

A STUDY OF RSETI AT AURANGABAD DISTRICT OF MAHARASHTRA: SUCCESSFUL CASES

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ABSTRACT

In India, the unemployment rate measures the number of people actively looking for job as a percentage of the labour force and this is a serious issue as there is huge gap in demand for and supply of job. According to the International Labour Organisation (ILO), "India will again see its unemployment rate at 3.5 per cent in 2018 and 2019, the same which was seen in 2017 and 2016. According to the latest data, there will be 18.9 million jobless people in India next year a little more than 18.6 million for 2018". Further, it is stated that the reason behind unemployment is India has a small number of quality institutions in the country in spite of the growth in the number of higher education providers and also youths are lacking aptitude and skills (indiatoday.in/education-today).

Unemployment rate in India averaged around 7.32 percent from 1983 to 2013 reached an all-time high of 9.40 percent in 2009 but reduced to 4.90 percent in 2013. Again the rate shot up to a five-year high of 5 per cent in 2015-16. According to the Fifth Annual Employment-unemployment Survey at all-India level, about 77 per cent of the households had no regular wage/salaried person. In view of this, to tackle the issue of unemployment, self-employment is best alternative as wage-employment cannot be provided to all. The role played by RSETI in full form it is Rural Self Employment Training Institute has been doing praiseworthy work as youths who are willing to take up self-employment are supported by RSETI where lakhs of youth were provided with self-employment. In this article, five cases based on study carried out in March 2019 at Aurangabad district of Maharashtra presented here. The data have been collected both from primary and secondary sources.

Keywords: Aurangabad, BPL, Income, RSETI, and Unemployment.

UNEMPLOYMENT SITUATION IN INDIA: INTRODUCTION

In India, the unemployment rate measures the number of people actively looking for job as a percentage of the labour force, this is a serious issue as there is huge gap in demand for and supply of job. According to the International Labour Organisation (ILO), "India will again see its unemployment rate at 3.5 per cent in 2018 and 2019, the same which was seen in 2017 and 2016. According to the latest data, there will be 18.9 million jobless people in India next year a little more than 18.6 million for 2018". Further, it is stated that the reason behind unemployment is India has a small number of quality institutions in the country in spite of the growth in the number of higher education providers and also youths are lacking aptitude and skills (indiatoday.in/education-today).

Unemployment Rate in India hovered around 7.32 percent from 1983 to 2013 reached an all-time high of 9.40 percent in 2009 but drastically scaled down to record low of 4.90 percent in 2013. Again unemployment rate shot up to a five-year high of 5 per cent in 2015-16, with the figure significantly higher at 8.7 per cent for female as compared to 4.3 per cent for male (Indian Express , 29/9/16). Further as per the news item, by referring the Fifth Annual Employment-unemployment Survey at all-India level, about 77 per cent of the households had no regular wage/salaried person (*ibid*). To tackle the issue of unemployment, self-employment is best alternative as wage-employment cannot be provided to all, where educational qualification also matters. In this regard, the role played by RSETI which stands for Rural Self Employment Training Institute has been doing commendable work as youths who are willing to take up self-employment are meticulously supported by the RSETI, henceforth only RSETI will be used. In this article, few cases based on study carried out at Aurangabad district of Maharashtra are presented. The data have been collected both from primary and secondary sources.

Before discussing the cases, Muhammad Yunus's observation (the Nobel laureate) about importance of self-employment is presented. Prof.Yunus in his book 'Banker to the Poor' has highlighted some advantages of self-employment over wage employment.

1. The hours are flexible and can adapt to fit any family situation. It allows people to choose between running a business full-time or part-time when they need to meet crises, or to put their business on hold and work full-time for a salary.
2. Self-employment is tailor-made for anyone who is street-smart and has many acquired from books and technical schools. This means the illiterate and the poor can exploit their strengths, rather than be held back by their weaknesses
3. It allows a person to turn hobbies they enjoy into gainful employment.
4. It can help those who have found a job and are still nonetheless poor.
5. The average cost of creating a self-employment job is ten, twenty or hundred times cheaper than creating an employment job.

