

RUDSETI, INDIA: THE EFFECTIVENESS OF THE TRAINING MODEL AND IN EMPOWERING THE RURAL YOUTH FOR SELF- EMPLOYMENT

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Abstract

In 1982, India's economy was primarily agrarian. After a deep drop in 1979, the Indian GDP rate of growth was around 5%, with an unemployment rate gradually increasing from approximately 4% from 1979 to 1982. Rural Development and Self-Employment Training Institute (RUDSETI) was founded by a religious leader in a small Southern Indian village with the support of two banking institutions during this time. The success of RUDSETI and its pioneering initiatives to empower Indian rural kids to live a dignified life are recorded in this case study. Students will be invited to examine this successful training programme and consider how to replicate it in the BRICS countries.

Key Words: Training, Rural Development, Entrepreneurship

1. Introduction

In 1982, India's economy was primarily agrarian. At the time, the economy had been in poor shape for a few years, with unemployment rising from 4% in 1979 to 6% in 1980, and the rate of growth of the national gross domestic product (GDP) increasing from 2.9 percent in the 1970s to 5.6 percent in the 1980s. It remained unchanged, with employment opportunities neither increasing nor declining. Panagariya, Arvind, 2003. During this time, a relatively young religious leader from Mangalore, South Canara District, Karnataka State, saw that Indian youngsters needed vocational training to feed themselves and support their families in either the organised or unorganised sectors. And occupational training without the development of a healthy self-esteem and a disciplined living can lead to the progressive deterioration of learned abilities. As a result, vocational training must be included as part of a comprehensive training package in the residential mode. The learner should be on his or her way to becoming a confident, well-trained technician ready to take on the world. The discussion was over whether the trainee should be trained to become an employee or a small business owner. According to previous data, even for trained youth, the number of employment accessible from both government and commercial agencies was quite restricted. However, with the growing population and demand for goods and services, being a qualified technician has a great chance of success.

2. Background and Origins of the organization

The Rural Development & Self Employment Training Institute (RUDSETI) was established in 1982 by Dr. D Veerendra Heggade, president of Sri Dharmasthala Manjunatheshwara Educational Trust and Dharmadhikari (original Sanskrit word, meaning ‘religious head’) of Dharmasthala, supported by Syndicate Bank and Canara Bank in India. The stated aims of RUDSETI were to:

- Identify, orient, motivate, train, and assist the rural youth to take up self-employment or wage employment ventures as a viable career.
- Participate in research and development activities in entrepreneurship training and rural development.

As part of the research for this case, the authors spoke with Dr. Heggade. Dr. Heggade discussed some of the events in his early life that led him to establishing RUDSETI. An excerpt from one of our conversations follows:

“In my becoming the Dharmadhikari in 1968, I also became the board member of Syndicate Bank by default which was the erstwhile position held by my father. There I was, a young boy compared to the banking stalwarts like Shri Sundara Rama Shetty, the then Chairman of Vijaya Bank, Shri T.A. Pai, the Chairman of the Syndicate Bank and others who were writing the banking history of India, sitting next to them during the board meetings. Several times, I felt that I should do more homework before I start expressing my views. My job in those meetings then was to observe and study each opinion about on the matters discussed during the meetings. I would come home and start studying the matters discussed or discuss the same matters with few senior bankers who were family friends and known to us for a long time. In the process, I started understanding as to how banks finance organizations and individuals with loan advances for constructive reasons, investment, and business operations.

It became evident to me that in India, if an individual or family not owning any landed property of any kind, want to borrow some money, the only path left to them is the ubiquitous moneylender, who eventually will make them bankrupt. In the 1970s, there was war with Pakistan, then came the two years of Emergency. In those years, there was rampant unemployment, every person, every family was trying for a government job or some employment where they will get a monthly salary from a government source. These thoughts used to always trouble me. It used to pain me seeing graduates and post-graduates applying for peon’s post. Thus, the idea of liberating the rural youth from working for someone else to work for oneself and the Nation germinated in my head....”

3. Services of RUDSETI and Training Methodology

The following innovative services are provided and cost-effectively by the RUDSETI,

- Creating awareness of self-employment and potential as an entrepreneur among rural youth,

- Developing motivation and a positive attitude.
- Training to acquire hard, soft, and life skills.
- Assistance and guidance for the establishment and successful running of an enterprise.
- Linkages with banks for financial assistance.

