainees who enrolled in RSETI had prior experience in self-employment, whereas a quarter of them were engaged in wage or salaried permanent employment and another quarter in wage or salaried temporary employment. Hilly States had the largest percentage of trainees engaged in self-employment (62%) whereas the Southern States had the lowest (40%). The same is shown in Table 9.3.

Zone	Self-Employment (%)	Wage Permanent Employment (%)	Wage Temporary Employment (%)
Overall [N=1039]	51	24	25
Southern States [N=350]	40	25	35

Table 9.3: Distribution of Trainees According to Type of Employment Before RSETI			
Zone	Self-Employment (%)	Wage Permanent Employment (%)	Wage Temporary Employment (%)
Western & Central States [N=522]	59	24	17
Hilly States [N=48]	62	8	30
North-Eastern States [N=119]	41	24	35

When seen according to gender, overall, 52% of women and 48% of men were self-employed before training. The Western & Central States had the highest percentage of female trainees who were self-employed before training (62%) whereas the Southern States had the lowest percentage (39%). In the North-Eastern States, a higher percentage of female (46%) than male (22%) respondents were previously self-employed. This is depicted in Table 9.4.

Table 9.4: Distribution of Trainees According to Gender & Type of Employment Before RSETI				
Zone	Gender	Self-Employment (%)	Wage Permanent Employment (%)	Wage Temporary Employment (%)
Overall [N=1039]	Female	52	21	27
	Male	48	29	23
Southern States [N=350]	Female	39	23	38
	Male	42	31	27
Western & Central States [N=522]	Female	62	20	18
	Male	53	32	15
Hilly States [N=48]	Female	60	40	0
	Male	62	4	33
North-Eastern States [N=119]	Female	46	20	34
	Male	22	37	41

9.1.B Reasons for Unemployment Before RSETI Training

Trainees who were looking for employment prior to RSETI training but were still unemployed were asked about their reasons for unemployment. The top three reasons for unemployment were as follows: **A majority of them, 40% were unemployed because they were unable to secure a job due to lack of work experience.** For 29% of them, family concerns and household responsibilities restricted them from being employed, and for another 29% it was because of a lack of skills that they were unable to secure employment. The reasons for unemployment are listed in Table 9.5.

Table 9.5: Reasons for Unemployment Before RSETI Training (Overall) [N=586]	%
Lack of previous work experience	40
Family concerns and household responsibilities	29
Did not have required skills	29
Lack of opportunity in region	27
Lack of funds to start / sustain enterprise	25
Had not found desired job	24
Had not found job related to field of study	12
Health issues	8
Could not pass job selection process	6
Unable to run enterprise	5
Was studying	4
Willingly unemployed	3

9.2 Employment Status Immediately After RSETI Training

Since the main objective of RSETI is empowering youth to start self-employment, the institutes are mandated by the Ministry of Rural Development to ensure that 70% of trainees undertake entrepreneurship after training. The institutes are allowed 30% of trainees who can take up wage or salaried employment.

In order to track the change in employment status over time, the trainees were asked what was their employment status immediately after RSETI training. **To define this further, the first employment that a trainee engaged in would be considered as their employment status immediately after RSETI training. 20% of trainees overall established a new enterprise after training completion** whereas 11% expanded their existing enterprise. 16% secured wage or salaried employment. However, **over half of them, 53% have remained unemployed after RSETI training till the time of the survey.**

The findings varied among the state groups. Hilly, Western & Central States had the highest proportion of trainees who were unemployed, with more than two-thirds. In the Southern States, 40% of respondents were either wage or salaried employed. The North-eastern States had the highest proportion of self-employed trainees at 31% and the lowest proportion of unemployed respondents at 20%.

Zone	Established New Enterprise (%)	Expanded Existing Enterprise (%)	Secured Wage / Salaried Employment (%)	Has Remained Unemployed (%)
Overall [N=4565]	20	11	16	53
Southern States [N=924]	18	14	40	28
Western & Central States [N=3040]	17	12	8	63
Hilly States [N=301]	16	12	8	63
North-Eastern States [N=300]	31	14	35	20

9.2. A Time Duration of Job Search by Wage Employed / Salaried Trainees

Trainees who undertook wage or salaried employment after training were asked about the duration of their job search. As seen in Table 9.7, half of them started job search within one month of training completion. 28% started job search one to three months after training completion whereas 13% started three to six months after training completion. A small percentage of 3% started looking for a job more than six months after training completion.

Further, 42% of them found a job within one month of starting a job search. For 28% of them, it took two to three months, for 14% it took three to six months. While 9% of jobs found a job between six to nine months, 7% of respondents took more than a year to secure a job.

Those who took more than a year to secure employment were asked about their reasons for delay. The main reasons for delay for those who took over a year to secure a job were that they were not finding a desired job (0.5%), a lack of opportunity in the region (0.4%), low salary in jobs that were being offered (0.3%), family and personal reasons (0.3%). Lack of skills (0.1%) was the least among the reasons for delay in securing job after RSETI training.

	%
Within 1 month	50
1 to 3 months	28
3 to 6 months	14
6 to 9 months	3
9 to 12 months	2
Over a year	3

Table 9.8: No. of Months After Job Search Employment was Secured (Wage Employed / Salaried) [N=712]	%
Within 1 month	42
1 to 3 months	29
3 to 6 months	14
6 to 9 months	6
9 to 12 months	3
Over a year	6

Table 9.9: Major Reasons for Delay in Finding Job (Wage Employed / Salaried) [N=712]	%
Was not finding desired job	0.5
Lack of opportunity in region	0.4
Jobs were offering low wages / salary	0.3
Family / personal reasons	0.3
Lack of skills	0.1

9.3 Current Employment Status

A little more than quarter of trainees surveyed were currently self-employed at the time of the survey (including those who were self-employed before RSETI training and expanded their enterprise afterwards) whereas 13% of them were wage or salaried employed. 3% of respondents were engaged in both self-employment as well as wage employment (either part time or seasonal). A majority of them, **58% of respondents were unemployed. There was an increase in 5% of unemployed trainees from the time of training completion to current status.**

When seen according to the zones, the trends were similar to employment trends immediately after RSETI training. Around a quarter in the Hilly, Western & Central Indian States were self-employed. North-eastern States had the highest proportion of self-employed respondents at 37%. However, the proportion of unemployed trainees had increased in the North-Eastern States from 20% to 26%. In the South Indian States, the proportion of unemployed persons had reduced from 40% to 33%; states also had the highest proportion of trainees that were engaged in either seasonal or part-time occupation in both self-employment and wage or salaried employment at 9%.

Zone	Self-Employed (%)	Wage Employed / Salaried (%)	Both self and wage employed (%)	Unemployed (%)
Overall [N=4565]	26	13	3	58
Southern States [N=924]	31	27	9	33
Western & Central States [N=3040]	24	7	1	68
Hilly States [N=301]	28	7	1	64
North-Eastern States [N=300]	37	34	4	25

A higher percentage of women (63%) were unemployed as opposed to men (36%). 38% of men were self-employed whereas less than a quarter of women were self-employed. However, the percentage of women who were self-employed was double that of those who were wage or salaried employed. 23% of men were wage or salaried employed. Hilly States had the highest percentage of unemployed women (78%), whereas the North-Eastern States had the lowest percentage of unemployed women (31%).

Zone	Gender	Self-Employed (%)	Wage Employed / Salaried (%)	Both self and wage employed (%)	Unemployed (%)
Overall [N=4565]	Female	23	11	3	63
	Male	38	22	3	37
Southern States [N=924]	Female	25	25	10	40
	Male	49	34	9	8
Western & Central States [N=3040]	Female	23	5	1	71
	Male	29	16	1	54
Hilly States [N=301]	Female	16	5	1	78
	Male	68	14	0	18
North-Eastern States [N=300]	Female	34	32	3	31
	Male	45	40	7	8

9.3.A Reasons for Current Unemployment

Family concerns was the biggest reason for unemployment as cited by 28% of trainees. 88% of those who stated family concerns as a reason were women. Lack of funds to start an enterprise was the second major reason, stated by 19% of respondents. 15% of the respondents stated a lack of opportunity in the region to start an enterprise or to gain employment as a reason for their

unemployment. This was followed by lack of previous work experience, as stated by 14% of respondents, and health-related issues as stated by 8% of respondents.

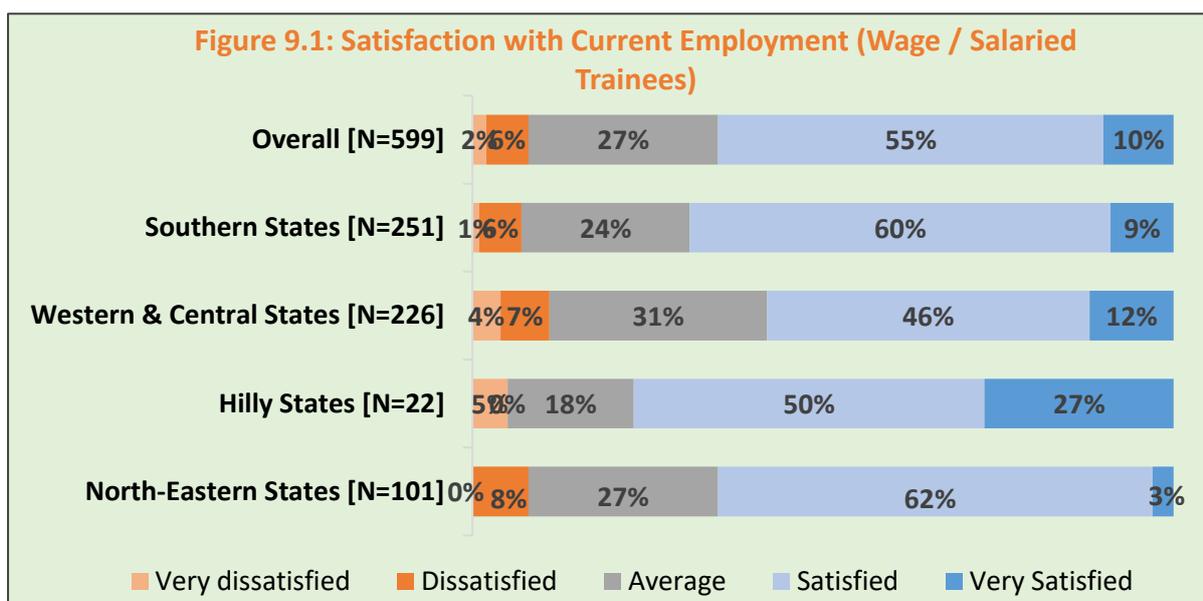
Compared with the reasons for unemployment before joining RSETI, family concerns and lack of previous work experience remained common in both. Lack of funds to start an enterprise had become one of the major reasons for current unemployment suggesting that many trainees who had not considered self-employment prior to RSETI training were considering the same post training. When seen along with the finding that lack of funds was a major reason for trainees to not get settled during the follow-up period and the finding that banking support was one of the RSETI services that trainees were most dissatisfied with, it indicates that credit linkage support provided by RSETIs is still inadequate and is preventing a significant proportion of trainees from establishing enterprises.

Table 9.12: Reasons for Current Unemployment (Overall) [N=4565]	%
Family concerns / household responsibilities	28
Lack of funds to start / sustain enterprise	19
Lack of opportunity in the region	15
Lack of prior work experience	14
Health related issues	8
Further studies	5
Do not have required skills	4
Not found desired job	4
Unable to run enterprise / had to shutdown	3
Not found employment related to field of study	2

9.3.B Satisfaction with Current Employment (Wage / Salaried Employed Trainees)

Although the purpose of RSETIs is to empower trainees to take up self-employment, it can be said that the overarching objective is to ensure that rural unemployed youth are employed and have a means of livelihood. Therefore, the status and well-being of wage or salaried employed trainees would also be an important consideration towards the fulfillment of that objective.

Wage or salaried employed trainees were enquired about the satisfaction level with their current employment. The findings are depicted in Figure 9.1. **A majority of them expressed high satisfaction levels. 55% of them were satisfied and 10% were very satisfied.** Around a quarter of them expressed average levels of satisfaction whereas 8% were either dissatisfied or very dissatisfied. Trainees in the Hilly States were most satisfied (77%), whereas those in the Western & Central States were most dissatisfied (11%).



Low salary was the major reason for dissatisfaction for 6.6% of wage employed / salaried trainees. This was followed by long work hours (2.6%), lack of perks (2%), poor management at workplace (1%) and work not being related to the trainees’ field of study and training (0.8%).

Table 9.13: Reasons for Dissatisfaction with Wage / Salaried Employment (Overall) [N=599]		%
Low salary		6.6
Long work hours		2.6
Lack of perks		2
Poor management		1
Work not related to trainees’ field of study		0.8

9.3.C Major Reasons for Wage / Salaried Employed Trainees Not Opting for Self-Employment

Wage or salaried employed trainees were enquired about their reasons for not opting for self-employment after RSETI training. As seen in Table 9.14, 44% of them did not opt for self-employment because they did not have the capacities such as infrastructure, human resource and so on, to start self-employment. 40% felt that the opportunity was better in the wage or salaried employment whereas another 40% stated that they did not have the needed support system to start self-employment. 17% of them had started self-employment but had to shut down their enterprises because they could not sustain it. A small percentage of 10% trainees were not comfortable with the risks associated with running an enterprise.

Table 9.14: Reasons for Wage / Salaried Employed Trainees to Not Opt For Self-Employment (Overall) [N=599]	%
Did not have capacities to start self-employment	44
Felt that opportunity was better in wage / salaried employment	40
Did not have enough external support for self-employment	40
Started self-employment but could not sustain it	17
Was not comfortable with the risk of starting enterprise	10

Employment History and Current Employment Status – Key Highlights

- More than three-fourths of the trainees (77%) were unemployed before enrolling in RSETI. A higher percentage of women (81%) than men (61%) had been unemployed. Further, only 17% of those who were unemployed were actively seeking employment before enrolling. These findings show that although the majority of the candidates that the RSETIs enrolled were unemployed, conforming with the SOP, many of them were not actively seeking employment suggesting that perhaps a large percentage of trainees who were enrolled in RSETI were not inclined towards employment.
- Lack of previous work experience (40%), followed by family concerns and household responsibilities (29%), and lack of skills (29%) were the three major reasons for unemployment among trainees who were seeking employment before RSETI.
- Among those who were employed before enrolling in RSETI, an almost equal proportion of them were engaged in self-employment and in wage employment which meant that half of them came with prior experience in entrepreneurship.
- When trainees were enquired about their employment status immediately after training, 53% stated that they had remained unemployed till the time of the survey indicating that the percentage of unemployed persons had decreased by 23% before and immediately after training. 19% had established a new enterprise, 11% had expanded an existing enterprise and 16% had secured wage or salaried employment soon after RSETI training.
- Overall, the percentage of unemployed persons had increased by 5% from the time of training completion to current status. More women (63%) as opposed to men (37%) were currently unemployed. However, the percentage decrease in unemployment when comparing before training and current status showed that there was not a significant difference between genders. Unemployment among women had decreased by 20% and among men by 24%. This shows that although the rate of unemployment was generally higher among women, when empowered with skill training, an almost equal proportion of women and men had strived to secure employment.