ABOUT RSETI:

The RSETIs are managed by the banks with active co-operation from the Government of India and State Governments. The lead bank in the district takes responsibility for creating and managing it. As per the statistics, there are 587 RSETIs spread over to 32 States/UTs with the participation of 37 sponsoring banks where little more than 22 lakh unemployed youths have been trained of which 13 lakh were engaged in self-employment. Of them, credit linkage was provided to nearly 6 lakh youths (pib.nic.in/newsite/PrintRelease).

RSETIs have aligned their curriculum with Common Norms for skill development courses. It offers skilling in 56 National Skills Qualifications Framework (NSQF) aligned courses specially designed

for entrepreneurship development. It may be mentioned here that the 4th RSETI *Diwas* celebration (June 2017) was chaired by *Shri Narendra Singh Tomar*, Union Minister, Rural Development, *Panchayati* Raj, Drinking Water and Sanitation. He emphasized the need for increase in rural entrepreneurship for sustainable livelihoods.

Based on RUDSETI (Rural Development and Self Employment Training Institute), a society established jointly by three agencies i.e. Syndicate Bank, Canara Bank and Sri *Manjunatheswara* Trust at *Ujire* in Karnataka, RSETI concept has been launched in the country. In case of RSETI, Lead Bank of each district has been entrusted for creating and managing it. The Government of India provides one - time grant up to Rs. 1 crore for meeting the expenditure on construction of building and other infrastructure. After successful completion of the training, interested youths are provided with credit by the bank to start their venture.

Each RSETI offers skill development programmes in a financial year in various avenues and in each batch 25-30 youths are selected for training. The programmes are of short duration ranging from 1 to 6 weeks and to get a general idea few trades are mentioned below:

- Agricultural Programmes – agriculture and allied activities like dairy, poultry, apiculture, horticulture, sericulture, mushroom cultivation, floriculture, fisheries, etc
- Product Programme – dress designing for men and women, *rexine* articles, incense sticks manufacturing, football making, bag, bakery products, leaf cup making, recycled paper manufacturing, etc.
- Process Programmes – two wheeler repairs, radio/TV repairs, motor rewinding, electrical transformer repairs, irrigation pump-set repairs, tractor and power tiller repairs, cell phone repairs, beautician course, photography and videography, screen printing, domestic electrical appliances repair, computer hardware and DTP.
- General Programmes – skill development for women
- Other Programmes – related to other sectors like leather, construction, hospitality and any other sector depending on local requirements.

The youths are selected based on some criteria such as at least 70 percent of the trainees should be from the rural Below Poverty Line (BPL) category certified by the District Rural Development Agency (DRDA). It is pertinent to mention that proper weightage is given to SC/STs, minorities, physically challenged and women.

STUDY AREA AND METHODOLOGY:

To get an idea about the role of RSETI, a study was carried out in March 2019 by visiting the RSETI center at Aurangabad district of Maharashtra and had discussion with Sri H.P. Jaiswal, Director of the RSETI known as MAHABANK RSETI (sponsoring bank is Bank of Maharashtra, based on

sponsoring bank RSETIs are renamed). And also over phone, the author has contacted the youths settled under RSETI whose cases are as presented below.

It has to be appreciated that Aurangabad district administration has fully supported to develop the RSETI. During the course of discussion, the Director of the RSETI informed that the Center was established on 12 October 2003 and till 2 March 2019 altogether 972 youths were trained in various trades of which 70 percent were settled. In this section five cases who after training were settled are presented and all the cases are more than one and half year old *i.e.* they started the venture one and half year before the study.

Case 1: Mrs. *Chhaya Bhalerao* (SC/32 years/12th pass) of *Yesgaon number 2 village, Khultabad taluka* was from a below poverty line (BPL) family till June 2017 before undergoing training at RSETI of Aurangabad district which is locally known as of *Mahabank RSETI*, Aurangabad. The family had less than two acres of agricultural land but with three children and both her in-laws consisting of seven members' family, husband had to work as agricultural labourer in Rabi season as in Kharif crops are grown. Mrs. *Bhalerao* observing the economic suffering of the family decided to earn for improving the economic condition of the family. And because of her interest in beauty parlour she preferred for undergoing the training at RSETI as she learned from newspaper in this regard. From her village, RSETI was about 40 kilometers but she was aware that hostel facilities were available with free food and stay. After completion of 30 days training in July, 2017 she by investing Rs.1.50 lakh (Rs 1 lakh from her own fund and loan of Rs.50,000.00 from Bank of Maharashtra under MUDRA *Yojana*) started beauty parlour business in the vicinity of the village in September 2017 *i.e.*, within two months after completion of the training. During the course of study in March 2019, it was reported that her monthly income was hovering around Rs.20,000.00. Because of her expanding business she had employed a youth on regular basis. It is heartening to mention that in addition to her regular parlour activity she was also doing tailoring work on a small scale basis. Her activities have created awareness among the rural youths as instead of searching job, she had shown fruits from self-employment (earning) can be enjoyed in the locality without much waiting.