The officers deputed from sponsor banks as Directors of the RUDSETI centres possess experience and inclination in the field of Rural Development, and these officers volunteer for side-stepping into the role. The centre director supported by in-house faculty will handle EDP (Entrepreneurship Development Program) inputs such as behavioural inputs, managerial inputs, banking, launching formalities, etc.

Following the Common Norms Notification of the Ministry of Rural Development, Government of India, the Course Modules designed by the National Academy of RUDSETI (NAR), the National level Resource Organisation for RSETIs are adopted by RUDSETIs. These courses have been aligned with the National Skill Qualification Framework (NSQF) stipulated by the Ministry and approved by it.

Infrastructure:

The majority of RUDSETI units have a well-developed campus consisting of the administrative office, classrooms, work sheds, dormitories for trainees, and guest houses to guest faculties and mess facilities. Library, recreational facilities, and audio-visual aids which facilitate quick learning are also provided.

Training Programmes

RUDSETI offers more than 60 types of Entrepreneurship Development Programmes (EDPs) in various avenues. All the programs are of short duration intervention ranging from one to six weeks. Mainly they are classified into four categories as shown below:

For First Generation Entrepreneurs

Agricultural EDPs: - Commercial Horticulture/Floriculture, Krishi Udyami, Dairy Farming & Vermi Compost Making, Poultry, Bee Keeping, Pisciculture, Vegetable Nursery Management and Cultivation, Poly Houses and Shade Net Farming, Piggery, Sheep Rearing, Cultivation of Medicinal and Aromatic Plants, Rubber Tapping & Processing, Gardening, and Landscaping, etc.

Product EDPs: - Women's/Men's Tailor, Homemade Agarbatti Maker, Soft Toys Maker & Seller, Embroidery & Fabric Painting, Jute Products Udyami, Costume Jewellery Udyami, Papad, Pickle and Masala Powder Entrepreneur, Candle Making, Bamboo & Cane Craft Making, etc.

Process EDPs:- Electric Motor Rewinding & Repair Services, Beauty Parlour Management, Photography & Videography, Cell Phone Repairs & Service, Gharelu Vidyut Upkaran Seva Udyami, Two Wheeler Mechanic, Entrepreneurship in Desktop Publishing, Computer Hardware & Networking, Refrigeration & Air-Conditioning, Computerized Accounting, Men's

Parlour and Salon Udyami, Installation & Servicing of CCTV Camera, Security Alarm & Smoke Detector, Fast Food Stall Udyami, Plumbing, and Sanitary Works, Travel & Tourist Guide, etc.

General EDPs: - Entrepreneurship Development Programme for Micro-Entrepreneurs/Business Correspondents & Business Facilitators, Debt Recovery Agents/PMEGP Beneficiaries/Financial Literacy, Bank Mitra, Shop Keeper, etc.

For Established Entrepreneurs

Skill Up gradation: - To improve the skills and enhance the capability of the settled trainees.

Growth Programmes: - To aim and achieve high goals in life and business for the settled trainees.

RUDSET Institute also organizes Entrepreneurship Development Programmes for Transgender members, Jail Inmates, Persons with Disability and Sex Workers. All the courses are National Skill Qualification Framework aligned courses approved by National Skills Qualifications Committee and Core EDP courses notified by MoRD.

Rural Development & HRD Programme: - Through this, RUDSETI aims at:

- Training Rural Development facilitators of NGOs.
- Training in SHG management and
- Training Bank officials in Rural Development activities.

Selection of candidates for training programs

Unemployed youth in the age group of 18-45 years, irrespective of caste, creed, religion, gender, and economic status, having the aptitude to take up self-employment or wage employment with some basic knowledge in the related field can undergo training which is free of cost.

Follow up Services

The cutting edge of RUDSETI training is the post-training follow up for sustained motivation among the trainees. The effort to make them rise on to the pinnacle includes:

- Two years follow up – Through regular correspondences, Individual contacts, Unit visit, Village/Taluk/District/Branch level meeting, etc.
- Facilitating credit linkage with the banks for setting up micro-enterprises.

Marketing Support

RUDSETI Bazaars are organized to provide marketing support to the RUDSETI trained entrepreneurs. This facilitates the participants to get an insight into market trends and customer behaviour. Each Unit organizes at least one Bazaar every year during meals, exhibitions, and special occasions in their command area.

4. RUDSETI Training Design and Methodology

An inherent part of the RUDSETI model is about the rigorous selection process for the training modules not just based on the basic education and smartness but identifying the ‘right person to learn the right skill’. The basic training module held in about 33 days is aimed at producing skilled and efficient manpower adapted to a healthy lifestyle for life.