Employment History and Current Employment Status – Key Highlights

- Family concerns and household responsibilities was the biggest reason for unemployment (28%). 88% of those who stated family concerns as a reason were women, making it a major barrier for them to pursue employment. During FGDs, women evidently preferred to be engaged in employment which allowed them to work from home. Therefore, trades like beauty parlour, tailoring, achar and papad making, agarbatthi making and embroidery were most preferred by them.
- More than three-fourths of the trainees (77%) were unemployed before enrolling in RSETI. A higher percentage of women (81%) than men (61%) had been unemployed. Further, only 17% of those who were unemployed were actively seeking employment before enrolling. These findings show that although the majority of the candidates that the RSETIs enrolled were unemployed, conforming with the SOP, many of them were not actively seeking employment suggesting that perhaps a large percentage of trainees who were enrolled in RSETI were not inclined towards employment.
- Lack of previous work experience (40%), followed by family concerns and household responsibilities (29%), and lack of skills (29%) were the three major reasons for unemployment among trainees who were seeking employment before RSETI.
- Among those who were employed before enrolling in RSETI, an almost equal proportion of them were engaged in self-employment and in wage employment which meant that half of them came with prior experience in entrepreneurship.
- When trainees were enquired about their employment status immediately after training, 53% stated that they had remained unemployed till the time of the survey indicating that the percentage of unemployed persons had decreased by 23% before and immediately after training. 19% had established a new enterprise, 11% had expanded an existing enterprise and 16% had secured wage or salaried employment soon after RSETI training.

Self-Employed Trainees

10

As the findings showed earlier, only 26% of the trainees (23% of women and 38% of men) were currently self-employed. Around half of these trainees had been entrepreneurs before joining RSETI and the other half started self-employment after the training. This chapter delves into their reasons to take up entrepreneurship, the number of enterprises that they were running, time span of starting enterprise after training completion, the sector of their enterprise, and whether the core activity is related to RSETI training. In order to assess the sustainability of the enterprises, this chapter would also provide a snapshot of the financial aspects of the enterprise such as the investments made, sources of investment, details of bank loans and indicators of business performance such as average monthly income, expenditure and profits. Indicators such as employment of other persons, scope for increasing scale of operations, major business challenges and the external support required for the business would be evaluated to consider the growth potential of these enterprises.

10.1 Major Reasons for Choosing Self-Employment

Knowledge of the main reasons for trainees to choose self-employment provides insights into the motivation and expectations of potential candidates. Since RSETIs are expected to ensure that ninety percent of the trainees that complete training start their own enterprises, these insights would be useful in targeting candidates for enrolment and further tailoring the courses to the needs of trainees in order to achieve better settlement targets.

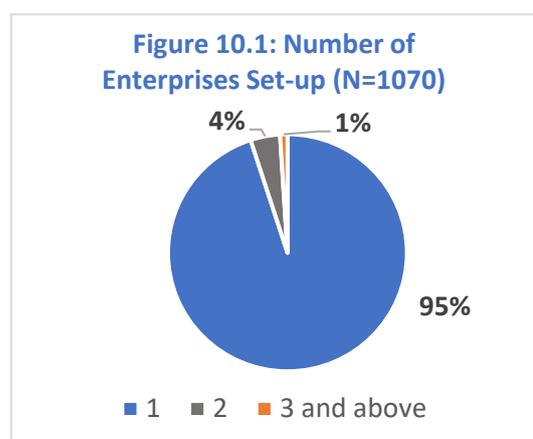
Table 10.1 shows that a significant majority, **81% of trainees that started an enterprise chose self-employment because they wanted to do home-based work / work in proximity to their place of residence. 75% of them were women. 34% chose self-employment because they had prior experience and keen interest in the chosen activity and wanted to start an enterprise in that trade.** As seen earlier as well, personal interest was the main reason for choosing a course suggesting that interest in the activity / trade played a big role not only in course selection but also in the desire to be self-employed. Inability to find a job was a reason for 27% of the trainees. 23% were not satisfied with their previous jobs and therefore chose self-employment. 21% stated that their families had a background in business which motivated them to take up entrepreneurship as well. For 10%, availability of raw material in the region was a factor for them to take up entrepreneurship.

Table 10.1: Reasons for Choosing Self-Employment (Overall) [N=1103]	%
Wanted to do home-based work / work in proximity to residence	81
Had experience and keen interest in chosen activity and wanted to start an enterprise in that trade	34
Was unable to get into wage / salaried employment	27
Was not satisfied with wage / salaried employment	23
Family background in business	21
Availability of raw material in region	10

As mentioned earlier, during FGDs many women entrepreneurs stated that they chose trades such as beauty parlour, tailoring, agarbatthi making, and so on, which would allow them to work from home. On the other hand, family concerns and household responsibilities was a major reason for women to be unemployed. This suggested that women were inclined more towards entrepreneurship than wage employment, particularly in trades or activities that could be taken up from their homes since they were bound by social norms which restricted their movement outside.

10.2 Number of Enterprises Set-up

A large majority of trainees, 95% of them had started and were running a single enterprise whereas 4% were running two enterprises and 1% were running three or more enterprises. The same is depicted in Figure 10.1.



Majority (85%) of those who were running more than one enterprise were those who had become entrepreneurs after RSETI training. This is significant to note as it informs us that RSETIs have the potential to instill the spirit of entrepreneurship among trainees to an extent that they are able to start and run multiple enterprises.

10.3 Whether Operations are Full-Time or Part-Time

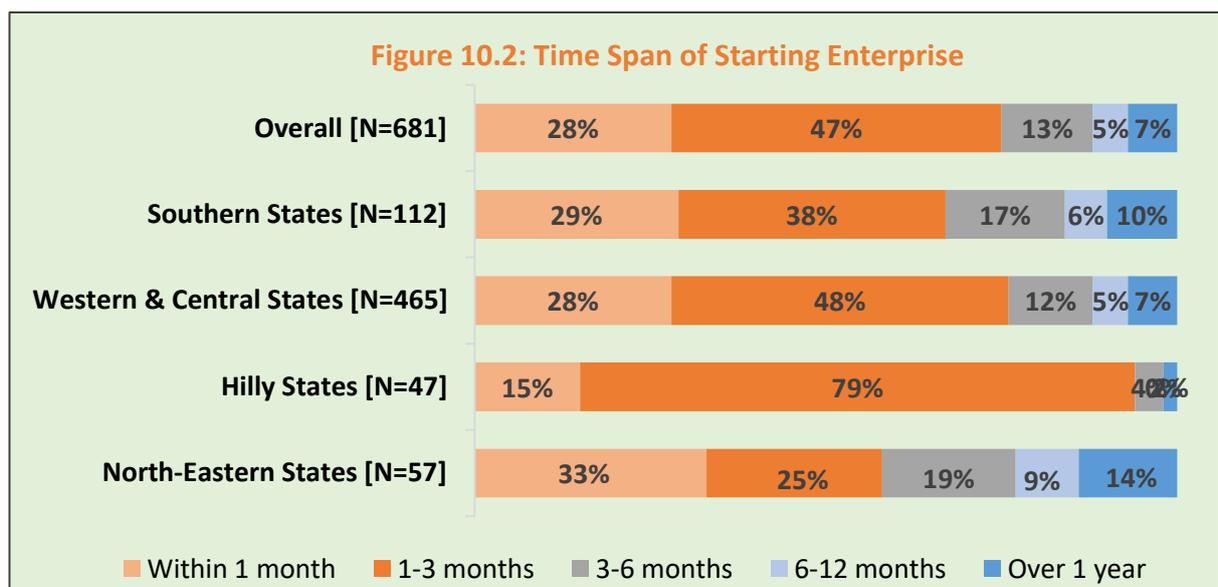
Table 10.2 shows that **64% of trainees were running full-time and 36% were running part-time operations.** This indicator was further cross-tabulated with gender and it was found that 44% of women and 13% of men were running part-time operations. A possible reason for women being more inclined to run part-time operations could be that they had additional household responsibilities and chose to work whenever time permitted.

Table 10.2: Distribution of Enterprises According to Full-Time & Part-Time Operations		
Zone	Full-Time (%)	Part-Time (%)
Overall [N=1103]	65	35
Southern States [N=217]	86	14
Western & Central States [N=712]	53	47
Hilly States [N=83]	88	12
North-Eastern States [N=91]	74	26

With over 85%, Hilly and Southern States had the highest percentage of trainees running full-time operations. This was followed by around three-fourths of trainees in the North-Eastern states running full-time operations. Western & Central States had the lowest percentage of trainees running full-time operations at 54%.

10.4 Time Span of Starting Enterprise

The time span of trainees to set up enterprises after training is depicted in Figure 10.2. **Majority of the trainees that established new enterprises, set-up their enterprises within the first few months of training completion. While a little more than a quarter set it up within the first month of training completion, nearly half of them set it up between one and three months.** 7% of trainees took more than a year to set up their enterprise. A significant majority of trainees in the Hilly States, 94% of them set up their enterprise within the first three months. Trainees in the North-Eastern States took the longest time compared to other zones. 14% of trainees in these states set-up their enterprise one year after training.



The agility displayed in the setting up of majority of the enterprises was a positive sign as it suggested that these trainees were inspired to actively pursue entrepreneurship and had the needed

support to do so. Trainees who took more than a year to set-up their enterprise were asked for the reasons for delay in the same. As seen in Table 10.3, **majority of trainees (5.5%) stated that a lack of funds was the reason that they started their enterprise after a year.** This was followed by a lack of capacities such as infrastructure, human resources and so on, to which delayed the starting of enterprise (2.7%), followed by lack of opportunities in the region (1.7%), family or personal reasons (1.6%), lack of external support (1.4%), ‘was not an ideal time to start enterprise’ (1%), and a lack of skills (0.5%).

	%
Lack of funds to start enterprise	5.5
Lack of capacities to start enterprise	2.7
Lack of opportunities in region	1.7
Family / personal reasons	1.6
Lack of external support (from RSETI, banks, etc.)	1.4
Time was not ideal to start enterprise	1
Lack of skills	0.5

10.5 Sector of Enterprise

Overall, the **sector of enterprises being run by trainees were somewhat equally distributed among agriculture and allied activities, manufacturing and service; manufacturing had the highest percentage of enterprises.** In all zones except Western & Central India, a majority had started an enterprise in the service sector. This was around 50% in the Southern and Hilly States. The North-Eastern States had the highest percentage of enterprises in agriculture and allied activities.

Zone	Agriculture & Allied Activities (%)	Manufacturing (%)	Service (%)
Overall [N=1103]	33	35	32
Southern States [N=217]	34	17	49
Western & Central States [N=712]	35	42	23
Hilly States [N=83]	8	37	53
North-Eastern States [N=91]	40	17	42

10.6 Core Activity of Enterprise Related to RSETI Course

Trainees were enquired about whether the core activity of their enterprise was related to the RSETI course that they had undertaken. **Table 10.5 shows that a significant majority of 83% overall had set up an enterprise in the same trade as the RSETI course.** This suggests that majority of the trainees

were purposeful in the courses that they chose or were guided to choose at the time of enrolment, and did not consider RSETI training as just a skill-training program where they learnt a new skill but rather a skill that they could begin or continue self-employment in. The Hilly States had the largest percentage of trainees (93%) who were running enterprises related to RSETI course and the Western & Central and North-Eastern States had the lowest (82%).

Zone	%
Overall [N=1103]	83
Southern States [N=217]	86
Western & Central States [N=712]	82
Hilly States [N=83]	93
North-Eastern States [N=91]	82

As seen in Table 10.6, 8.3% of those who were running a business in a trade unrelated to RSETI training were doing so because they were unable to establish a business in the latter. 5.8% of them felt that the scope was better in the chosen activity and the rest felt that the skills they learnt during training were better suited to their chosen activity.

	%
Could not establish business / find employment in activity related to training	8.3
Felt that scope was better in chosen activity	5.8
Felt that skills learnt during training were better suited to chosen activity	1.2

51% of those whose core activity was not related to RSETI were entrepreneurs before RSETI training and had expanded their existing enterprise. 49% of them were new entrepreneurs. This points to the fact that some of the trainees who had no prior experience in business, felt confident enough to start an enterprise in a trade unrelated to the course after the training.

10.7 Investments Made in Enterprise

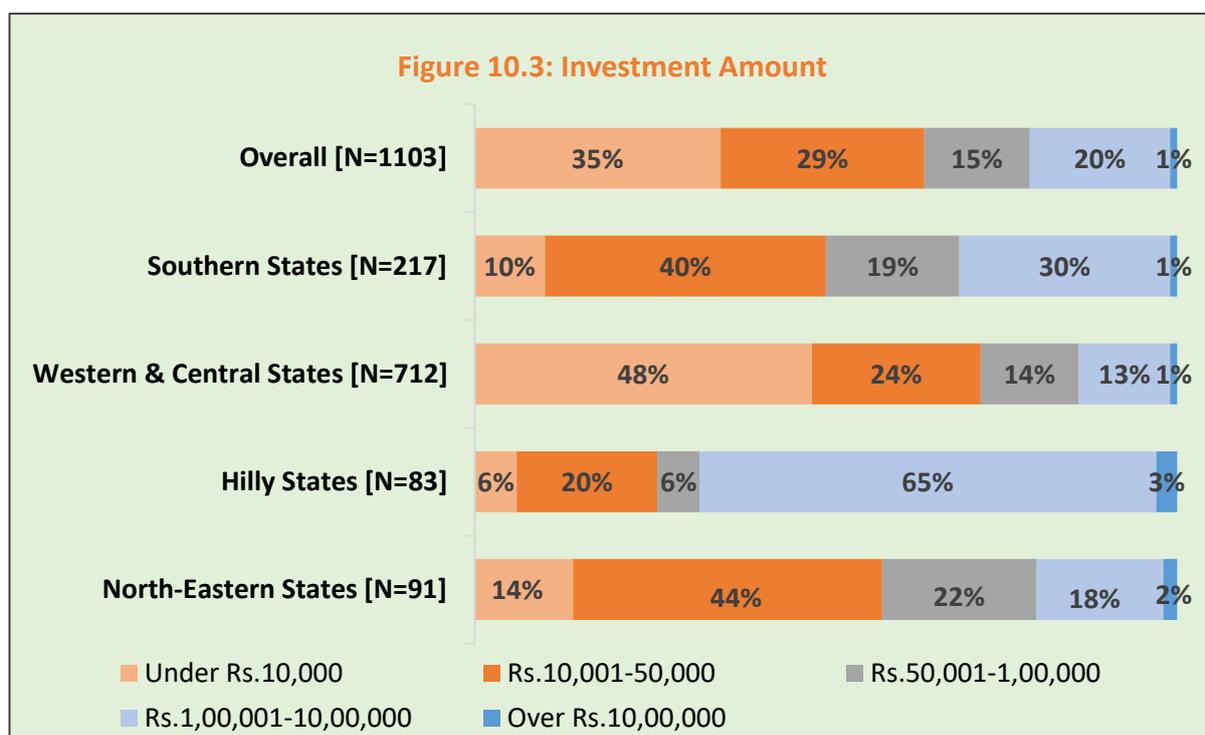
Business investment is the spending by businesses on physical capital such as raw material, rent for office spaces or workshops, salaries, and so on. Investment is essential to start and grow enterprises as they help build up physical capital which increase the capacity of businesses to produce goods and services.

10.7.A Investment Amount

Majority of the trainees who were or became entrepreneurs after RSETI training were running micro or small enterprises as most of them had made relatively small investments. Overall, around

a third of them had invested less than Rs.10,000 and almost another third had invested Rs.10,000 to Rs.50,000. Only 1% of trainees had invested more than Rs.10,00,000.

The Hilly States had the highest percentage of trainees that had made large investments, with 68% of them having invested over Rs.1,00,000. Those in the Western & Central States had made relatively smaller investments. Nearly half of them had invested less than Rs.10,000 and a quarter between Rs.10,000 and Rs.50,000.



