CHAPTER-8

SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS

This chapter summarizes the study as a whole. The summary of findings pertaining to both the secondary data about critical role of various development institutions under consideration and primary data collection under PMRY, SGSY, REGP, NABARD- SBLP and MSME (SIDO) programs. The major findings of the evaluative analysis of self-Employment Programme for Rural Poor in the three districts viz Mahendergarh, Rewari and Gurgaon of Haryana, and the findings of the impact of the programme in eradicating poverty, Entrepreneurship Development, Employment generation and economic well being of the rural poor has also been presented. Further the conclusions has been drawn and documented. Based on the findings and concluding remarks, a few suggestions has been offered for better implementation of the programme, policy changes and further research.

8.1 Summary

Entrepreneurship has become an important area of study and it is also considered to be a new way for creating wealth, generating employment and providing new and better goods and services. So, initiating entrepreneurship is an important aspect of changing the rural world. The notion of entrepreneurship development has often been stressed as being crucial for the socio-economic development of rural India and poverty alleviation, yet it generally neglected in reference to the concept of Rural entrepreneurship and rural entrepreneurship development. Only a few studies have addressed the construct of rural entrepreneurship and rural entrepreneurship development and its impact on country’s economic and human development. The concept of rural entrepreneurship development has remained almost unexplored in India and at a larger scale in Asia as a whole. One such unexplored area is that of the Indian rural economy and rural industrial sector which has been experiencing the futile attempts of the policy makers and supporting agencies meant for fostering rural entrepreneurship development in the country.

The study attempts to add incrementally to the existing literature in three ways. First, a few studies have been conducted to examine the impact of rural entrepreneurship development programmes of various development and supporting institutions on promotion, development and sustenance of micro and small village enterprises in the state of Haryana. However, development of micro and small village enterprises and
employment generation, so vital for the socio-economic and industrial development of the rural areas, has never been the subject of these research works. Second, an indirect impact of rural entrepreneurship development initiatives, mediated by socio-economic outcome in the form of micro and small village enterprises, is assesses for the first time. Finally, while examining the relationship between the performances of selected rural entrepreneurship development institutions & government schemes and its resulting socio-economic and employment outcomes, this study makes use of responses both from the beneficiaries’ and the people from such institutions responsible for the desired physical and financial outcomes. Hence, a need was realized that prompted the researcher to form a view to take up studies to assess the role and impact of the developmental infrastructure and important schemes as a whole in rural entrepreneurship development in selected villages of the selected districts of the state of Haryana.

The study focused on the questions being asked by many people in India on how the supporting institutional network for the entrepreneurial development in the rural areas and various poverty alleviation programmes of government, since 1970s have impacted on the people. The aim was to look at both, the developmental institutions and promotional interventions in the form of poverty alleviation and entrepreneurship development measures put in place by successive governments and how these programmes have impacted positively or negatively, on the people. Hence, the present study assumed greater importance. The study made an attempt to understand and document the following two dimensions of the Govt. sponsored self-employment generation oriented rural development programs intended to foster rural entrepreneurship development in the documented study area-

1. Performance evaluation [in terms of financial, operational] of the select Development Institutions/Agencies with respect to such REDPs

2. Performance evaluation [in terms of Physical & Financial performance and Socio-economic Impact evaluation] of the select development programs/Schemes of each of such Development Institutions/Agencies

This study made an explicit effort to define entrepreneurial development in a way that might be applied to an examination of rural economic development efforts. The overall objectives of the study remained to examine and evaluate the Socio-economic Impact and performance of various government schemes, programs and institutional support in achieving the target of fostering rural entrepreneurship and promote, support and sustain rural entrepreneurs & micro and small village enterprises [MSVEs] in the state of Haryana. The documented objectives relates to the following-
1. Documenting the institutional network and the involvement of support agencies, profiling the select various entrepreneurship development organizations and documenting their rural entrepreneurship development programs, policies and schemes in Haryana.

2. Documenting the credit & financial assistance, management & technical assistance, infrastructural support and entrepreneurship education and training provided by the development organizations to the prospective rural entrepreneurs in Haryana.

3. Evaluating the performance of development programs and their impact on the economic well being of the rural population, growth of SSI and Village industries in the State, and generation of employment opportunities in rural areas of Haryana.

8.2 Findings and Discussion

The findings of the study are presented in accordance with the stated objectives outlined in chapter number three under research methodology. Some of the major revelations of the study are as follows-

1. There are a good number of development organizations engaged in fostering rural entrepreneurship in the country. Such organizations are primarily concerned with executing or implementing development programs either sponsored by center Govt. or by the state Govt. The schemes are channelized and operationalised through such financial institutions, development organizations or Govt. Support agencies like DIC or DRDA. The present study dealt with select agencies like DIC, DRDA, HKVIB, NABARD, HSIIDC and SIDO (now MSME-DI). These agencies have been analysed and documented with reference to and in the context of stated objectives of the present study related to fostering rural entrepreneurship in the state of Haryana.

