



## Entrepreneurial Promotion through EDPs: With Reference to RUDSETI, Mysore

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### ABSTRACT

*The present study tries to investigate the role of Rural Urban Development and Self Employment Training Institute (RUDSETI) in entrepreneurship development. Since the eighties accelerated efforts have been made for entrepreneurship development to tackle the problems of unemployment, poverty and regional imbalances in the development progress.*

*Moreover, these efforts are intended to generate a new class of vibrant entrepreneurs from all walks of life, thus breaking traditional caste and community barriers. Meanwhile, the number of organizations engaged in entrepreneurship development has increased considerably. Apart from government agencies, the Non Governmental Organizations (NGOs) are also playing an active role in inculcating entrepreneurial spirit in different target groups. The RUDSETI could help in starting the enterprise by the trainees through arranging bank finance to 6635 trained entrepreneurs and their percentage stood at 71.04 and 2767 trainees started their venture without bank finance. In the year 2002-03 the financial assistance provided was 72.12 lakhs and it was increased to 219.09 lakhs in 2012-13. Majority of the trainees underwent training in Agricultural EDPs than in the other EDPs. The total settlement rate stood at 61.15 per cent, it indicates that training effectiveness through employment creation, financial support and other necessary requirements like follow-up activities facilitated by RUDSETI.*

**KEYWORDS : Regional imbalance, self-employment, EDPs, Bank finance vibrant, NGOs.**

### Introduction:

Economic development has become the main concern of the government. However, this concern is gradually shifting from government role to free enterprise role in view of global changes, which comprise of globalization, liberalization and privatization. In the coming years, development is to be caused by individuals alone and not merely by the government. This paradigm shift in development is only possible through an effective entrepreneurship. According to Meier and Baldwin (1967), "Development does not occur spontaneously as a natural consequence when economic conditions in a sense are 'right', a catalyst or an agent is needed, and that indicates entrepreneurial activity. Paradoxically, this unique resource is not uniformly distributed and even within the countries its appearance is random as noted by most analysts. Thus the entrepreneurial manifestation in a society is being observed as a tip of the iceberg, whose nine-tenth portion remains submerged into social institutions, cultural attitudes, practices and values.

The role of entrepreneurs in economic development may be understood by the contribution they make to the different sectors of economy. Entrepreneurs are the cost-effective agents as they utilize the last bit of resource available at their disposal. When they succeed, they do contribute to the development, otherwise disappear from the market because the market cannot tolerate miscalculation, lack of commitment and incompetencies. Further, Black (1966) visualizes economic development to include increase in productivity, socio-economic equalization, improved institutions and attitudes, and a rationally coordinated system of policy measures and removal of undesirable conditions and systems that perpetuate a state of development. Myrdal (1968) also opines that economic development is "an upward movement of the entire social system."

### Need for the Study:

India is facing the prime challenge of unemployment in the process of its development. Lakhs of youth are entering the job market every year after completing their schools of higher education. The entry of automation and mechanization in every sphere of commerce and administration due to the advent of science and technology has further

accentuated the problem. On the rural side, the employment potential in agricultural economy also appears to have reached a saturation level leading to large scale migration of manpower from rural areas to urban areas adding woes and pressure to already over strained civic infrastructure. All these clearly indicate the need for promoting self-employment entrepreneurial venture among the unemployed youth. In this context, need for training through entrepreneurship development programmes (EDPs) play a crucial role in the development of entrepreneurship is necessary.

### Review of Literature:

Haragopal (1999) analyzed effectiveness of Entrepreneurship Development Programme in North Eastern region. He stressed the need for specific training for entrepreneurs for whom loans had been sanctioned. He concluded that EDPs with a design change and oriented to upgrading specific skill/activities, coupled with escort service would have greater chance of success in NE region.

Sundaran (1999) analyzed the unemployment problem in Assam with particular reference to engineering graduates and diploma holders. He suggested that there was a need for proper selection of candidates and providing right kind of training for development of entrepreneurship. He concluded that there was a need for providing incentives, widening the scope of EDPs, quick clearance of loan applications by banks, industrial exposure, strengthening the data base, development of trainers' skill and support of sponsoring organizations.