10.7.B Sources of Investment

As represented in Table 10.7, a significant majority of trainees (82%) had used their own funds for investment into their enterprise. The second-most relied upon source of investments were bank loans. Around a quarter of the trainees had relied on bank loans whereas 10% relied on informal loans. 2% of trainees were helped by their respective RSETIs (some RSETIs provided equipment such as tailoring machines to trainees) or availed their investment amounts from government subsidies such as National Bank for Agriculture and Rural Development. **83% of trainees relied on a single source of investment whereas 17% relied on multiple sources.**

Table 10.7: Percentage of Enterprises by Sources of Investment (Overall) [N=1173]	%
Own funds	82
Bank loans	23
Informal loans from family, friends, SHGs	10
Other sources such as RSETI, government subsidies	2

When seen zone-wise, trainees from all zones except the Hilly States relied on their own funds for investment. Western & Central States had the highest percentage of trainees that relied on their own funds (91%). **In the Hilly States, majority of them (65%) relied on bank loans** whereas the rest used their own funds. The Southern States had the second highest percentage of trainees that relied on bank loans (37%).

Table 10.8: Percentage of Enterprises by Sources of Investment (Southern States) [N=217]		%
Own funds		76
Bank loans		37
Informal loans from family, friends, SHGs		12
Other sources such as RSETI, government subsidies		6

Table 10.9: Percentage of Enterprises by Sources of Investment (Western & Central States) [N=712]		%
Own funds		90
Bank loans		15
Informal loans from family, friends, SHGs		9
Other sources such as RSETI, government subsidies		0

Table 10.10: Percentage of Enterprises by Sources of Investment (Hilly States) [N=83]		%
Bank loans		65
Own funds		37
Informal loans from family, friends, SHGs		0
Other sources such as RSETI, government subsidies		0

Table 10.11: Percentage of Enterprises by Sources of Investment (North-Eastern States) [N=91]		%
Own funds		74
Informal loans from family, friends, SHGs		22
Bank loans		20
Other sources such as RSETI, government subsidies		11

10.7.C Major Reasons for Not Availing Bank Loans

RSETIs are unique from other skill training programs because they are run and managed by lead district banks. This organizational arrangement makes facilitation of bank loans more convenient and accessible to budding entrepreneurs. At least 50% of trainees that start self-employment are said to

be facilitated bank loans through RSETIs. However, it was found through the study that only 23% of trainees that were running enterprises had availed bank loans to start their enterprise.

When enquired about the reasons for not availing bank loan, difficulty in accessing loan was cited as the major reason by 27% of trainees. 26% of them stated that they did not require bank loan either because they used their own savings or because they sought informal loans from family, friends and SHGs, whereas another 26% stated that they lacked awareness with regard to accessing loans. Complicated procedure of applying for loan (20%) and difficulty in arranging documents (19%) were also some of the other reasons for not applying for loans. 13% of the trainees applied for loan but were rejected. This is represented in Table 10.12.

Table 10.12: Reasons for Not Availing Bank Loans (Overall) [N=844]	%
Difficulty in accessing loan	27
Loan not required	26
Lack of awareness	26
Difficult and complicated procedure	20
Difficulty in arranging documents	18
Applied for loan but it was not approved	13
Time taking process	9
Was not getting adequate amount of loan	5

According to RSETI directors, trainees that require investment amounts up to one lakh rupees generally do not apply for loans. In such cases they invest either from their own funds or by taking informal loans from their family and friends. Moreover, women generally avail loans through SHGs and therefore do not apply for formal credit through banks.

10.7.D Major Reasons for Non-Approval of Bank Loan

Trainees that had applied for loans but were not approved were asked about the reasons for the same. **More than half of the trainees' loan applications (56%) were rejected because they were first time loan applicants** although this should have been a non-issue due to management of RSETIs by sponsor banks and the recommendation by RSETI Directors for loan sanctioning. 22% of them were rejected because of incomplete documents and 20% due to insufficient cash flow or the lack of collateral. Lack of good business plan was a reason for 9% and high-risk business was the reason for another 9%. 7% of applications were rejected due to poor loan repayment history and another 7% due to existing debt.

Table 10.13: Reasons for Non-Approval of Bank Loans (Overall) [N=107]	%
First time loan application	56
Incomplete documents	22

Table 10.13: Reasons for Non-Approval of Bank Loans (Overall) [N=107]	%
Insufficient cash flow / lack of collateral	20
Lack of a good business plan	9
High risk business	9
Poor loan repayment history	7
Existing debt	7

10.7.E RSETI's Assistance in Facilitating Bank Loans

Micro and small entrepreneurs face tremendous challenges in availing loans from the banking system in the country. RSETIs are designed to help such entrepreneurs overcome this challenge through ease of loan facilitation from not just the sponsor banks but other banks as well. The Director of the RSETI, who is a former bank manager, plays a major role in facilitating bank loans to trainees.

Trainees who had availed bank loans were enquired whether the RSETI had facilitated that loan to them. **Around three-fourths overall (76%) had availed bank loans with the help of RSETI.** 100% of the trainees that availed loans in the Hilly States had been facilitated loans. Southern States had the lowest percentage, 67% of trainees that had availed loans through RSETI.

Table 10.14: Percentage of Trainees Facilitated Bank Loans by RSETI	%
Overall [N=259]	76
Southern States [N=81]	67
Western & Central States [N=106]	72
Hilly States [N=54]	100
North-Eastern States [N=18]	72

Apart from being assisted with loan facilitation, trainees were also taught important aspects of banking in the banking components of the training such as maintenance of CIBIL score, conducting transactions, availing subsidies. They were encouraged to apply for loans on their own and were provided assistance by Directors when they faced challenges.

10.7.F Time Taken by Banks to Process Loans

An efficient loan process is critical to small and micro entrepreneurs as it enables them to start their businesses without delay. It also prevents them from seeking out other informal loans wherein the interest rates may be high.

Trainees were asked about the time taken by the banks to process loans. **It was found that for a majority of them, the process was quick. Loans were processed within a week of application to three-fourths of trainees.** For 18%, it was processed within 15 days while for 6% it took more than 15 days.

Table 10.15: Time Taken by Banks to Process Loans (Overall) [N=259]	%
Within 7 days of application	76
Within 15 days of application	18
Within 30 days of applications	3
More than 30 days of application	3

10.7.G Repayment of Loans

The ability to repay loans within the designated term speaks to the ability of the entrepreneurs to manage the finances of their enterprise, and to some extent it points to the health of the enterprise. The trends in repayment of loans by trainees from a particular RSETI can also have an impact on future lending by banks.

When asked if their loan tenure was completed, 70% of the trainees stated that it was completed. It was 56% in the Southern States, 75% in the Western & Central States, 85% in the Hilly States and 61% in the North-Eastern States. The same is represented in Table 10.14.

Trainees that stated that their loan term was completed were further asked if they had completed the repayment of their loans. As seen in Table 10.15, **a large majority, 93% overall had repaid their loans denoting the financial capacity and the health of their enterprises.** In the Hilly and North-Eastern States, 100% had repaid their loans whereas it was 90% and 83% in the Western & Central States, and the Southern States respectively.

Those trainees that had not repaid their loans despite the completion of their loan tenure were asked about the reasons for the same. As represented in Table 10.16, 3.4% of them were facing high business expenditures and 2.7% were facing high personal expenditures. 1.9% had not repaid their loans because they were undergoing some kind of financial distress whereas, for another 1.9%, their businesses were not giving enough returns to repay the loans.

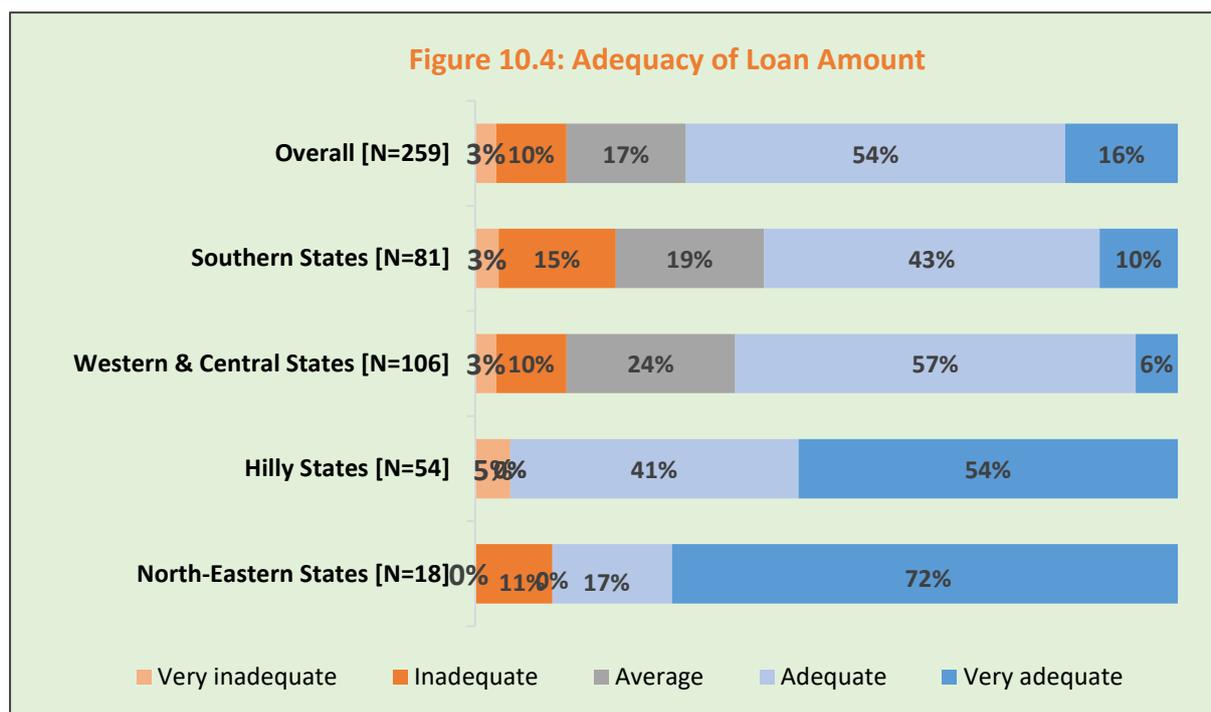
Table 10.16: Percentage of Trainees that had Completed Loan Tenure	%
Overall [N=259]	70
Southern States [N=81]	56
Western & Central States [N=106]	75
Hilly States [N=54]	85
North-Eastern States [N=18]	61

Table 10.17: Percentage of Trainees that Had Repaid Loans	%
Overall [N=176]	93
Southern States [N=45]	89
Western & Central States [N=74]	90
Hilly States [N=46]	100
North-Eastern States [N=11]	100

Table 10.18: Reasons for Non-Repayment of Loans (Overall) [N=259]	%
High business expenditures	3.4
High personal expenditures	2.7
Financial distress	1.9
Business not giving enough returns	1.9

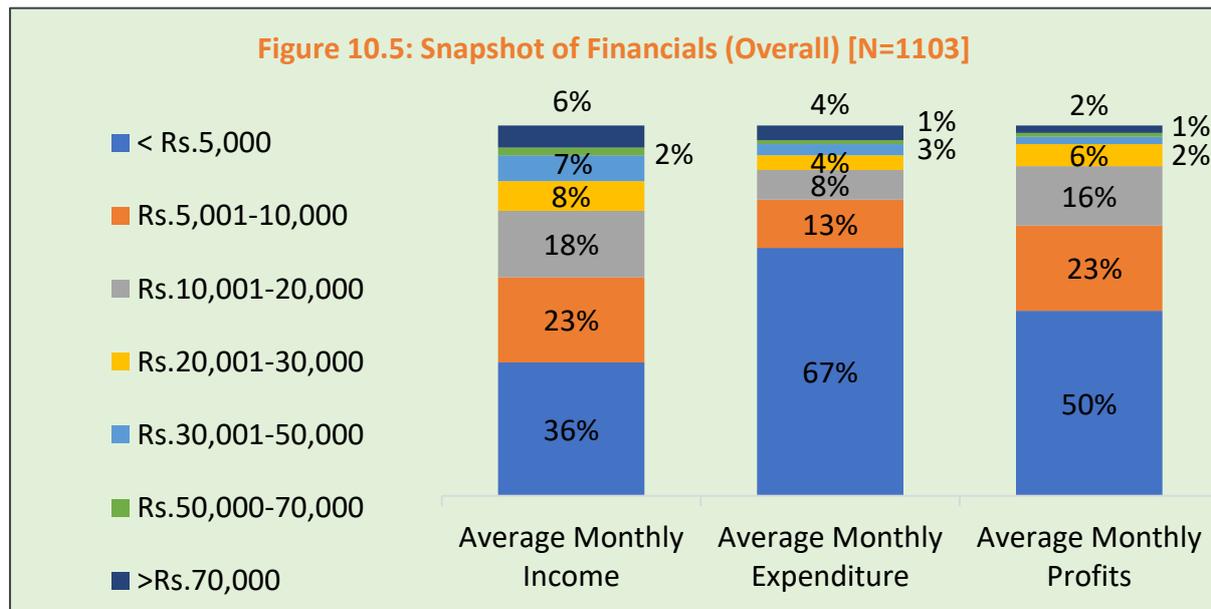
10.7.H Adequacy of Loan Amount

Figure 10.4 depicts trainees' satisfaction with the bank loan amount. **Trainees that availed loans were asked whether they felt that the loan amount was adequate. Overall, 54% felt that it was adequate and 17% felt that it was very adequate.** Another 17% felt that it was average, whereas 12% felt that it was inadequate. Trainees in the North-Eastern and Hilly States were most satisfied with the loan amount. While 72% felt that it was very adequate in the former, it was 54% in the latter. Trainees in the Southern States were most dissatisfied with 15% stating that it was inadequate and 3% stating that it was very inadequate.



10.8 Business Performance

One of the prime objectives of RSETI is to not only facilitate and support trainees to start self-employment but also to ensure that their businesses are sustainable. In order to assess the financial viability of the trainees' enterprises, they were enquired about their business performance in terms of average monthly income, average monthly expenditures, major sources of expenditure and average monthly profits for the financial year 2021-2022. Since most of the trainees were small entrepreneurs, they did not possess financial records for their enterprises and were able to provide the average figures by mentally recalling the same.

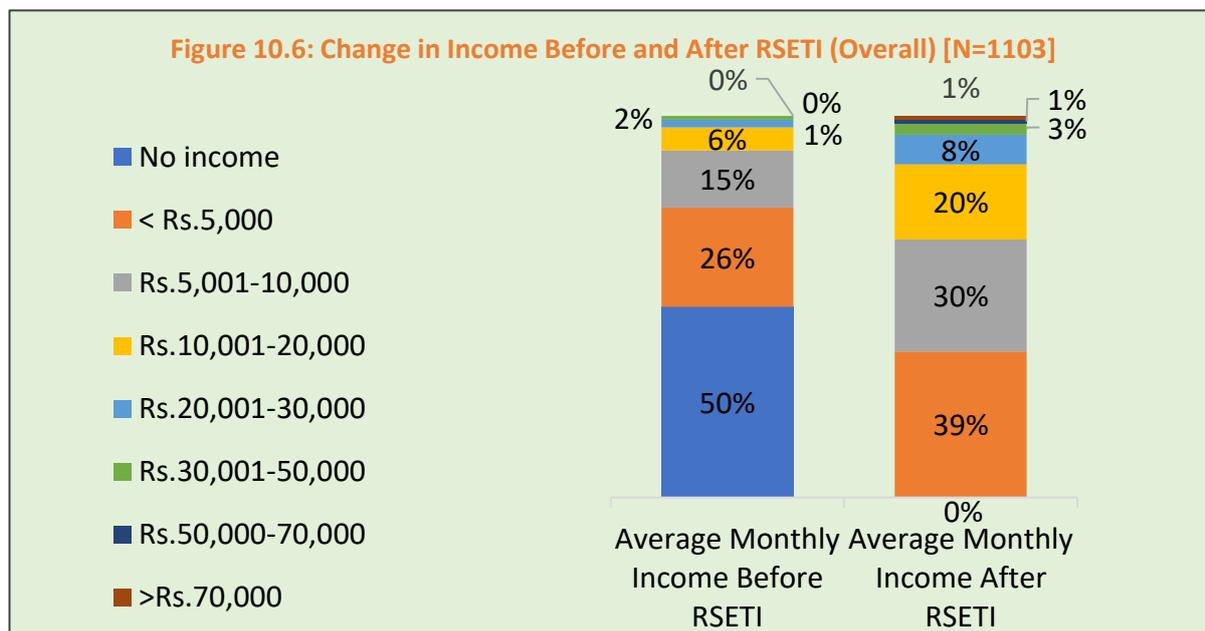


The overall findings are depicted in Figure 10.5. More than half of the trainee's income was under Rs.10,000. Around a quarter of them had an income between Rs.10,000 and Rs.30,000. 6% had an income over Rs.70,000. More than three-fourths of the trainees had an average monthly expenditure below Rs.10,000, and also had an average monthly profit below Rs.10,000. A small percentage were earning income (8%), and profits (3%) exceeding Rs. 50,000.