The psychological exercises are structured to stimulate and motivate the participants to shed their shyness, inhibitions, class consciousness, lack of formal education, lack of language abilities if any, such that in those 4-5 days they become well rounded young individuals prepared to go through the training module. All the training programs conducted by the RUDSETI are in vernacular/local language.

The eligibility for joining the training programme is that he/she should be in the age group of 18-45 years of any religion/caste/creed or economic status, having the burning passion to take up self-employment or wage employment. He/she should be having some basic knowledge in the related field for the opted training at the RUDSETI. The trainees are not introduced to the core skills training straight away, but they start with the knowledge transfer training on the processes to avail bank loan, ensuring their business and property, managing people, maintaining cost accounting, expenditure management, forecasting of material requirement and production requirement, use of computers to aid their work, marketing of the product and/or services and finally the selling of products and services. Highlights of the training regime is as under: -

- The training, accommodation, and food at RUDSETI for the duration is free for the trainee. The expenditure is shared by the sponsoring agencies and/or through Govt. assistance.
- Up to 2 years after the completion of the training, regular and periodic follow up is done with personal visits to the trainee by the RUDSETI staff.
- Alumni of RUDSETI are part of the training process to teach and train
- On an average 70% of the trainees are successful in setting up their own micro and small businesses
- The successful past trainees have given employment for 2-50 persons in their business set ups thus generating net employment for the nation.

Training is carried out in the following steps: -

- During the first 2-3 days of the arrival of the trainees, the trainees are individually observed, assessed, and identified for imparting a specific vocational training based on the necessary aptitudes. The interest and passion of the trainee is considered and if that clashes with the aptitude and readiness of the trainee to receive that training, experienced vocational trainers advise the trainee.

- The RUDSETI campuses are residential for both the trainees and teaching staff with the practice labs available for learning 24 hours. Learning by doing forms the backbone of the RUDSETI training.
- Learning Yoga, time management, maintaining personal and environmental hygiene and healthy food habits are part of the training.
- RUDSETI training uses simulation exercises, group discussions, role plays. Individual care is taken to ensure that the slow learners, those with language issues and those who lack the basics of the relevant domain receive attention from the instructors. The training process includes field visits to factories, service centres and experience sharing by locally available successful alumni of RUDSETI.
- As part of the training process, bankers and Government officials impart knowledge on the processes involved in securing licences from local offices, loans, Government schemes available.

One of the salient features of the classroom study which starts at 9:30 AM is the 'MILLY' which stands for 'Most Important Lessons Learnt Yesterday', where in, 3 randomly picked participants speak for 5 minutes each on the previous day's learning in the presence of the Director of the RUDSETI. The significance of this exercise is that, among the participants, most of them may have never addressed an audience in their lifetime and for the first few sessions many of them may dread this part of the day.

Once those three days are over, the trainee groups are made based on the observations such that each group has a balance of high-medium-low learners. That is, in a group of five, there will be two-three medium learners with one high learner and one low learner, this subtle categorization of the trainees within groups is not revealed to the class or any trainee but are kept as part of the RUDSETI class records and will be factored in even during the follow up period of 2 years after the training.

It was recalled by the faculty that, the trainees who have had previous experience in that skill learn fast and once they start repeating the actions they did during their unstructured, previous work experience, their learning becomes faster and efficient, irrespective of their language skills and thus they start excelling within the group. He learns faster and then the other members in the group learn from him during the practical sessions and in their interactions during the off-class hours. Thus, the vocational training which normally takes 8-9 months in a conventional institutional set up is imparted in a span of 30-33 days at the RUDSETI.

One of the rural women who was a 5th class pass, who could not write full sentences used to take notes by making simple line drawings instead of letters, always used to stand first in the class whenever the practical tests were held. And as the training course progressed, she became a source of learning for others in the group.

As regards to the training content, broadly, 70% is practical and the rest is theoretical which includes the business skills training. Separate classrooms for theory and practical are available. During the training, games are administered by the in-house faculty, and the sessions on

communication skills, finance, marketing, banking, digital banking, digital learning, and experience sharing by the alumni intersperse the vocational sessions such that, monotony is avoided.

Broadly, as regards to the RUDSETI centre, there are 3 stages of activities. Pre-training, Training and Post-Training stages. In the pre-training stage, the RUDSETI director and the staff go the villages and conduct EDPs and propagate information about the Institute, the organization, and the training.