Bhat (2000) conducted a study in Dakshina Kannada district of Karnataka state during 1991-95 to know the role of non-governmental agencies in entrepreneurship development. The sample entrepreneurs were selected from Rural Urban Development Self Employment Training Institute (RUDSETI) and Rural Self Employment Training Centre (RUSEMP) for the study. Out of the total of 1146 trainees, 180 trainees from RUDSETI and 51 trainees of RUSEMP were drawn as sample respondents. Out of 180 trainees of RUDSETI interviewed 125 trainees were not available or non-traceable, whereas in RUSEMP out of 51 trainees interviewed 15 trainees were not available are

non-traceable. The actual start-up rate of trainees from RUDSETI was 46.67 per cent and 54.90 per cent from RUSEMP. It was observed that start-up rate was more in case of trainees selected with prior experience. He concluded that entrepreneurship development programmes would succeed only when there was equal commitment from the training organization, support system and the trainees. He suggested to assess the training programmes frequently to improve the quality of training on the basis of feedback received during the training as well as in the follow-up stage.

The study by Begum and Kamala (2000) came out with the following observations: (i) there was a need for increasing the awareness about existing training programmes; (ii) the problem of under-development could be solved to some extent, if more programmes could be organized for the females of the poor households through extension programmes of different departments of faculty of home science; and (iii) more knowledge input programmes should be planned in extension work which would benefit the community.

Laxmana and Ishwara (2008) conducted a study to know whether EDPs had led to entrepreneurship or not. The study was undertaken in Davangere and Chitradurga districts. 20.00 per cent of the sample respondents were selected from the ED organization of Centre for Entrepreneurship Development of Karnataka. They found that more number of respondents were established the business and their percentage is 77.35 per cent and the remaining were non-starters of only 22.65 per cent. To conclude, one of the main objective of EDP is creating the first generation entrepreneurs have been proved in this study.

Nagesh and Murthy (2008) conducted a study to analyze the effectiveness of women entrepreneurship development program. The study was based on primary data covering only rural and urban part of Mysore city. They have observed that training programmes have helped to improve entrepreneurial skills and 75 per cent of the respondents have satisfied with the content of the training programme. They have identified that practical exposure of the trainees are lacking. They have suggested that training will be effective whenever there is a follow-up activities. To conclude, the transfer of training content is positive.

Laxmana and Ishwara (2008) The main objective of the research is to know whether EDP promoted the entrepreneurship or not, in the form of number of enterprises created as a result of EDPs. The study was undertaken in Davangere and Chitradurga districts. The most important findings of the research are the startup rate among the sample respondents was high at 77.35 per cent. The percentage of non-starters was only 22.65 per cent. Out of the non-starters, a large number of respondents are planning to start their enterprises.

Khursheed and Butt (2012) conducted a study to analyze the cost and benefit of the EDPs in the form of capital formation, output and employment. The major findings of the study are: (i) totally 79 EDPs were conducted by various agencies; (ii) The total direct cost incurred on various EDPs is 1523 per trainees; (iii) there was low start up rate; and (iv) there was a difficulty to compare employment generation with the other cost of EDPs.

**Scope of the Study:**

The present study analyses the role of Rural Urban Development and Self Employment Training Institute (RUDSETI), Mysore in entrepreneurial development. And also the study includes the evaluation of training programmes, share of weaker section and financial assistance provided by RUDSETI.

**Objectives of the Study:**

The following are the objectives of the study:

- (i) To understand the different training programmes provided by the RUDSETI in developing entrepreneurs;
- (ii) To analyze the Entrepreneurship Development Programmes conducted by RUDSETI;
- (iii) To analyze the share of weaker sections in training provided by the RUDSETI;
- (iv) To highlight the role of financial institutions in developing entrepreneurs; and
- (v) To offer suggestions in the light of the findings of the study.

**Methodology of the Study:**

Research is considered as journey from unknown to the known. Methodology is the way to solve the research problem systematically. The present study is purely based on data gathered from secondary sources. The required secondary data constitutes the main source of information, suitable for the purpose of the present study. The sources of secondary data were ledgers, annual reports, brochures and other reports of RUDSETI. In addition to these books, articles, published journals, thesis submitted to the universities were also referred. Internet has also been extensively made use for the purpose of the study. The data has been collected from the annual reports of RUDSETI for the period of ten years from 2002-03 to 2012-13. Totally, 13860 prospective entrepreneurs underwent training in this institution from ten years.