The findings showed that the scale of business of majority of the trainees was relatively small. While most enterprises fell into the bracket of micro and small enterprises, a few did not. Most businesses were set up in the last five years and may not have had the time to expand. Although the income was greater than the expenditure indicating that most businesses were profitable, one-third of them had an income, and half of them had profits under Rs. 5000 which was low in terms of sustaining livelihoods.

However, as seen in Figure 10.6, there was a significant and positive change in income of self-employed trainees before and after RSETI. While more than half of them did not have any income pre-training, all of them had an income post-training. Further, the percentage of trainees with an income bracket of Rs. 5,000 to 10,000 had doubled, and those in the bracket of Rs. 10,000 to 20,000 had tripled. It was also found that while 50% of the enterprises had an average profit of under Rs.5,000, only 37% of entrepreneurs had a personal monthly income under Rs.5,000. A possible

explanation for this could be that many of those whose earnings from business was inadequate to make ends meet, had multiple sources of income which eased the burden.



Trainees in the Southern, Western & Central States had the lowest profits with over half of them earning below Rs.5000. Trainees in the North-Eastern, Western & Central States had the lowest expenditures with around three-fourths of them having an average expenditure of below Rs.5000. In the Hilly States, profits were the highest with 40% earning between Rs.10,000 and Rs.20,000, and around a quarter of them earning between Rs. 20,000 and Rs.30,000.

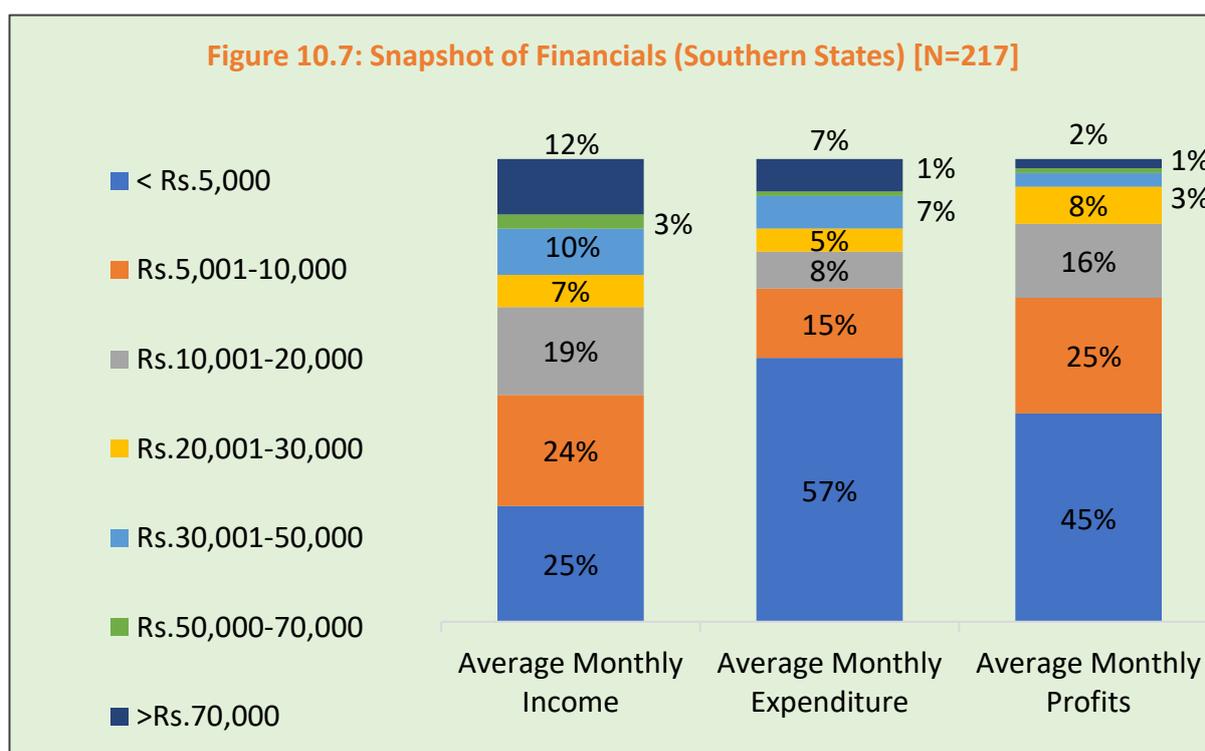


Figure 10.8: Snapshot of Financials (Western & Central States) [N=712]

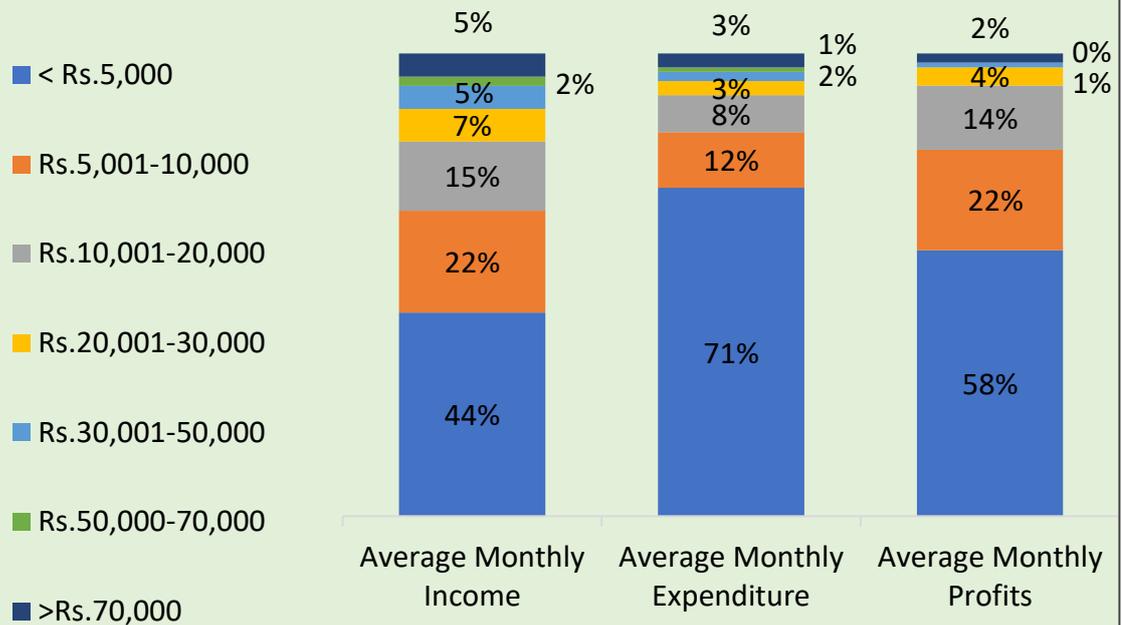
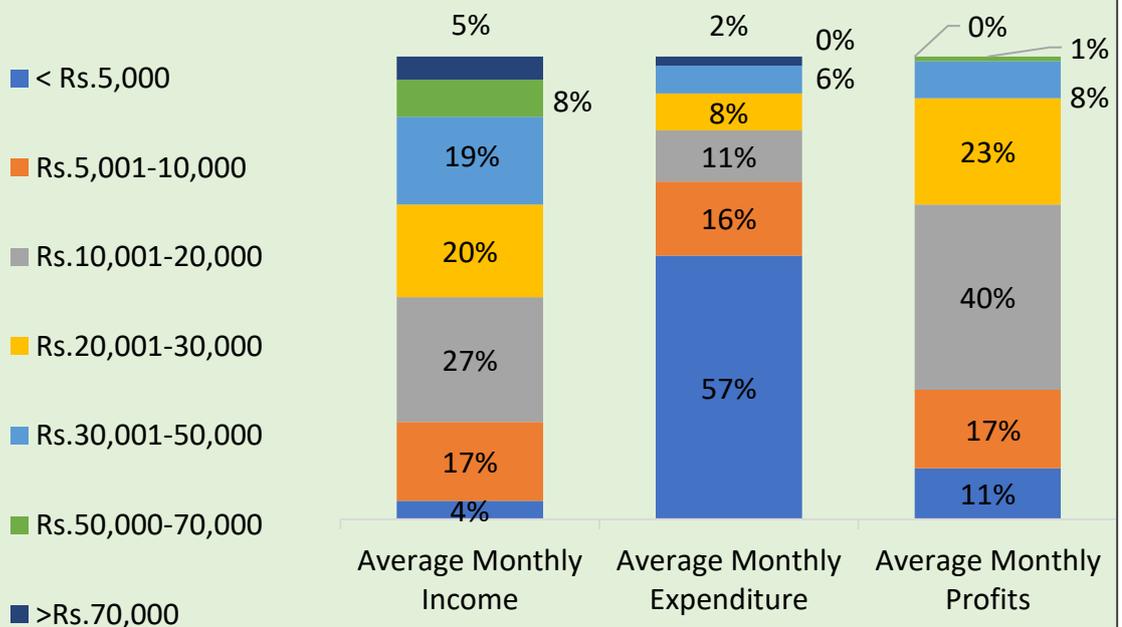
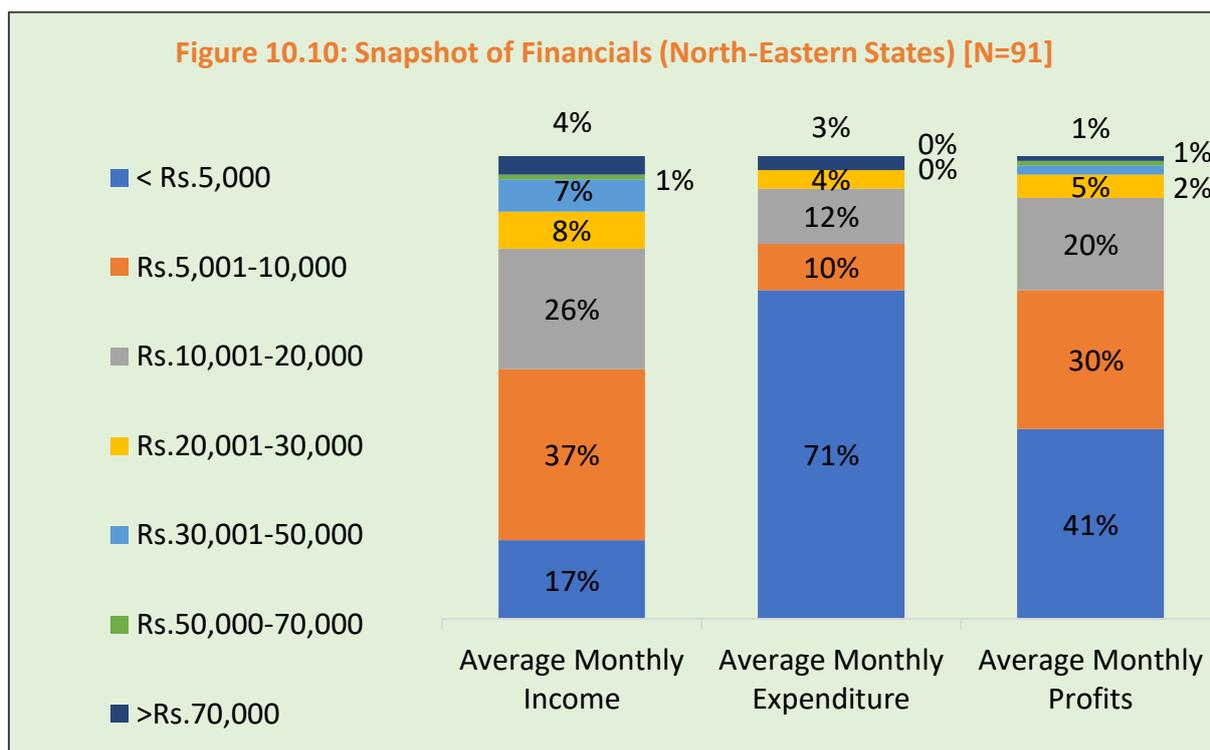


Figure 10.9: Snapshot of Financials (Hilly States) [N=83]





Raw materials were the major source of expenditure overall, constituting one-third of the total expenses. A possible reason for this could be that around two-thirds of enterprises were in the agriculture and manufacturing sectors, where the requirement on raw materials is higher than it is for service-related business as inputs for production.

This followed by salaries (28%), rent and loan repayments (12% each) as sources of expenditure. Although only 31% of the enterprises had employed other persons as can be seen in the next section, the proportion of expenditure that stems from payment of salaries is generally high making it a possible reason for salaries to be the second-largest source. **Marketing formed 9% of the total expenses. Maintenance and repairs were the lowest source of expenditure (6%).**

In the Southern States, raw materials formed more than half of the total expenses. Salaries (14%) and rent (13%) were the second and third largest sources. Marketing was the lowest (2%). However, in the Hilly, North-Eastern, Western & Central States, salaries were the highest source of expenditure and raw materials was the second highest. There were no expenditures incurred under marketing in the Hilly and North-Eastern states. Loan repayment was the highest in the North-Eastern States.

Zone	Rent (%)	Raw Materials (%)	Salaries (%)	Maintenance & Repairs (%)	Loan Repayments (%)	Marketing (%)
Overall [N=1103]	12	33	28	6	12	9
Southern States	13	54	14	6	11	2

Table 10.19: Proportion of Different Sources of Expenditure						
Zone	Rent (%)	Raw Materials (%)	Salaries (%)	Maintenance & Repairs (%)	Loan Repayments (%)	Marketing (%)
[N=217]						
Western & Central States [N=712]	11	20	46	6	9	8
Hilly States [N=83]	15	15	45	7	18	0
North-Eastern States [N=91]	8	22	39	6	25	0

10.9 Employment Generation through Enterprises Set-up by Trainees

An entrepreneur's ability to employ other persons in the enterprise is a marker of the scale of operations, and to some extent, it's success. **As seen in Table 10.18, 30% of trainees overall had employed other persons.** This was highest in the Hilly States (37%) and the lowest in the Southern States (20%). Two-thirds of the trainees overall had employed up to 2 persons, 11% had employed 3-5 persons and 6% had employed more than 5 persons.

While the proportion of enterprises that have employed others may seem low, it should be considered with the fact that these are enterprises that are operating at a very small scale as is evident from the snapshot of the financials. Salaries was the largest expense in most of the zones and therefore, it could be a possible deterrent to entrepreneurs from incurring that expense. Further, most of these enterprises were started in the last five years and may not have had the time to grow enough to employ other persons.