Normally the batch size of each training programme is limited to 25 trainees to ensure fair and effective learning. As we spread word regarding the commencement of the training, the candidates start registering and once the application screening is done, the candidates are informed through mobile phone and post regarding their successful registration for the programme. It is a matter for pride for the RUDSETI fraternity that every announced programme is oversubscribed and each centre always has a waiting list of rural youth aspiring to undergo RUDSETI training.

The vocational training is given gender wise and training programmes specific to men or women are announced before the registration begins. Several training programmes go on simultaneously and separate hostel facilities for men and women are available.

In the post-training phase, every trainee is visited once in 90 days to follow up on their transformation from trained professionals into business owners for two years. That is, once the training is over, there will be 6-8 visits. The staff members collate and organize the information collected from such visits and submit a report to the centre director. Specific newly recommended training areas and location specific problems are brought for discussion in the District Level RUDSETI Advisory Committee (DLRAC) headed by the District Commissioner of the district and co-chaired by the regional manager of the sponsor bank. Has members from the National Bank for Rural Development (NABARD), the district industry representative, member from the district labour office and two reputed businessmen/women of the district.

The three measurable steps we see in the growth of the trained individuals followed as part of the post-training activity are,

- Income generation
- Self-employment
- Entrepreneurship

This is apart from them becoming good human beings having positive aggression and a 'can-do' attitude. The RUDSETI training routine in a day is as shown below: -

There are a few important issues regarding the routine which makes the RUDSETI training different from other similar training programmes.

- Waking up at 5:30 AM, is early by normal standards. In preparation for a long business day, the trainees are made to wake up early, and not-surprisingly, most of the trainees make it a life habit.

- An hour-long Yoga session, imparted by trained instructors in the morning keeps the future businessman healthy, energised, and active, this again may become a life habit.
- ‘Shram-daan’ or donating work, to perform tasks of cleaning the living space, classrooms, the toilets, garden, and common areas is in a way preparatory training to ensure that the future businessperson does not hesitate to do hard work.
- ‘MILLY’- Most Important Lessons Learnt Yesterday, a unique practice, has been explained above.
- The after dinner extra sessions by the guest faculty who teach the vocational training topics can extend the class well beyond 11PM and sometimes the trainees become so enthused that they keep working till the next morning and immediately start the next workday.

5. Impact of RUDSETI: Trainees and Transforming the Ecosystem

Till 2016, the directors and faculty at RUDSETI had complete freedom to develop, modify the training course modules for various training programs. In 2016, RUDSETI took the initiative of securing the approval of the National Skills Qualification Framework (NSQF) under the Ministry of Rural Development (MoRD), Government of India.

One of the major tasks for the RUDSETI administrators is to periodically identify new areas for training the youth in, plan and design training modules, identify experts who can deliver the modules, similarly, obsolete training modules are discontinued. RUDSETI conducts these routine processes in a ‘bottom up’ manner. In that, before 15 January each year, during the DLRSA meeting which includes the district administration and the local RUDSETI/RSETI director, the training module plans for the oncoming financial year (Apr 1 to Mar 31) is presented and the opinions of the public administrators including the District Commissioner is taken as to whether the newly proposed set of training modules meet the aspirational requirement of the youth or not. This process takes place year on year at all districts across India under the aegis of the RUDSETI/RSETI as relevant. The system would have recorded the feedback, suggestions and pointers collected from all the batches in addition to the environmental inputs by the expert instructors and the RUDSETI staff.

In the broader sense, RUDSETI’s contribution to society can be summarized as,

- Promoting rural entrepreneurship, employment generation in rural areas
- Resource utilization & capital build-up
- Demystification of technology, creating awareness
- Confidence building in rural youth, empowerment of women
- Promotion of service sector, building up of human capital

○ The efforts of RUDSETI helped in scaling down the pressure on urban areas and contributed to the national wealth to the tune of Rs. 300 Crores per annum at an average earning of Rs 2500/- per month per successful trainees.

Till date, the number of trainees who have passed out of the RUDSETI portals exceed 22 Lakhs from all the 27 centres across the Nation. Out of those who have been trained, approximately 70% have succeeded in becoming self-employed and about half of that have become employers, hiring others to assist in their business venture.