Case 2: Like Mrs. *Chhaya Bhalerao* another lady Miss. *Kalpna Jagannath Surase* (40 years/12th pass/unmarried), belonging to other caste also from below poverty line (BPL) family hailing from *Hatnoor village, Kannad taluka* took up beauty parlour training in July 2017 and subsequently started her activity in October 2019 by employing one staff. Like Mrs. *Chhaya Bhalerao* she came to know from local newspaper about the training. She invested an amount of Rs.110,000.00, out of which Rs. 80,000.00 was her own fund and balance Rs. 30,000.00 was bank loan (Maharashtra *Gramin Bank*). While asking about her income she informed the same was around Rs. 20,000.00 per month. She in childhood badly suffered from polio so movement is her problem and thus this venture is a great source of income for her.

Case 3: This case is from *Khamkheda* village of *Phulambri taluka*. Shri *Umesh Bhanudas Dhepe* (SC/25 years) completed his 12th class but couldn't go for higher education due to poor economic condition of the family. During the course of study, he informed that there were six members in the family (self, 2 bothers, 1 sister and parents). With little agricultural land in the category of marginal farmer, crops during *Kharif* were inadequate to sustain family members. To support his family members, he decided to go for the training of two-wheeler mechanic on August 2017. He assessed that many two-wheelers ply at the state highway in *Aurangabad-Jalgaon* route so one two-wheeler repairing shop could do brisk business in the area as no such shop available in the area prior to his shop. Also at village square a shop like this is required as no shop was available in the vicinity. So after training he set up a two-wheeler repairing shop in that area locally called as *Chowka* under the banner of M/S. *Sai Automobiles & Servicing*. He invested an amount Rs.2.50 lakh from his own fund in the trade. His monthly income on an average was Rs.25,000.00. He was in the process of preparing the loan proposal under MUDRA Yojana to expand his business. He employed one youth on a regular basis in his venture.

Case 4: Mrs. *Surekha Jagtap* of *Manegaon* village of *Vaijapur taluka* was benefitted after RSETI training on tailoring. She was from BPL family (husband, two children and self) had two acres of agricultural land and getting crops only in *Kharif*. As a sequel husband had to work in a tailoring shop. She also had idea about tailoring so decided to undergo tailoring training in RSETI in September 2016. After 21 days of training, she set up her own tailoring unit in the village by investing to the tune of Rs.2.00 lakh (Rs 1.50 lakh self fund and a loan of Rs.50,000.00 under MUDRA Yojana from Bank of Maharashtra). During the time of discussion she informed that her monthly earning was hovering around Rs. 25,000.

Case 5: Shri *Aniket Manikrao Bhalerao* (SC/31 years as on March 2019) is an energetic unemployed youth of *Harsool* village which is in the vicinity of *Aurangabad town*. With six members' family, they had to suffer badly once upon a time as his father *albeit* was earning through auto-driving but had paralytic stroke. So, *Aniket* after completion of his 10th standard couldn't continue his higher education. He was trained in photography and videography at RSETI in November 2017 which was his personal choice from childhood. After the training he himself started his own venture and during the time of interview informed that his earning was around Rs. 30,000.00 per month. He informed to the author that being his social background and also with 10 standard education he could have searched for government job but instead set up self-employment.

CONCLUSION:

In the above discussion *albeit*, five cases are presented but more than 500 youths were settled in the district after RSETI training. I suggest instead of waiting/searching job, youths can think of undergoing training under RSETI as right type of training will facilitate them to settle in right economic venture. The advantage is that RSETI training helps to get bank loan easily those who are

interested to have it. Also, I suggest to the Government of India in densely populated Development Blocks of the country RSETIs may be set up.

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