Interestingly, 9% of self-employed trainees had employed other RSETI trainees. This was highest in the Western & Central States at 13% and lowest in the Hilly States at 0. It can be said that the Institutes are in itself a ground for networking and creating potential business contacts. Self-employed trainees may look to the Institutes to hire employees out of familiarity and trust in the quality of training provided to others. On the other hand, those seeking wage or salaried employment may choose to find employment or engage with other trainees who are running enterprises.

10.10 Scope for Increasing Scale of Operations

When enquired if they felt that their enterprises' scale of operations can be increased, a large majority of 85% felt so. The same is represented in Table 10.20.

Table 10.20: Percentage of Trainees that Had Employed Other Persons	%
Overall [N=1103]	30
Southern States [N=217]	20
Western & Central States [N=712]	33
Hilly States [N=83]	37
North-Eastern States [N=91]	25

Trainees in the North-Eastern states were the largest percentage to feel so (98%), whereas those in the Southern, Western & Central States were the smallest percentage (84%). Low scope in the region (10%) was the main reason for trainees to feel that there was no scope. This was followed by high competition (5.4%). 2.5% of the trainees felt that the scale was already high and 2% felt that there was a lack of skilled employees to increase the scale.

Table 10.21: Percentage of Trainees that had Employed Other RSETI Trainees	%
Overall [N=1103]	9
Southern States [N=217]	2
Western & Central States [N=712]	13
Hilly States [N=83]	0
North-Eastern States [N=91]	2

Table 10.22: Percentage of Trainees that Felt There Was Scope for Increasing Scale of Operations	%
Overall [N=1103]	85
Southern States [N=217]	84
Western & Central States [N=712]	84
Hilly States [N=83]	86
North-Eastern States [N=91]	98

Those trainees that felt that the scale of operations could be increased were further asked whether they had any plans of increasing the scale. The findings are represented in Table 10.22. A majority of 84% of the trainees had such plans, with 98% in the North-Eastern States. The major reasons for not having plans to increase the scale, as seen in Table 10.23, were that the trainees lacked the capacity to increase scale (1%), whereas 0.8% were satisfied with the existing scale, and a very small percentage of 0.09% of them felt that it was risky to increase scale.

Table 10.23: Major Reasons for Lack of Scope (Overall) [N=1103]	%
Low scope in region	10
High competition	5.4
Scale of operations already high	2.5
Lack of skilled employees	2

It can be inferred that since most of them had started their enterprises within the last five years, they may still be in the incubation period and may not have had the time to grow. However, the finding that many were not only aware of the potential to grow but also had plans of expansion was an indicator of stability and sustainability of the enterprises.

10.11 Major Business Challenges

Trainees were enquired about the major challenges they faced while establishing and running their business. **The findings showed that despite the assistance of RSETIs in the facilitation of credit linkage, funding remained the biggest challenge for more than half the trainees (58%), across all state-zones. Marketing, business planning & strategy were the second and third biggest challenges overall (29% and 28% respectively).** These findings are presented in Table 10.24.

Table 10.24: Percentage of Trainees that Had Plans to Increase Scale of Operations	%
Overall [N=1103]	84
Southern States [N=217]	81
Western & Central States [N=712]	82
Hilly States [N=83]	84
North-Eastern States [N=91]	98

Table 10.25: Reasons for Not Increasing Scale (Overall) [N=1103]	%
Don't have capacity to increase scale	1
Satisfied with scale	0.8
Risky to increase scale	0.09

In the Southern and Hilly States, competition was the second biggest challenge for one-third of the trainees, whereas it was establishing oneself in the market in the North-Eastern States (42%). Procurement of raw material was among the major challenges in the Western & Central States, but not so in the other zones.

Table 10.26: Major Challenges in Business (Overall) [N=1103]	%
Funding	58
Marketing	29
Business planning and strategy	28
Establishing oneself in the market	27
Competition	24
Procurement of raw material	23
Funding for expansion	22
Identifying consumer preferences	15
Hiring skilled Staff	7

Table 10.27: Major Challenges in Business (Southern States) [N=217]	%
Funding	67
Competition	33
Business planning and strategy	27
Establishing oneself in the market	27
Identifying consumer preferences	25
Marketing	19
Procurement of raw material	17
Funding for expansion	13
Hiring skilled staff	8

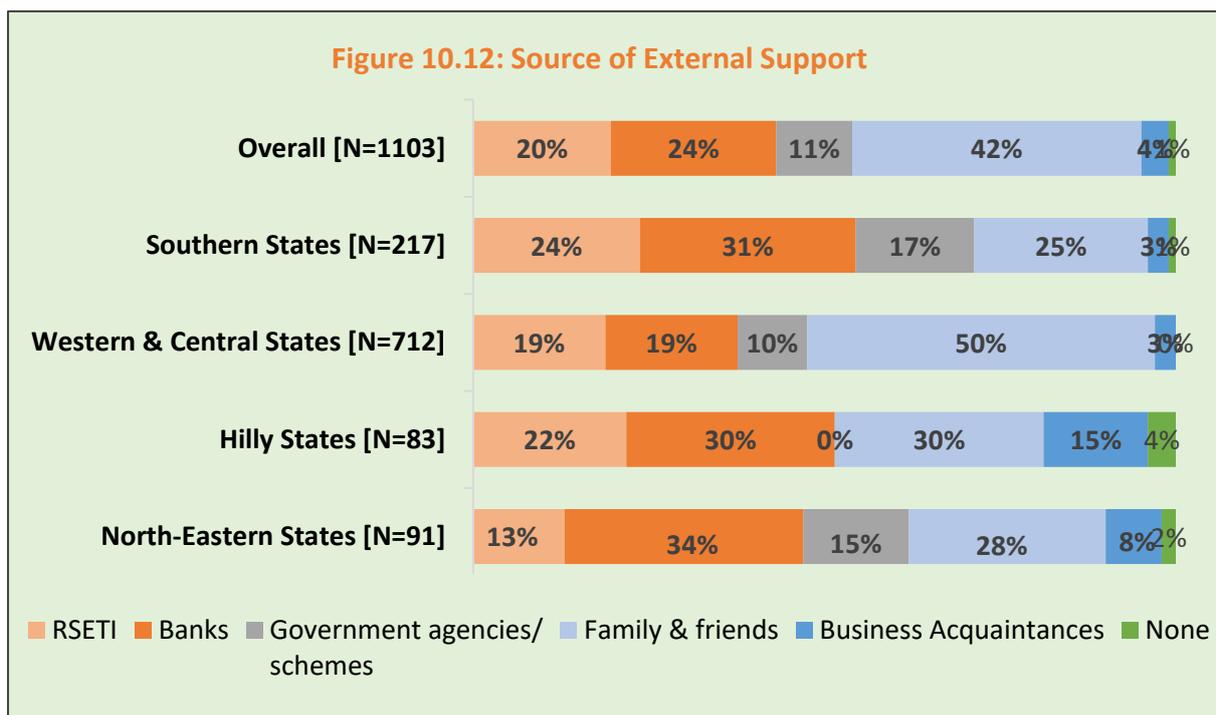
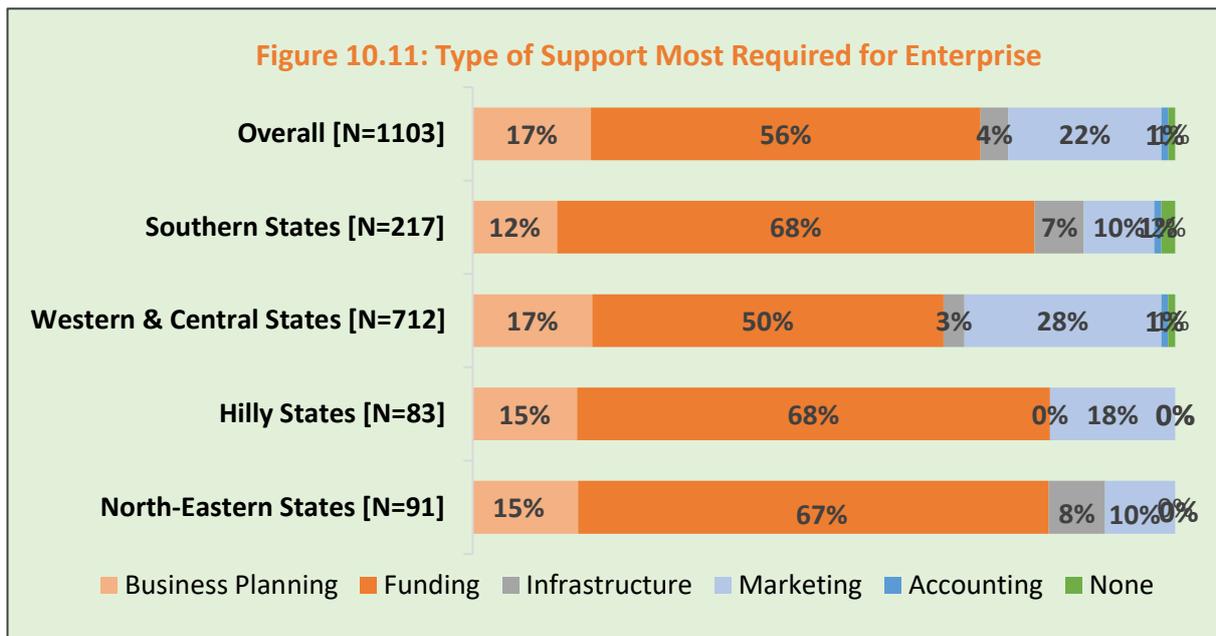
Table 10.28: Major Challenges in Business (Western & Central States) [N=712]	%
Funding	48
Marketing	34
Business planning and strategy	29
Procurement of raw material	28
Establishing oneself in the market	28
Funding for expansion	24
Competition	23
Identifying consumer preferences	14
Hiring skilled staff	7

Table 10.29: Major Challenges in Business (Hilly States) [N=83]		%
Funding		78
Competition		30
Marketing		23
Business planning and strategy		20
Funding for expansion		11
Identifying consumer preferences		8
Hiring skilled staff		8
Establishing oneself in the market		6
Procurement of raw material		2

Table 10.30: Major Challenges in Business (North-Eastern States) [N=91]		%
Funding		76
Establishing oneself in the market		42
Business planning and strategy		41
Funding for expansion		33
Marketing		24
Competition		19
Procurement of raw material		9
Identifying consumer preferences		8
Hiring skilled staff		5

10.12 External Support Required for Enterprise

Trainees were asked to state one external support that they required the most in running the enterprise, and whom they relied on most for this support. More than half of them, except in the Western & Central States, required funding support the most. Marketing support was the second largest area of support requirement to almost a quarter of the trainees overall. This was highest in the Western & Central States (29%). Support in business planning and strategy was the third biggest area of requirement (17%), followed by infrastructure (4%) and accounting (1%). 1% of the trainees stated that they did not require any external support. In the Southern & North-Eastern States, a slightly higher percentage of trainees required business planning than marketing support.



For this support, trainees relied mostly on their friends & family (42%), followed by banks (24%) and RSETIs (20%). In the Southern and North-Eastern States, most trainees relied on banks, followed by friends & family, and RSETIs, whereas in the Hilly States, they relied equally on banks and friends & family, followed by RSETIs. Less than a quarter of the trainees overall relied on government schemes whereas a negligible percentage relied on business acquaintances.

Self-Employed Trainees – Key Highlights

- 81% of self-employed trainees, 75% of them women, stated that their main reason to choose self-employment as a career path was to be able to do home-based work or work in proximity to their residence. Qualitative interviews further revealed that women tended to choose trades such as beauty parlour, tailoring, agarbatthi making, and so on, which would allow them to work from home, since they were bound by stricter social norms which restricted their choice to take up certain kinds of activities. They also expressed a strong desire to be financially independent which led them to take up self-employment rather than wage employment.
- 5% of entrepreneurs were running more than one enterprise, and a majority of them had become entrepreneurs after RSETI training which is significant because it indicates that they felt empowered enough to become serial-entrepreneurs.
- Three-fourths of the trainees set-up their enterprises within the first three months of training completion indicating that many were inspired to actively pursue entrepreneurship after the training and they had the needed support to do so without any delay. For those who started their enterprise a year after training, lack of funds was the biggest reason for delay (5.5%).
- Most trainees (83%) had set-up enterprises in the same trade as the RSETI course, suggesting that the trainees had put thought into choosing their respective courses, ensuring that it didn't just teach them a skill, but a skill that they could begin or continue self-employment in. More than half of those who were running a business in a trade unrelated to RSETI training were doing so because they were unable to establish a business in the latter.
- The enterprises were almost equitably distributed between Agriculture (33%), Manufacturing (35%) and Service sectors (32%).
- Two-thirds of trainees had invested amounts not exceeding Rs. 50,000 into their enterprise. Personal funds were the biggest source of investment (82%), followed by bank loans (23%), and informal loans (10%). Difficulty in accessing loan was the main reason for trainees to not avail loans. This was followed by non-requirement of loans since they were modest investments that were made using personal funds.
- RSETI helped in the facilitation of 76% of those who had availed loans. However, when seen with the fact that only a quarter of entrepreneurs applied for loans and a majority did not because they faced difficulty in accessing them, it points to gaps in the facilitation of loans by the Institutes. Only the Hilly States displayed positive trends in this aspect with nearly two-thirds of trainees having applied for loans and all of them facilitated by the RSETIs.
- More than three-fourths of banks had processed the loans within 7 days of application, and 18% within 15 days of application.
- Majority of the borrowers (93%) had repaid their loans which painted a positive picture of the repayment abilities of trainees. High business and personal expenditures were the biggest reason for defaulting on loans.

Self-Employed Trainees – Key Highlights

- Financial indicators such as average monthly income, expenditure and profits showed that most entrepreneurs were running micro or small enterprises, corroborating what the data on investment amounts indicated. Although the income was greater than the expenditure indicating that most businesses were profitable, one-third of them had an income, and half of them had profits under Rs. 5000 which was low in terms of sustaining livelihoods. However, it seemed as though those whose earnings from their enterprises were not adequate had multiple streams of income since only 37%, as opposed to 50%, had a monthly personal income below Rs. 5000.
- There was a positive correlation between income and RSETI training. While more than half of the self-employed trainees had no source of income before the training, all of them had an income afterwards.
- Raw materials were the biggest source of expenditure (33%), possibly because two-thirds of enterprises were in the agriculture and manufacturing sector where the reliance on raw material input for production is higher. Salaries were the second biggest source of expenditure despite only 31% of trainees having employed other persons, probably because the proportion of expenditure that stems from salaries is higher than others.
- As mentioned, only around one-third had employed other persons. 9% had employed other RSETI trainees. Since majority of the enterprises were operating at a very small scale, it holds good that employment generation from these enterprises would be low. However, a significant majority (85%) of the trainees saw potential to increase the scale of operations, and 84% had plans to increase scale. This was a sign of stability and sustainability of the enterprises.
- Funding for establishment and growth of business was the biggest challenge encountered, and the biggest area of support required by the entrepreneurs, as stated by more than half of them. This further highlighted the need for funding support to be reinforced by RSETIs, not only by better meeting the targets of credit linkage but also creating avenues where established entrepreneurs may avail funding for expansion.

Case Studies of Successful & Non-Performing Enterprises

11

The following case studies have been included in order to gain an in-depth perception into the experiences of the trainees who underwent the training programs at RSETIs and the impact on their respective entrepreneurial careers. Along with success stories, non-performing case studies have also been included to understand the perception of trainees who were unable to transfer their skill set obtained from the training program into their respective enterprises and their reasons for not being able to do so.