Nearly 40% of the trainees have availed bank loans to start their businesses. The two-year long follow up and hand holding by the RUDSETI staff has gone a long way in giving moral support to the fledgling businesspersons. As revealed by the bankers, 90% of the past trainees who have taken loan have regularly returned the amount to the bank through pre-decided EMIs. That is, the life skill training given at RUDSETI has instilled in them the sense of responsibility ensuring that they do not become ‘bad debtors’ to the lenders.

The Follow-up Training by RUDSETI for Entrepreneurs; ‘High End Techno and Managerial Enhancement Training Programme (HETMETP)’

Once the trainees complete the training and establish themselves as business entities either with the assistance of bank finance or through their own resources, as mentioned above, the follow up assistance from the local RUDSETI centre continues for 2 years. As part of that follow up, after one year of successfully running their own business, they are invited to participate in the Skill Upgradation Programme in the same domain for 4 days, with the aim of enriching their skills and look for possibilities to increase their income level. In addition to these, local business-men alumni in touch with the RUDSETI centre are also invited to take part in this training programme. One of the eligibility criteria in addition to the minimum one-year-successful-running of their business, they need to be earning a minimum of Rs. 25,000/- per month for this programme. This is to ensure that they can afford to spend 4 days continuously away from their business.

Broadly, the Assessment Outcomes for the High-End Techno-Managerial Enhancement Training performance criteria is stated as under: -

Outcome	Performance Criteria
<p>Professional Knowledge At the end of training, the participant would have understood:</p> <p>1. The importance of achievement motivation, positive thinking, self-confidence, managing time, consumer behaviour, online marketing, insurance, bookkeeping and accounts, legal aspects of business including IT, GST, and other taxes for successful running of business.</p>	<p>PC1 – Knows about the importance of achievement motivation, positive thinking, and self-confidence for successful running of business.</p> <p>PC2 – Is able to explain the advanced techniques of related skills</p> <p>PC3 – Has understood the concept of managing time, consumer behaviour, customer service, maintaining good interpersonal relationship with related people, labour management, online</p>

<p>2. The concept of business strategy and importance of growth-oriented thinking and planning.</p>	<p>marketing, insurance, bookkeeping and accounts, legal aspects of business including Income Tax, GST etc.</p>
<p>3. Advanced techniques of related skills</p>	<p>PC 4- Has developed a good understanding of the concept of business growth (organic, diversification, forward and backward linkages), and is able to apply it to his/her context of planning for setting up a macro enterprise and undertake inorganic growth for diversification</p>

National Centre for Excellence in RUDSETI (NACER): The Mentoring and Monitoring Cell for Ensuring Quality in RUDSETI

National Centre for Excellence in RUDSETI (NACER), Bangalore, aims at ensuring adherence to the training regimes, evaluation protocols and follow up actions. The mentoring and monitoring function spans all the RUDSETIs and R-SETIs across the 586 districts of India and the inspecting experts are chosen internally from across the Nation. Individual RUDSETI centres are graded every year and awards are given for excelling in achieving the intended targets in terms of the number of trainees settled with successful businesses, the collective turnover of the businesses spawned by the RUDSETI and the feedback on the training and follow-up in terms of qualitative inputs given by the RUDSETI director and the staff. Thus, NACER maintains a check on the effective use of resources at all the centres.

6. Conclusion

India is at the cusp of developing into a major world economy given the sheer number of people working in the coming decades. It is a known projection that by 2030, over 65% of the Indian population will be below 35 years of age and as a youthful nation, there are enormous opportunities and challenges. On the one hand, India may expect the increased working hands to add heft to the GDP growth and on the other, with the increasing influences of criminally inclined organizations and radicalization on the youth, the same youth may cause irreparable damage to the Nation if their energies are not channelized towards a positive goal. RUDSETI has set itself the noble objective of empowering the rural youth and this purpose may become one of the major instruments in channelizing the energies of the huge youth population in the country towards becoming independent, productive, and net contributors to the Nation and the world.

List of further readings or links to web resources for further reading

- <https://rudsetitraining.org/web/about-rudseti/>
- <https://www.rudsetacademy.org/>
- <http://nirdpr.org.in/rseti/>

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RUDSETI annual reports

Personal interviews of Dr. Veerendra Heggade, Chairman of RUDSETI

Personal interview of Shri M. Janardhan, Executive Director, RUDSETI

Personal interview of the Heads of the RUDSETI at Mysore, Ujire, NACER, Gurugram, Nagaon (Assam), Talegaon (Pune, Maharashtra), Kannur (Kerala)

Personal interviews of beneficiaries at the RUDSETI locations as mentioned above