In the light of the objectives of the study, the study is divided into the components of entrepreneurship development programmes as,

- 1) Entrepreneurship Development Programmes conducted by RUDSETI;
- 2) Share of Weaker Sections in the total EDPs;
- 3) Settlement of Entrepreneurs with bank finance and without banks finance; and
- 4) Details of financial assistance provided by Syndicate Bank, Canara Bank and Other Banks.

The methodology used to analyze the Institutional bolster for the development of entrepreneurs is Growth rate and percentages.

**RUDSETI: An Overview:**

The Rural Urban Development Self-Employment Training Institute (RUDSETI) is the basic institutional structure through which the Non-Governmental Organizations (NGOs) work to achieve the objective of self-employment for people in rural and urban areas. It is a unique institutional set-up devoted for entrepreneurship development among the less educated youth. The parallel frame of EDPs has been the RUDSETIs. Developing economies need some institutional arrangement with a clear-cut development ideology to inculcate entrepreneurial culture. People have many opportunities available with natural resources and to utilize these they want proper guidance. Having realized the need for such guidance Dr. D. Veerendra Heggade, a great visionary and an enlightened religious head of Sri Kshethra Dharmastala in Dakshina Kannada District of Karnataka State has visualized the concept of RUDSETI and it is implemented through joint association with Syndicate Bank and Canara Bank. The first branch of Rural Development and Self Employment Training Institute (RUDSETI) was established at Ujire in Dakshina Kannada District of Karnataka State in 1982 and at present there are 23 RUDSETIs spread over Karnataka, Uttara Pradesh, Kerala, Tamil Nadu, Harayana, Andra Pradesh, Maharastra, Rajasthan, Orissa, Punjab, Madhya Pradesh and Gujarat.

RUDSITI, Mysore was started in 1992 has created a niche for itself and made efforts to reach out to every unemployed youth even in the remote village of our operational area exploring new avenues and conducting innovative need based training programmes. RUDSETI core offering is its free, unique and intensive short-term residential self-employment training programmes with free food and accommodations. A practical orientation and rigorous training with escort service are some of the distinct feature of RUDSETI. The following table No. 1 indicates an overview of Entrepreneurship Development Programmes provided by RUDSETI, Mysore.

**TABLE No. 1  
EDPs OF RUDSETI**

Programmes	Scope
I EDPs for First Generation Entrepreneurs	
(a) Agricultural EDPs	Agriculture and Allied Activity, Dairy, Sheep Rearing, Poultry, Bee Keeping, Horticulture, Sericulture, Piggery, Mushroom Cultivation, etc.
(b) Product EDPs	Dress Designing for Men and Women, Rexine Utility Articles, Agarbathi Manufacturing, Woolen Knitting, Bag Making, Cane Chair Making, Bakery Products, Leaf Cup Making, etc.

(c) Process EDPs	Two Wheelers Repairs, Pumpset Repairs, Radio/TV Repairs, Motor Rewinding and Multipurpose Mechanic, Beautician, Photography Videography, Screen Printing, Photo Lamination, Watch Repair, Domestic Electrical Appliances Repair, Book Binding, Computer and Desk Top Publishing, etc.
(d) General EDPs	Rural Entrepreneurship Development Programme (REDP), Entrepreneurship Development Programme for Women Entrepreneurship Development Programme PMRY-EDP etc.
II EDPs for Second Generation Entrepreneurs	
(a) Skill Upgradation	Programmes intended to give additional/ advanced skills in their chosen field
(b) Growth	Training cum counseling programme to help entrepreneurs who have reached break even level to grow systematically
III Rural Development and Human Resource Development Training Programmes	
Training Rural Development workers of NGO's, Training Self Help Group Management, Training Bank Staff in Rural Development Activities, Training Social Animators, and Sensitization Programmes to Bank/Government officers.	
IV Technology Transfer Programmes	
Launching pad for introduction of cost efficient, environment friendly technology, collaboration with Research Institutes and other NGO's. Short duration training programmes through demonstration, slides, lectures.	

Source, RUDSETI, Mysore.