Success Story #1: Mamta Kumavat, Rajasthan

As a 33-year-old female entrepreneur from Jaipur, Rajasthan, Ms. Mamta Kumavat completed the Beauty Parlour training program from PNB RSETI, Jaipur in June 2017 and subsequently became the proprietor of her own enterprise “Viva Herbal Beauty Parlour” in Jaipur in October 2017.

She stated that the training received from RSETIs empowered her to map out the steps required for setting up her own enterprise. As a result, she was able to complete successful market and brand surveys in order to scope out the current competitors existing in the area. Armed with the requisite information, she was able to upgrade her skill set by learning how to operate advanced beauty and skincare equipment and techniques so she could expand the range of services offered at her parlour.

Further, she was also able to budget her expenses accordingly and rent a space for her business at a location which is heavily populated by women and girls as it is near a clothes market and girls’ college, thereby maximize foot traffic and accessibility and marketing her services directly to her target demographic.



Ms. Mamta also opined that along with her family, the support received from the RSETI training program and Faculty have been instrumental in her journey as an entrepreneur. The RSETI administration basically stepped in to provide essential guidance, ensuring that the administrative aspects of setting up her parlour were

“I had complete confidence in my skill and in myself. This helped me stay optimistic and stick to my decisions.”

-Mamta Kumavat

efficiently managed. Further, they also provided her with technical and bureaucratic support, while offering valuable business insights and connecting her with government schemes that provided subsidies and incentives. Their consistent follow-ups and willingness to share business tips were instrumental in her parlour's growth and success, showcasing the profound impact that mentorship and adequate access to resources can have on the journey of a budding entrepreneur. She also credited her success to financial support of ₹20,000 received from her uncle, so that she would not have to take out any loan and subsequently pay high rates of interest.

Today, Ms. Mamta Kumavat is a successful entrepreneur and has been able to expand her parlour, both in terms of physical space and the quality and range of services offered. Additionally, she also employs a team of five women, providing them with jobs and opportunities for personal and professional growth.

Success Story #2: Srinibash Behera, Odisha

38-year-old Mr. Srinibash Behera, completed a course in Mushroom Cultivation at SBI RSETI, Kendrapara, in October 2019 and soon launched his own enterprise “Sunrise Mushrooms” in Kendrapara, just a month later, in November 2019. It marked a pivotal shift in his career, having previously experienced losses in his biscuit business. He decided to make the transition after being encouraged by friends who recognized the higher market demand, lower investment requirements, and profitability of mushroom cultivation.



Mr. Srinibash received unwavering support from the RSETI who not only provided him with free training but also offered accommodations, alleviating the financial burden associated with pursuing his entrepreneurial dream. This supportive environment enabled him to focus wholeheartedly on acquiring the knowledge and skills required for successful mushroom cultivation. Additionally, he

continued to receive pivotal assistance in various aspects of his business. For instance, the institute facilitated his access to quality mushroom seeds from the market, ensuring that he had the necessary resources for cultivation. Furthermore, they shared invaluable insights regarding marketing strategies and tips for optimizing production, enabling him to steer his business toward success.

With an initial investment of personal savings into the venture, he sought additional financial support from a local Self-Help Group (SHG) in the form of a loan. His cost-effective approach meant that he didn't require heavy machinery, as his own land was suitable for his operations.

"The trainers at RSETI were very knowledgeable, and the Director was helpful. I learnt a lot from the training."

-Srinibash Behera

Further, with readily available manpower, he rapidly expanded his venture from an initial 1000 mushroom beds in a greenhouse to an impressive 1200 beds, a testament to his dedication and the growth potential of his enterprise.

Today, Mr. Srinibash looks forward to further expansion, with plans to increase his mushroom bed capacity to 1500. He attributes his success to the invaluable support received from the training programs at RSETI, which provided him with the tools necessary to not only acquire the skills and knowledge for mushroom cultivation but also to navigate the challenges of entrepreneurship and make informed decisions. Currently employing seven individuals, one of whom is an RSETI trainee, he is not only contributing to his own success but also uplifting the economic prospects of those around him.

Success Story #3: Bhag Chand, Himachal Pradesh

41-year-old Mr. Bhag Chand from Himachal Pradesh, completed a course in Beekeeping at PNB RSETI, Kullu, in November 2019. Inspired by another successful beekeeper in his village, he soon realized his vision of starting his own bee keeping enterprise, which came to fruition in February 2020.

The training program at RSETI proved to be a comprehensive learning experience for Mr. Bhag Chand, equipping him not only with technical skills but also honing his communication abilities and business acumen. This ensured that he was well-prepared to navigate the intricacies of entrepreneurship. Additionally, he received considerable support from the Faculty of the institute and the successful beekeeper, who became his mentors and guided him through the intricacies involved with beekeeping.

They imparted vital knowledge about the lifespan of bees, potential profit margins, safe work practices, and effective marketing strategies for his beekeeping products. This comprehensive guidance enabled Bhag Chand to make informed decisions and shape his business effectively.

Furthermore, PNB RSETI facilitated Mr. Bhag Chand's integration into support networks of fellow entrepreneurs and retailers. Access to such networks proved to be invaluable in helping him register and expand his business. Despite facing challenges in securing a loan due to high-interest rates, Mr. Beekeeper's family stepped in with monetary support. However, the fact that he was able to set up his



beekeeping venture on his own land and procure bees from the Department of Agriculture, all recommended by PNB RSETI, played a crucial role in generating early profits.

Currently, Mr. Bhag Chand employs three individuals, showcasing his commitment to not only building a successful enterprise but also contributing to local employment. He has expanded his beekeeping business by increasing the number of bee boxes, a testament to his dedication and the growth potential of his venture.

"The RSETI kept following up and guiding me at each and every step of setting up & expanding the business."

-Bhag Chand

Success Story #4: AjitMadiwal, Uttara Kanada (Bangalore)

29-year-old Ajit Madiwal completed a course in Krishi Udyami from CANB Haliyal RSETI in February 2020. Before his training, he was engaged in conventional agriculture, but the knowledge and skills he gained from the course helped him implement the key takeaways from the course within a month of completion of the training program and is currently, the proprietor of an Integrated Farm in Dharwad.

Starting with limited funds posed a significant challenge for Mr. Madiwal. To address this hurdle, he devised a strategic approach, opting to begin with a profitable crop species on a smaller scale.

This calculated move allowed him to generate the necessary capital for further expansion. However, his journey was not without its share of trials. He encountered information gaps, battled pest infestations, navigated the complexities brought about by Covid-19 lockdowns, and grappled with the intricacies of marketing his produce during the initial months. Nevertheless, his ability to adapt along with the resources received from the training program at RSETIs helped him overcome these challenges.



Since the initial set of challenges, Mr. Madiwal has thrived by expanding his enterprise year-on-year. He diversified his agribusiness by integrating other activities such as dairy and poultry farming, enhancing the sustainability and profitability of his venture. His forward-thinking approach is further exemplified by his current plans to venture into pisciculture, with aspirations to link with established franchises for joint ventures. The role played by RSETI in Mr. Madiwal's journey cannot be overstated as the connections provided through networking support, coupled with the guidance and encouragement from the institute, have been instrumental in his success. However, it's worth noting that despite receiving a recommendation letter from the Director, securing a loan remained elusive. In such challenging times, Mr. Madiwal leaned on the support of his family for funding, showcasing the vital role of familial support in addition to support provided by RSETIs in the pursuit of entrepreneurship.

"Management of accounts is very crucial in the long-term."

-Mr. Ajit Madiwal

Success Story #5: Elbidoris Syiem, Ri Bhoi, Meghalaya

As a 29-year-old entrepreneur, Ms. Elbidoris Syiem completed a training program in Dress Designing for Women at SBI RSETI Ri Bhoi in May 2017, following which she was able to become a proprietor of her own 'M.E. Creative Fashion Gallery' in Ri Bhoi. Elbidoris' journey is unique in that she is not only a successful entrepreneur but also a Domain Skill Trainer (DST) at the same RSETI, a testament to her commitment to both personal and community development.



Prior to joining the training program, Ms. Elbidoris was grappling with unemployment. On the advice of a staff member, she enrolled with the goal of

starting her own dress designing enterprise, utilizing her mother's sewing machine that was readily available. While the RSETI training provided her with a solid foundation in dress designing, she recognized that to launch a successful business, she needed to further hone her skills. So, she utilized the internet to enhance her skillset and it became her primary resource for acquiring advanced knowledge and techniques. Further, to secure the necessary funding for her enterprise, she wisely opted for a Kisan Credit Card (KCC) loan of Rs. 44,000. Additionally, under the guidance of the RSETI director, she applied for a Prime Minister's Employment Generation Programme (PMEGP) loan, which is linked to a subsidy. This loan is currently in process, as she envisions expanding her business to new horizons.

“Management of accounts is very crucial in the long-term.”

-Ms. Elbidoris Syiem

Elbidoris' business acumen extends beyond just designing dresses. She placed a significant emphasis on managing and tracking finances meticulously, a vital strategy to ensure profitability and prevent losses. Additionally, in her entrepreneurial pursuits, she leveraged

the power of social media not only to gather valuable market information but also to receive orders, thus expanding her customer base and showcasing her adaptability to the evolving landscape of business in the digital age.

Her journey as an entrepreneur epitomized the transformative power of RSETI training, which not only empowered her to start her own enterprise but also inspired her to generate employment in her community as she currently hires anywhere between 3 to 9 employees depending on the number of orders received. Her story underscores the importance of continuous learning, resourcefulness, and financial diligence in the quest of entrepreneurial success and the importance of programs like RSETI in achieving said goals.

Success Story #6: Laxmi Devi, Udhampur, Jammu and Kashmir

Prior to joining the RSETI course, Ms. Laxmi Devi had already been operating her own beauty parlour “Infinity Hair Spa and Saloon” since 2018. In January 2020, she completed the ‘Business Entrepreneur’ course from SBI RSETI Udhampur on the advice of a friend who had already completed the course.



She credited the training program at RSETI for providing her with the guidance on expanding her business. As an established entrepreneur, she was already familiar with the ins and outs of running her enterprise, but the

training she received at RSETI helped her in making a proper business plan, which detailed out her goals and how she envisioned her business in the future. As her parlour is situated in a rural area, marketing via traditional sources is often not possible so she focused on retaining her existing clientele and expanding her business via word-of-mouth. In terms of upgrades, she has been slowly updating the product range and services offered at her parlour, as her customers are interested in branded products, thereby focusing on quality over quantity. RSETI also provided her with the tools necessary for obtaining financial support, which she did from various sources such as DIC and PMEGP loans in order to expand the services provided in her business.

“In our course, we learnt how to make proper business plans which is very helpful for expansion purposes”

-Ms. Laxmi Devi

Today, she employs 3 people in her parlour, and credits initiatives such as RSETIs for allowing established entrepreneurs an opportunity to update their skills and stay abreast of the current developments in their sector of choice.

Non-Performing Case Study #1: Nisha Sharma, Rajasthan

In August 2022, 22-year-old Nisha Sharma completed a training course in Beauty Parlour and Management at PNB RSETI, Jaipur, and subsequently opened her own enterprise in October 2022. She had learned about the program through a pamphlet, piqued her interest in pursuing this course. Her keen interest in the beauty industry drove her to enrol in the program, where she acquired essential technical skills. Although the training program laid a strong foundation for her entrepreneurial aspirations, she noted a lack of advanced equipment knowledge and the latest trending beauty techniques as a part of the training curricula.

Post-training, Ms. Nisha drafted a meticulous business plan based on the project report, and undertook thorough market research to identify potential opportunities. In her locality, she observed a gap in the availability of beauty parlours,

“The RSETI suggested me to apply for MUDRA loan, but no other help was provided. I could not secure the loan.”

-Ms. Nisha Sharma

indicating a potential market niche to exploit. However, despite the demand, she faced difficulties in securing a suitable space, procuring the necessary equipment, and hiring skilled personnel due to lack of financial support, even though she applied for a loan and was not able to secure one.

As a result, despite her unwavering enthusiasm and well-laid plans, Ms. Nisha found herself unable to sustain her parlour business and had to close her enterprise in April 2023. In order to address such issues, intervention can be planned around providing handholding support to budding entrepreneurs with the basics of setting up an enterprise in addition to skill development, as well as form alumni

networks with past successful trainees who can provide guidance and direction to new entrepreneurs who might not have had access to similar resources.

Non-Performing Case Study #2:Gangaraju, Rural Bangalore

In January 2017, 28-year-old Gangaraju completed a training course in Dairy Farming, from RSETI Nelamangala in January 2017, and opened his enterprise in March 2017. He undertook the course due to a personal interest in starting a dairy farm, where he along with his mother, operated their farm, hoping to create a thriving business. However, due to a series of setbacks, eventually they were forced to close the farm in September 2019, 18 months from the day when they began their operations.



Initially, Mr. Gangaraju had begun the operations of their business on a small scale, with one cow and

even had good milk production at the beginning, which he used to sell to the Producers' Group set up in the village. However, despite his family background in dairy farming and the initial financial support he received from the institute, he significant challenges. One of the major obstacles was the health and productivity of the cow he had acquired. Unfortunately, the cow's low productivity and

"We should have complete information about running an enterprise. Ex – profits and losses involved, marketing. Long-term guidance required."

-Mr. Gangaraju

multiple health issues resulted in financial losses that became unsustainable for their enterprise. Since then, he has been engaged in wage employment, working in the Panchayat Development Works of his Gram Panchayat.

Mr. Gangaraju was of the opinion that had he been provided with comprehensive information about the intricacies of running an enterprise such as sources of loans and government schemes available to entrepreneurs, average estimations of profits and losses, support in branding and marketing etc. he might have been able to mitigate the losses he faced in his enterprise. Future intervention may be designed by the inclusion of such topics in the curricula of all training programs provided at RSETIs.

Non-Performing Case Study #3: Loues, Udhampur, Jammu and Kashmir

24-year-old Mr. Loues opened his electrical repair store in July 2020, two months after completing his electrician course at Udhampur RSETI in April 2020 after hearing about it from a friend. He had joined the course with the purpose of gaining technical knowledge regarding electrical repair and because of the high demand of the course as an essential skill set in the job market.

“Course Duration at RSETIs is too less as per our requirements; it should be increased.”

-Mr. Loues

However, he stated that post his enterprise becoming operational, he struggled to find a customer base, leading to lack of profits and high expenses. He attributed it to a multitude of reasons such as a lack of business plan, lack of customers who needed his services in rural areas, impact of COVID pandemic, lack of support from

RSETI post training sessions etc. Such a multitude of reasons forced him to close his shop in December 2020, and since then he has been engaged in working in a general store as a full-time employee.

Mr. Loues stated that the duration of the training courses at RSETIs was too short and the curricula was not comprehensive enough to cover all of the in-demand skills in his sector. Therefore, future intervention may include addressing these issues and providing periodic handholding support to the trainees in terms of problem-solving for issues that may have crept up in the operation of their enterprise.

Non-Performing Case Study #4: Kyrteeng, Ri Bhoi, Meghalaya

In October 2018, 32 year old Kyrteeng had joined the Poultry rearing course at SBI RSETI, Umsing, after hearing about it at an entrepreneurship awareness camp. She was motivated to join the course in order to enhance her skill set to operate a small-scale poultry business, which she had set up prior to joining the course and had taken a loan of ₹2,00,000 from an SHG for this purpose.

According to Ms. Kyrteeng, the training curricula of the course was comprehensive enough and she had learnt a lot of valuable information about the upkeep of poultry and how to deal with medical issues and the type of care to be administered. However, in April 2022, a storm severely damaged her henhouse and her residence which left her in debt and unable to pay back her dues. Because of this and unforeseen costs to repair her home, she had to shut down her business, following which she has only been able to get part time work.



She also spoke about the usefulness of the training course and how it can be very useful to learn new skills and gain very important information pertaining to their choice of sector. She stated that although RSETIs had provided her with financial assistance, she chose not to take it as she did not want to take loan from a bank.

“Training was very useful as I did not know anything about poultry farming but only had a vague idea from neighbours; course gave us a lot of useful information.”

-Ms. Kyrting

Conclusion & Recommendations **12**

An Impact Assessment Study of the RSETIs was compelled by the fact that RSETIs have been in existence for nearly one and a half decades and have been operating on a large scale in terms of geographical spread and scope of work. The Study, commissioned by the NAR, was comprehensive in that it assessed the Organizational Set-up & Governance of the Institutes, the Pre-Training, Training and Post-Training facilitation and the impact of training on trainees' skills, attitude, business performance and income. Findings of the study indicate the performance of the RSETIs in terms of achieving their objectives of empowering unemployed rural youth to become entrepreneurs, building human capital, and boosting rural entrepreneurship.

12.1 Key Conclusions

Organizational Set-up & Governance of RSETIs: RSETIs are funded by MoRD, and are owned and managed by Sponsor Banks. They are supported by multiple committees such as the DLRAC, SLSCR, NAR at the district, state and national levels, as well as government departments and agencies such as NABARD and SRLM. The involvement of stakeholders from various backgrounds with the same interest of rural entrepreneurship development ensures that RSETIs have the required support and guidance.

The organizational structure of RSETIs was found to be hierarchical yet decentralized. The operating procedures are standardized at the top-level of NACER and therefore decision-making rests there, whereas the local levels of Institutes, sponsor banks and DLRAC are on the front line of implementation. This structure encourages accountability and better delivery of services but also sets a standard against which progress of different institutes can be measured and compared.

Although the primary responsibility of management rests with the banks, it was found that key officials in the banks were not very aware and involved in the functioning of RSETIs. In order to have representation from the sponsor banks in the Evaluation Study, concerned officials such as managers, Lead District Manager (LDMs) of the respective banks were interviewed. **It was found that 17% did not know whether a Trust had been formed.**

Staff Capacity in RSETI: Up to 40% of the staff roles were vacant in the RSETI despite the mandate of a minimum number of staff. 97% of the RSETIs had a Director, 80% had both Faculty, and 70% had both Office Assistants. The North-Eastern States had the lowest percentage of staff. 80%

had a Director and Attender whereas only 40% had both Faculty, both Office Assistants and a Watchman/Gardener.

This meant that additional responsibilities had to be divided among the limited number of staff who were already facing challenges in performing their roles.

The presence of the core staff such as Director and Faculty is very essential to the smooth functioning of RSETI. The reason for absence of Directors in 3% of the RSETIs was that the previous ones had been transferred to another location or had received another posting from the sponsor bank but their position had not been filled by another Director. Upon further enquiry it was found that the banks take anywhere between a few days to a few months to fill the vacancy.

In qualitative interviews, some Faculty and Directors expressed feeling short-staffed and unable to perform roles effectively. In such a scenario, long and frequent gaps without staff in RSETI could be disruptive to its overall functioning, and should be avoided.

Work Experience & Educational Qualification of Directors & Faculty: The Directors & Faculty at RSETI came with many years of experience and considerably high educational qualifications. The Directors had an average of 21 years of prior work experience. 51% had completed their Bachelor's Degree and the rest had completed their Post Graduation. The Faculty on the other hand, had an average of 6 years of work experience, mostly in teaching. While 7% of them had completed only schooling, 27% had completed Bachelor's and 64% had completed Post Graduation.

Capacity Building Programs Attended by Directors & Faculty: Although Directors come with years of experience as bank managers, the post of RSETI Director is a specialized assignment. Some Directors stated that they were unable to draw from their previous experience as bank managers to perform their roles except in relation to delivery of lessons on banking and EDP, and facilitation of loans. However, more than one-third of Directors had not undergone capacity building programs which would have otherwise helped them perform their roles more effectively.

Overall, 5 Directors had not undergone '**Trainers' Training Program on Entrepreneurship Development'**, despite being in the position for more than 6 months. 38% had undergone multiple capacity building programs. When it comes to the Faculty, 10% had not undergone any program whereas. 63% had undergone the '**Trainers' Training Program on Entrepreneurship Development'**. 60% of them had undergone multiple programs.

Trainees' Satisfaction with Directors & Faculty: 94% of trainees were satisfied with the Faculty and 83% with the Directors. Qualitative interviews further revealed that the trainees were satisfied in terms of the training methods used, support and guidance provided, and their approachability for post-training handholding.

Accessibility of Institutes: Majority of the RSETIs were regarded to be accessible. As per the SOP, more than half were located in the District HQs and a quarter in the Block HQs. The rest were located in neither and an average distance of 15 kilometers from the District or Block HQs. 93% had a proper approach road and 92% were accessible through public transport. 83% of trainees found their respective Institutes to be accessible.

Type of RSETI Premises: It was found that only 62% of RSETIs had permanent campuses whereas the rest were operating from temporary premises. The average year of establishment of temporary-campus RSETIs was 2013. Although it is common practice that most Institutes start out on a temporary premises and eventually shift operations to a permanent premises, 13 years can be seen as a rather long time for development of permanent premises to not have happened.

Standard Infrastructure Present on Campus: 100% of the RSETIs had classrooms whereas only 85% had workshops and computer labs. Three-fourths of the RSETIs had dormitories and guest rooms for Faculty. The mean capacity of classrooms was 37 persons and that of dormitories was 30 persons. 68% of RSETIs were accessible for Persons with Disability. This was lowest in the Hilly States at 40% and highest in the Western & Central States (76%).

Trainees' Residence on Campus: Three-fourths of trainees did not reside on campus. Half of them did not reside on campus because they did not feel it was required whereas 20% of them did not reside on campus because trainings for them were conducted in off-campus locations, mostly in their villages for ease of convenience.

Conducting off-campus trainings for ease of convenience for the trainees may be a good idea for specific kinds of courses such as Agriculture EDP. However, it should only be allowed after ensuring availability of quality equipment and infrastructure. A significant majority (95%) of those who resided on campus were satisfied with the residence infrastructure.

Mobilization of Candidates: Word-of-mouth was the biggest source of awareness for trainees (71%). 65% of the trainees had recommended RSETI to others despite more than half of the trainees having remained unemployed which indicated that even trainees who were not able to secure employment found the training useful enough to recommend it to others. Gram Sabha and Gram Panchayat meetings (24%), programs like SRLM and SDIS (16%), and EAPs (9%) were other major sources of awareness. The sources varied across state-zones suggesting that RSETIs relied upon different methods of mobilization according to their local context. For instance, an RSETI in Karnataka mobilized candidates by visiting colleges and orienting students towards self-employment as a career alternative to wage or salaried employment.

EAPs: EAPs were the most important means of candidate mobilization from the point of view of the Institutes since it allowed interaction between the staff and potential candidates. The staff were able to gain insights into the interests and expectation of candidates which they used as inputs for planning. Although most trainees did not become aware about RSETI through EAPs (9%), nearly half

of them had attended EAP before enrolling. This may have influenced attendees' decision to enrol, acted as an orientation program towards self-employment and informed them about what they could expect from RSETI training.

Enrolment Targets for RSETIs: A few RSETI Directors and State Directors were of the opinion that the penalty of non-disbursement of funds in case of failure to achieve target caused RSETI Directors to **enroll even those candidates who were not entirely interested in the training or in taking up self-employment**. This affected the settlement ratio as well because such trainees usually reverted to their original area of interest such as wage-employment.

Reasons for Enrolment: Majority of the trainees (62%) enrolled into RSETI in order to establish an enterprise and become self-employed. Despite this, more than half of the trainees were unemployed at the time of the survey mainly because of family concerns and household responsibilities. A possible reason for this could be that, as stated earlier, RSETIs often enrolled even those candidates who had a casual interest towards self-employment in order to achieve targets; but they were not successful in transforming them into entrepreneurs. The desire to learn new technical skills (47%), to improve employability (38%), to upgrade existing technical skills (31%) were other major reasons for enrolment.

Distribution of Trainees According to Course Category: Most trainees (32%), especially men (57%) had enrolled into Agriculture EDP courses possibly because the scope for agri-entrepreneurship in rural areas was higher. Moreover, rural youth would have had some exposure to the sector which makes such courses desirable to them. Majority of women (35%) had enrolled into Product EDP courses perhaps because such trades allowed home-based work which was cited by many women as a key reason for choosing self-employment.

Satisfaction with Choice of Courses: An overwhelming majority of 94% were satisfied with the choice of courses offered at RSETI. The main reasons for dissatisfaction among those who were not satisfied were that the RSETI did not offer courses which were relevant to the region and that the courses had low scope for employment (1.8% each). A large majority of 97% of trainees felt that the RSETI did not need to offer any other courses apart from the ones already being offered.

However, trainees who were running enterprises often expressed that since most courses offered in RSETIs taught basic skills, it was not enough to grow and expand their business. They felt a need to learn more advanced skills in order to offer better services and products which met market demands, and therefore suggested that advanced courses should be taught for some of the popular trades.

Satisfaction with Course Curriculum: A large majority (95%) were also satisfied with the course curriculum that was followed. Reasons for dissatisfaction were that practical component was inadequate (1.8%), that the curriculum did not match the course properly (1.6%), the curriculum did not cover important topics (1.4%), and that theory component was inadequate (1.2%).

Satisfaction with Training Aids: 86% were satisfied with the training aids such as case studies, group activities, behavioural games and so on, used during lessons. Western & Central States had the highest percentage of dissatisfied trainees at 13%. Poor quality of training aids (6.8%) was the main reason for dissatisfaction, followed by an inadequate use of aids (3.8%), and ineffectiveness of aids for learning (3.6%).

Satisfaction with Practical & Workshops: When it came to Practical & Workshops, 6% did not have any this component in their courses. 84% were satisfied whereas 8% were dissatisfied. 4% had average satisfaction. Lack of equipment for practical lessons was a major reason for dissatisfaction (6.8%), followed by incomplete practical lessons (2.8%).

Satisfaction with Guidance & Counselling: 84% were satisfied with the guidance and counselling provided by Directors and Faculty, whereas 10% were dissatisfied and 6% had average satisfaction. 14% of trainees in the Western & Central States were dissatisfied, the highest among all zones. On the other hand, 98% of trainees in the Hilly States were satisfied, the highest among all zones. Individual attention not being given was the top reason for dissatisfaction (7.8%), followed by adequate guidance not being given (6.8%). A few RSETIs provided guidance beyond the follow-up period. It was observed that the level of staff's involvement in providing guidance to trainees depended upon their personal interest to see that the trainees were well-settled.

Course Duration & Incompleteness of Practical Components: Major points of discontent among trainees were the short duration of courses and incompleteness of practical components. This was expressed by trainees during qualitative interviews, as well as during the surveys. Trainees felt that due to the short duration of training, more advanced lessons which was required to run enterprises were left out. For instance, those who took beauty parlour or tailoring courses learnt more advanced skills through the internet or through family and friends. Those who took up Agriculture EDP courses like animal husbandry felt that practical lessons were not sufficient and critical lessons on timely diagnosis and treatment of diseases were not included in the curricula. Since trainees were not well versed in these aspects, erroneous judgements led to losses and the eventual shutting down of their enterprises.

Effectiveness of Lessons on Entrepreneurship: The effectiveness of entrepreneurial components received the lowest ratings when compared to other indicators related to the training process. Only around half the trainees felt that the EDP components were effective. Communication (56%) was rated to be most effective whereas finance management and risk management, two critical aspects of running a business were the least (45% and 48% respectively), highlighting the gaps in the EDP components of skill training courses.

Assessments: Trainees were very satisfied with course assessments (95%). Lack of practical assessments was stated to be the biggest reason for dissatisfaction (2.6%), whereas short duration of assessment was a major challenge faced by trainees (7.6%). It was recommended by those who

faced difficulties in reading and writing, to have verbal examinations and written examinations in the local language.

Final Certificate: Only 2% of trainees did not receive their final certificate either because they did not collect it or because they dropped out of the course. Majority (95%) received their certificates with the first two months of training completion which was a positive indicator as it allowed trainees to pursue loan applications and employment without a long gap.

Trainees' Follow-up: Less than half, 41% of trainees reported being followed-up after training. This was lowest in the Western & Central States (33%) and highest in the Southern States (63%). There was a positive correlation between follow-up and settlement as more than half the trainees that were followed-up became employed. On the other hand, only a quarter of those who have remained unemployed were followed-up.

Modes of Follow-up: Telephone calls were the most used mode of follow-up as reported by 28% of trainees. This was followed by personal visits (20%). In the Southern States however, most trainees were followed-up through personal visits (37%), then telephone calls (31%). RSETI Directors stated that they followed-up using these different modes as per convenience. Personal visits were undertaken for trainees that resided close to the RSETI.

Duration and Frequency of Follow-up: More than half of the trainees were followed-up up to six months. 29% were followed up between six months and a year, 11% between one and two years, and 5% were followed up more than two years. Majority of them (40%) were followed up once every two to three months. While 35% were followed up once a month and 10% were followed up multiple times in a month, 13% were followed up once a year and 2% once in two years.

It was observed that in state zones where trainees were followed-up up to six months were followed-up more frequently and vice versa in the zones where trainees were followed-up for up to two years.

Adequacy of Follow-up: 86% of trainees that were followed-up felt that the follow-up period was adequate. This was highest in the Hilly States at 95% and lowest in the Southern States at 85%. The major reasons for dissatisfaction with the follow-up period was that trainees were unable to establish business or find employment (10%), needing guidance even after follow-up period (7%).

Settlement During Follow-up: 67% of the trainees that were followed-up got settled during that period. This was highest in the Hilly States (83%) and least in the Southern States (60%). The major reasons for non-settlement during this period were as follows: 21% of those who did not get settled during this period lacked funds to start an enterprise. 10% lacked the capacities such as human resource, infrastructure and 9% lacked clarity in decision making to start enterprise.

Trainees' Satisfaction with Banking Services: Trainees expressed the least satisfaction when it came to handholding services as compared to other aspects of training. 59% were satisfied with

banking support, whereas 15% were dissatisfied, 16% were very dissatisfied and 10% had average satisfaction. Trainees in the North-Eastern States were most dissatisfied at 43% followed by Western & Central States at 39%. However, only 1% of trainees in the Hilly States were dissatisfied. It was also found that the RSETIs in the Hilly States had facilitated 100 of the trainees that had applied for bank loans.

Trainees' Satisfaction with Marketing Services: When it came to marketing support, 67% were satisfied, 20% were dissatisfied and 12% had average satisfaction. Highest dissatisfaction was in the Western & Central States (25%) followed by North-Eastern States (18%).

ASARE: ASAREs were inactive in most RSETIs. Only 10% of trainees were part of the Alumni Association. None of the trainees in the North-Eastern States were part of the Alumni Association whereas 15% of them from the Southern States were part, the lowest and highest among all zones respectively.

Employment Status Before RSETI Training: A significant percentage of 77% of trainees (39% of men and 19% of women) were unemployed before enrolling in RSETI. The North-Eastern States had the highest percentage (40%) and the Hilly States had the least percentage (17%) of trainees employed before training. Only 17% of those who were unemployed were actively seeking employment before enrolling suggesting that the RSETIs enrolled a large percentage of trainees who were not inclined towards employment. Among the trainees that were employed before, half were engaged in self-employment whereas the other half were into wage or salaried employment. The Hilly States had the highest percentage of trainees (62%) and the Southern States the least (40%) engaged in self-employment before RSETI training.