**(i) SELF-EMPLOYMENT TRAINING PROGRAMMES CONDUCTED BY RUDSETI:**

Table No. 2 depicts an overview of different EDPs provided by RUDSETI, Mysore. Majority of the trainees numbering 6682 underwent training in the Agricultural EDPs. The highest Normal Growth Rate (NGR) of 295.83 per cent was during the year 2003-04 for Agricultural EDPs and this was followed by 2007-08 with the Normal Growth Rate of 102.65 per cent. In the year 2008-09 should a negative growth rate (NG) for Agricultural EDPs. The total General EDPs provided by RUDSETI was 2849. In the year 2004-05 had a highest Normal Growth Rate of 141.84 per cent, this was followed by 2009-10 and 2005-06 with the Normal Growth Rates of 60.24 per cent and 40.27 per cent respectively. The details of Process EDPs provided by RUDSETI numbering 2820 and had a highest Normal Growth Rate of 37.30 per cent this was followed by 2010-11 with the Normal Growth Rate of 29.55 per cent. Lowest number of candidates 1509 underwent training in Product EDPs. Except in 2003-04, 2007-08 and 2009-10, remaining years showed a negative growth rate.

**Table No. 3**  
**Share of Weaker Section**

Category	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Total
SC	128	99	153	231	212	463	258	517	430	557	701	3048
ST	59	55	70	123	73	180	159	201	101	332	229	1353
OBC	393	493	731	663	579	632	474	645	1024	883	990	6487
Minorities	39	38	36	69	31	99	34	37	54	106	93	543
Others	88	49	34	26	31	40	27	34	24	24	09	377
Total	707	734	1024	1112	926	1414	952	1434	1633	1902	2022	13860

Source: Annual Reports of RUDSETI, Mysore

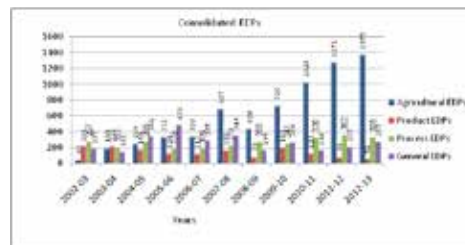
**Table No. 2**  
**CONSOLIDATED EDPs AND NUMBER OF CANDIDATES TRAINED IN RUDSETI**

Years	Agricultural EDPs		Product EDPs		Process EDPs		General EDPs		Total
	EDPs	NGR	EDPs	NGR	EDPs	NGR	EDPs	NGR	
2002-03	48	-	209	-	267	-	183	-	707
2003-04	190	295.83	210	0.47	193	NG	141	NG	734
2004-05	249	31.05	169	NG	265	37.30	341	141.84	1024
2005-06	332	33.33	124	NG	178	NG	478	40.17	1112
2006-07	339	2.10	117	NG	185	3.93	285	NG	926
2007-08	687	102.65	159	35.89	219	18.37	349	22.45	1414
2008-09	439	NG	79	NG	268	22.37	166	NG	952
2009-10	728	65.83	193	144.30	247	NG	266	60.24	1434
2010-11	1024	40.65	123	NG	320	29.55	166	NG	1633
2011-12	1271	24.12	74	NG	352	10.00	205	23.49	1902
2012-13	1375	8.18	52	NG	326	NG	269	23.79	2022
Total	6682	-	1509	-	2820	-	2849	-	13860

Source: RUDSETI, Mysore

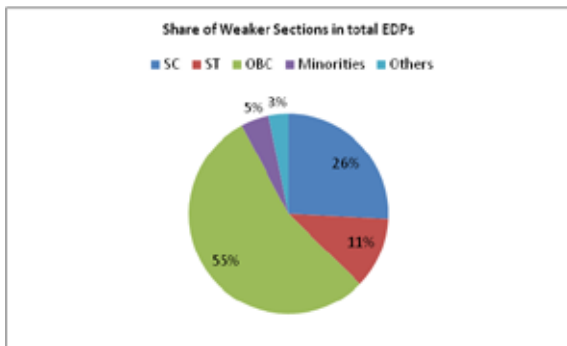
Note: NGR = Normal Growth Rate

NG = Negative Growth



**(ii) Share of Weaker Sections:**

Table No. 3 presents the share of weaker sections in the total training programme provided by the institute. The overall training provided by the institute was found to be 13860 and the training programme given was increased from 707 to 2022 for the period of the study. Majority of the trainees belong to the category of OBC and their number stood at 6487 and this was followed by SC and ST category and their numbers are 3048 and 1353 respectively. The share of weaker section was 707 in 2002-03 and increased to 2022 in 2012-13. To conclude, majority of trainees belongs to the weaker section.



**(iii) Settlement of Entrepreneurs:**

Table No. 4 presents an overview of settlement of entrepreneurs with and without bank finance. There are totally 9372 entrepreneurs who have started their venture from 2002-03 to 2012-13. The RUDSETI could help in starting the enterprise by the trainees through arranging bank finance to 6635 trained entrepreneurs in relation to the total number of starters and the remaining 2737 started their ventures without any bank finance. From the table it is clear that more number of entrepreneurs were settled using financial assistance from the bank when compared to entrepreneurs settled without bank finance.

**Table No. 4  
An Overview of Settlement of Entrepreneurs**

Year	With Bank Finance	Without Bank Finance	Total
2002-03	161	323	484
2003-04	143	370	513
2004-05	412	306	718
2005-06	599	210	809
2006-07	413	273	686
2007-08	743	295	1038
2008-09	726	205	931
2009-10	695	140	835
2010-11	750	170	920
2011-12	874	198	1072
2012-13	1119	247	1366
Total	6635	2737	9372

**Source: Annual Reports, RUDSETI, Mysore.**



**(iv) Financial Institutions Support to the Entrepreneurs**

Table No. 5 reveals the details of financial assistance to entrepreneurs by the financial institutions. In the year 2002-03 the total financial assistance to the entrepreneurs was Rs. 72.12 lakhs and it was increased to Rs. 219.09 lakhs in the year 2012-13. The majority of the contribution was done by other nationalized banks and the amount stood at Rs. 55.25 lakhs and it

**Table No. 5  
Financial Institutions Support to the Entrepreneurs  
(Rs. in Lakhs)**

Years	Syndicate Bank	Canara Bank	Other Banks	Total
2002-03	8.35	8.52	55.25	72.12
2003-04	12.37	7.17	40.64	60.19
2004-05	11.98	20.30	85.46	117.74
2005-06	10.68	25.19	160.64	196.51
2006-07	3.31	20.66	117.51	141.48
2007-08	44.63	37.07	188.39	270.09
2008-09	19.37	5.68	176.44	201.49
2009-10	18.93	132.65	436.81	588.39
2010-11	47.60	48.00	495.17	590.77
2011-12	10.48	19.68	429.85	460.01
2012-13	0.00	31.36	187.73	219.09
Total	187.70	356.28	2373.89	2917.88

**Source: Annual Reports, RUDSETI, Mysore.**



was increased to Rs. 187.73 lakhs during 2012-13. The assistance given by Canara Bank increased from Rs. 8.52 lakhs to Rs. 31.36 lakhs from 2002-03 to 2012-13. To conclude, the financial assistance from Syndicate Bank is less compared to other financial institutions.

**Findings of the Study:**

The following are the major findings of the study

1. Majority of the trainees numbering 6682 underwent training the Agricultural EDPs.
2. Majority of the trainees belong to the category of OBC and their number stood at 6487 and this was followed by SC and ST category and their numbers are 3048 and 1353 respectively.
3. The RUDSETI could help in starting the enterprise by the trainees through arranging bank finance to 6635 trained entrepreneurs in relation to the total number of starters and the remaining 2737 started their ventures without any bank finance.
4. The majority of the contribution was done by other nationalized banks and the amount stood at Rs. 55.25 lakhs in the year 2002-03 and it was increased to Rs. 187.73 lakhs during 2012-13.
5. The assistance given by Canara Bank increased from Rs. 8.52 lakhs to Rs. 31.36 lakhs from 2002-03 to 2012-13.

**Suggestions for the Study:**

The following major suggestions have been made:

1. The NGOs have better training infrastructure and atmosphere when compared to governmental organizations. It would be better to training the beneficiaries of self-employment programmes of the government through NGOs.
2. Officials of sponsoring banks are to be sensitized about the RUDSETI concept so that the honest trainees are not denied with

bank finance.

3. The trainees should be given adequate information on procedures, formalities and nature of assistance available for venture launching.
4. It seems necessary that the banks change their financing pattern and evolve a need-based rather than security-based financing policy to assist small entrepreneurs.

#### Conclusion:

Learning is a continuous process. Training and financial support adds depth to this continuous process. Entrepreneurship should become a centripetal force as well as centrifugal force in the strategy of development of any economy. Its relevance is high in India, which is plagued by a dismally low level of entrepreneurialism and hence a high level of mass unemployment coupled with the parasitic nature of her people to cling to a paid job. Institutional Financial Assistance in the development of entrepreneurship will go a long way in averting the socio-economic problems of India.

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