Major Reasons for Unemployment Before RSETI Training: Lack of previous work experience was the major reason for unemployment (40%) before RSETI training. It was followed by family concerns and household responsibilities (29%), lack of required skills (29%) and lack of opportunity in region (27%).

Employment Status Immediately After RSETI Training: After training, the percentage of unemployed persons had decreased by 24%. When trainees were enquired about the first employment that they secured immediately after training, 19% stated that they had established a new enterprise, 11% had expanded an existing enterprise and 16% had secured wage or salaried employment. More than half (53%) stated that they remained unemployed till the time of survey. The unemployment rate was highest in the Hilly, Western & Central States (63%) and least in the North-Eastern States (20%).

Job Search by Wage / Salaried Trainees: Half of the wage employed or salaried trainees began job search within one month of their training completion and 42% found a job within a month of beginning job search. 6% of them were unable to secure employment up to a year. The major

reasons for delay in securing employment were that they were not finding a desired job (0.5%), and a lack of opportunity in the region (0.4%).

Current Employment Status: Overall, a little more than a quarter (26%) were currently self-employed, 13% were wage / salaried employed, and 3% were both self-employed and wage employed. 58% were unemployed. The North-Eastern States had a majority of trainees who were self-employed (37%) whereas the Western & Central States had the least (24%). A higher percentage of men (38%) as opposed to women (23%) were self-employed.

Current Unemployment: Overall, the percentage of unemployed persons had increased by 5% from the time of training completion to current status. More women (63%) as opposed to men (37%) were currently unemployed. However, the percentage decrease in unemployment when comparing before training and current status showed that there was not a significant difference between genders. Unemployment among women had decreased by 20% and among men by 24%. This shows that although the rate of unemployment is higher among women, when empowered with skill training, an almost equal proportion of women and men had secured employment.

Major Reasons for Current Unemployment: Family concerns and household responsibilities was the biggest reason for unemployment (28%). 88% of those who stated family concerns as a reason were women making it a major external barrier for them to pursue employment. During FGDs, women evidently preferred to be engaged in employment which allowed them to work from home. Therefore, trades like beauty parlour, tailoring, achar and papad making, agarbatthi making and embroidery were most preferred by them. Lack of funds to start and sustain enterprise was the second biggest reason for current unemployment (19%) which points to the inadequacy of credit linkage support being provided by RSETIs. The provision of credit linkage or the lack of it was therefore a major factor that determined whether trainees start self-employment or remained unemployed. Lack of opportunity in the region was the third biggest reason (15%).

Satisfaction of Wage / Salaried Trainees with Their Current Employment: 65% of wage employed / salaried trainees were satisfied with their current employment, whereas around a quarter of them had average satisfaction and 8% were dissatisfied. The highest dissatisfaction was among trainees in the Western & Central States at 11%. The major reasons for dissatisfaction were low salary (6.6%), long work hours (2.6%) and a lack of perks (2%).

Major Reasons for Wage / Salaried Trainees Not Opting for Self-Employment: The major reasons for wage / salaried trainees not opting for self-employment were that they did not have the capacity to start an enterprise (44%), they felt that opportunity was better in wage / salaried employment (40%) and they did not have enough external support for self-employment (40%).

Major Reasons for Choosing Self-Employment: Majority of entrepreneurs (81%), especially women (75%) took up self-employment because they wanted to be able to work from home or proximity to the residence since they are bound by stricter social norms. 34% chose self-employment

because they had prior experience and keen interest in the chosen activity and wanted to start an enterprise in that trade. Inability to find a job was a reason for 27% of the trainees. 23% were not satisfied with their previous jobs and therefore chose self-employment. 21% stated that their families had a background in business which motivated them to take up entrepreneurship as well.

Time-Span of Setting Up Enterprises: There was not a major lag after training completion and start of enterprises as nearly three-fourths of trainees set up their enterprise within the first three months of RSETI training. 7% of trainees took more than a year to set up their enterprise. Trainees who took more than a year to set-up their enterprise experienced delays because of lack of funds (5.5%), lack of capacities (2.7%) and lack of opportunities in the region (1.7%).

Sector Of Enterprises: The sector of enterprises was somewhat equally divided. 33% were running enterprises in Agriculture & Allied Activities sector, 35% in Manufacturing and 32% in Services. Agriculture & Allied Activities was highest in the North-Eastern States (40%) and least in the Hilly States (8%). Service-related enterprises were highest in the Hilly States (53%) and least in the Western & Central States (23%).

Core Activity of Enterprise's Relation to Training: The core activity of 83% of enterprises was related to RSETI training. This indicates that majority of the trainees were purposeful in the courses that they chose, and did not consider RSETI training as just a skill-training program where they learnt a new skill but rather a skill that they could begin or continue self-employment in. Major reasons for core activity being unrelated to the course were that the trainees were unable to establish enterprise / find employment in the activity related to training (8.3%), and they felt that scope was better in chosen activity (5.8%).

Investment Amount: Majority of the trainees who were or became entrepreneurs after RSETI training were running micro or small enterprises as most of them had made relatively small investments. Around a two-thirds of the investments made by trainees were under Rs. 50,000.

Sources of Investment: A significant majority of trainees (82%) had used their own funds for investment into their enterprise. The second-most relied upon source of investments were bank loans. Around a quarter of the trainees had relied on bank loans whereas 10% relied on informal loans. 82% of trainees relied on a single source of investment whereas 18% relied on multiple sources. Contrary to the overall trends, trainees in the Hilly States relied most on bank loans (65%).

Reasons for not Availing Bank Loans: Most (27%) did not avail a bank loan because they faced difficulties in accessing it. 26% did not require bank loan either because they used their own savings or sought informal loans, whereas another 26% lacked the awareness to avail loans. Complicated procedure of applying for loan (20%) and difficulty in arranging documents (89%) were also some of the other reasons for not applying for loans. 13% of the trainees applied for loan but were rejected.

Non-Approval of Bank Loans: Trainees who applied for loans but were not approved stated that their loans were rejected because they were first time loan applicants (56%), they had incomplete documents (22%), insufficient cash flow / lack of collateral (21%), a lack of good business plan (9%).

RSETI's Facilitation of Bank Loans: RSETIs helped in the facilitation of 76% of those who had availed loans. However, when seen with the fact that only a quarter of entrepreneurs applied for loans and a majority did not because they faced difficulty in accessing them, it points to gaps in the facilitation of loans by the Institutes. Only the Hilly States displayed positive trends in this aspect with nearly two-thirds of trainees having applied for loans and all of them facilitated by the RSETIs.

Time Taken to Process Loans: Three-fourths of loan applications were processed within 1 week time. 18% were processed within 15 days, 3% within 30 days and 2% took more than 30 days.

Loan Tenure Completion and Repayment: 70% of trainees that had availed loans had completed their tenure. 93% of those who had completed their tenure had repaid the loans. 100% of them in the Hilly and North-Eastern States had repaid loans. This was 89% in the Southern States. High business expenditures (3.4%), high personal expenditures (2.7%) and financial distress (1.9%) were the main reasons for delay or non-repayment.

Adequacy of Loan Amount: More than half of the trainees were satisfied with the loan amount. 54% of trainees felt that the loan amount was adequate and 17% felt that it was very adequate. While 17% felt that it was average, 10% felt that it was inadequate and 2% felt it was very inadequate.

Snapshot of Enterprises' Financials: Financial indicators such as average monthly income, expenditure and profits showed that most entrepreneurs were running micro or small enterprises, corroborating what the data on investment amounts indicated. Although the income was greater than the expenditure indicating that most businesses were profitable, one-third of them had an income, and half of them had profits under Rs. 5000 which was low in terms of sustaining livelihoods. However, it seemed as though those whose earnings from their enterprises were not adequate had multiple streams of income as only 37%, as opposed to 50% had a monthly personal income below Rs. 5000. There was a positive correlation between income and RSETI training. While more than half of them had no source of income before the training, all of them had an income afterwards.

Trainees in the Southern, Western & Central States had the lowest profits with over half of them earning below Rs.5000. Trainees in the North-Eastern, Western & Central States had the lowest expenditures with around three-fourths of them having an average expenditure of below Rs.5000. In the Hilly States, profits were the highest with 40% earning between Rs.10,000 and Rs.20,000, and around a quarter of them earning between Rs. 20,000 and Rs.30,000.

Raw materials were the biggest source of expenditure, possibly because two-thirds of enterprises were in the agriculture and manufacturing sector where the reliance on raw material as input for production is higher. Salaries were the second biggest source of expenditure despite only 31% of trainees having employed other persons, probably because the proportion of expenditure that stems from salaries is higher than others.

Employment Generation through Enterprises: The employment generation from these enterprises was relatively lower as most of the enterprises were small scale operations. 30% of entrepreneurs had employed other persons and 9% had employed other RSETI trainees.

Scope for Increasing Scale of Operations: A significant majority (85%) of the trainees saw potential to increase the scale of operations, and 84% had plans to increase scale. This was a sign of stability and sustainability of the enterprises. Low scope in region (10%) and high competition (5.4%) were major reasons for trainees to feel that there was no scope to increase scale.

Major Business Challenges: Funding was a challenge for more than half of the trainees (58%), followed by marketing (29%), business planning and strategy (29%), establishing oneself in the market (27%) and competition (24%). Majority of the trainees also stated that funding (56%) was an area in which external support was needed the most, followed by marketing (22%) and business planning (17%). 42% of them relied on their family and friends for external support, 24% relied on banks and 20% relied on the RSETI.

12.2 Recommendations

RSETIs have been operational for over 30 years now and are present in nearly every district of the country. They have a wide reach and are having a considerable impact on the employment prospects of rural poor youth by kindling an entrepreneurial spirit and teaching them technical skills.

RSETIs are operating based on a set of SOPs. These SOPs were used as a reference and guide to analyze and evaluate the functioning of RSETIs as captured by this study. The various analyses and conclusions were presented in the previous section.

The following section charts out recommendations according to different aspects of the functioning of RSETIs. The recommendations are framed in a way as to improve and update the existing RSETI structure through certain essential changes that are required.

To improve the availability and quality of infrastructure	
❖	RSETIs that function from temporary premises do not have the flexibility to build their infrastructure in a way that would include all the mandated facilities such as workshops, computer labs, dorm rooms, ramps for the physically disabled and so on. However, one-third of the RSETIs were operating from temporary premises even though most of these

Institutes were established more than a decade ago. Mandating a reasonable time span for RSETIs to develop a permanent campus after their establishment, would avoid delays in the same, and ensure that RSETI Institutes have the mandated facilities required to deliver quality training.

- ❖ Conducting off-campus trainings for ease of convenience for the trainees may be a good idea for courses may not have the required facilities on campus to deliver a full-fledged training with the needed practical component.
However, it should only be allowed after ensuring availability of quality equipment and infrastructure.

To improve processes involved in trainee enrolment and organizing the training programme

- ❖ In consideration of the findings that Directors felt pressured to achieve enrolment and settlement targets, and majority of the trainees had remained unemployed after training, it is recommended that enrolment targets for selection of beneficiaries be reduced. This could ensure that only those candidates with a sincere interest towards self-employment are vetted and enrolled. This would improve the efficiency of the enrolment process, help achieve better settlement rates, making the approach of training more qualitative and in-depth.

- ❖ A majority, 80% of the trainees were women as opposed to 20% men. Women also formed a major proportion of those who were currently unemployed. Their main reason for unemployment was family concerns and household responsibilities. Since most women preferred to be self-employed, enrol in Product and Process related courses, and engage in activities that allowed them to work from home, it is recommended that the offering of relevant courses be also tailored to meet this demand.

- ❖ Practical components were not conducted for some of the courses. Trainees felt the need for this component especially in Agriculture EDP courses. The absence of practice component was a major reason for dissatisfaction with the course curriculum. Some trainees even reported that their assessments did not contain any practicals. Although practical components and workshops are mandated for most courses and are prescribed in the curriculum, it may be so that some RSETIs do not complete it or pay enough attention to it. A means of verifying that practicals are conducted and completed as part of the Institute monitoring could be established in order to ensure that this critical component is being covered.

- ❖ EDP components of skill-training courses received the lowest ratings by trainees. Since the objective of RSETIs is to not only teach trainees technical skills but also empower them to run enterprises, it is recommended that this gap be addressed by improving the EDP components of skill training courses.

- ❖ Extending the duration of training was a recommendation that was made by many trainees and Faculty. Their view was that the skill training provided at the Institutes was at a basic

level and that the trainees relied on other sources like the internet to further their build their skill-set in order to be able to successfully run enterprises. In the absence of adequate number of advanced and skill upgradation programs within RSETI, the trainees felt that the training duration needs to be extended to incorporate more advanced sessions. Many also reported that the practical and entrepreneurial components of skill courses fell short because of the short time duration, and that such important components would not be missed if the duration was extended.

To address the issue of quality Faculty for training

❖ Staff vacancies for extended periods of time strained the limited number of staff who were already handling multiple responsibilities. It also made it difficult to run the operations of the Institutes smoothly and efficiently. To fill up vacancies faster, it is recommended that the State Director closely monitors RSETIs which have vacancies for long periods of time, and ensures that the banks appoint human resources in a timely manner.

❖ The position of Director is a specialized assignment for bank managers, whose prior work experience does not completely equip them for the position of RSETI Director. Since it was found that 5 Directors had not undergone **‘Trainers’ Training Program on Entrepreneurship Development’**, despite being in the position for more than 6 months., it is recommended that certain programs be made mandatory for both Directors and Faculty to undergo so that they are better able to perform their roles. Avoiding frequent change of Directors would also work to ensure that the RSETIs function in a non-disruptive manner.

❖ A common recommendation made by the Faculty, Directors and SDRs alike included creation of more positions within the institute to divide the responsibilities, and increasing the financial incentive for the staff, particularly for Faculty and Directors. It was found that the hiring of Faculty on a contract basis left them with a sense of job insecurity, whereas the selection process for Directors did not necessarily ensure that only those truly interested in the position were appointed. Therefore, it was thought that either expanding the staff by creating separate wings for pre- and post-training facilitation, or having higher remuneration would allow and motivate them to perform better, while also making them coveted positions to be sought.

To improve the effectiveness of post training follow-up and tracking system

❖ In order to make the process of follow-up more efficient, it is recommended that trainees be followed-up through telephone calls until they are settled. Once settled, self-employed trainees can be followed-up through personal visits which would allow the staff to see how the trainee is running the enterprise and provide guidance if required. Trainees that have not been able to get settled six months after training can be invited to group meetings on campus which can be held quarterly or bi-yearly, so that their grievances are addressed and they are guided to start their enterprises.

❖ The ASARE provides a forum to trainees to network with each other so that their development continues beyond the follow-up period of two years, and as such, it can

enhance the post-training activities undertaken by the RSETI staff. In order to make ASARE more active, it is recommended that ASARE be made a trainee-run forum whereby successful trainees who are closely associated with the Institute be identified in each district and entrusted with the responsibility of conducting quarterly ASARE meetings under the guidance of the Director and Faculty.

❖ Facilitation of credit linkage by RSETIs needs to be improved since less than a quarter of trainees received this support as opposed to the target of 50%. Lack of funds for establishment and expansion of enterprises was cited to be the biggest challenge for entrepreneurs. Given its importance, some Directors recommended creation of a separate wing for the provision of credit where staff would be appointed specifically to liason with banks and ensure that trainees receive credit to start self-employment.

❖ Additionally, application of loans through the Jan Samarth Portal can be encouraged across all RSETIs, which would fast-track the process of application and increase the rate of approval of loans.

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