2. The analysis found that DIC, DRDA, and HKVIB have poorly performed with respect to the promotional efforts required for the proper operationalisation and execution of the entrusted development programs in the three districts. The respondents revealed a mix of responses about the creation of awareness about the programs through different means and were lacking in the proper promotion which resulted into a situation where a large number of people in the society were not aware about such programs and missed the opportunity to avail the benefits. The development organizations have implemented the sponsored programs aiming at providing avenues to rural poor to be self sustained by starting and running their own income generating activities in the form of any business like industrial or trading or service etc. For this purpose, the eligible applicants who wished to take advantage of Govt. programs have been extended micro credit (Bank loan) through such
organizations. Such beneficiaries have also been provided the management and technical assistance in their respective areas of business activities that helped them to start, run and manage the business properly. The needed infrastructural support in terms of land, shops, go down etc. has also been made available to the needy entrepreneurs so as to help and support them in their income generation venture. The analysis of primary data revealed a poor scenario of the status of development organizations who were supposed to extend management and technical assistance and infrastructural support to the program beneficiaries. On an average, 84% of the total respondents who could be located said they were not even aware of such kind of assistance and support and hence could not reach the concerned authorities for a proper direction. (Refer table-7.10, Table-7.21 and so on)

3. The development organizations provided credit and financial assistance and support to the prospective rural entrepreneurs who availed the program benefits. Subsidy or margin money assistance being the part of subsidy-linked credit programs, was availed by almost 98% of the respondents under the different programs like PMRY, REGP, SGSY etc. but out of this almost 90% beneficiaries failed to start any kind of income generating activities for which the credit and subsidy was extended. (Refer table-7.4 to table-7.32). The table revealed the year-wise amount of finance extended, the cumulative value, and further analysed in terms of the financial targets given and achieved during the implementation of the program.

4. A program wise analysis to find out the relationship between various REDPS and employment generation in rural Haryana reveals that out of PMRY, REGP, SGSY, SHG-BLP etc., only SHG-BLP have generated significant employment not only in terms of employing the family members but providing employment to other people also. In case of the rest of the programs, the primary data analysis revealed that such programs failed to even give a boost to employment in the study areas. Further, it was observed that the aggregate data of growth of rural employment is not available on websites of Govt. of Haryana and also it is not available in any of the annual statistical abstracts, and hence no statistical analysis could be perform in this regard to test the hypothesis as the nature of primary data was as such where no statistical tool could be applied.

5. The primary data analysis with regards to the economic wellbeing variables revealed that only those program beneficiaries (12% approx) showed the improvement in their economic status who availed the credit and subsidy benefits and could actually convert the loan and subsidy amount into some sort of income generating activities
by starting some petty business. Such beneficiaries have shown the improved annual income level, improvement in the household assets and different housing facilities. The researcher observed that such beneficiaries have better health care services, educational opportunities for their wards by sending them to schools and colleges and access to various utility services that happened to be possible only due to their profit making income-generating venture started by taking the advantage of Govt. sponsored programs.

6. Every sponsored program was conceptualized in terms of mandatory entrepreneurship education and training to rural youth who have availed the credit facility under the respective programs. The primary data analysis revealed that on an average 98% of total respondents under different programs attended the mandatory EDPs or training programs which was intended to equip the participating program beneficiaries, to gain knowledge and required skills to venture into self owned business to start some income generating activities. Respondents under different programs have shown a mix of training relevance and outcome responses and eventually the usefulness for the proposed business activity. (Refer table-7.11, Table-7.22 and so on)

7. Further, with regards to entrepreneurship education and training in the form of EDPs or ESDPs or skills development programs, the study reported several areas of inadequate performance- choice and deployment of faculty, course material, expectations of the participants, timing, delivery and focus of the programme. EDPs conducted by banks or under the schemes like PMRY (Prime Minister’s Rozgar Yojana) have greater conversion rates of participants into entrepreneurs but the mortality rates are also high. Participants start their businesses because banks sanction loans to them rather smoothly. However, the businesses fail because the entrepreneurs did not really deserve.

8. The primary data revealed a poor overall performance of the programs both in terms of physical achievements and financial achievements. The respondents too have shown dissatisfaction with regard to the working and operations of the implementing agencies. Further observations revealed no coordination between different agencies and Banks who are responsible for granting small loans to those who has been referred by implementing agencies to the banks for the sanction and disbursement of loan amount and credit of subsidy amount.
8.3 Conclusions

On the whole, centrally sponsored rural self-employment generation oriented programmes which have been studied in the context of contribution to the rural entrepreneurship development have not been implemented to a large extent in true letter and spirit for improving the social and economic standard of living of the targeted groups, growth of rural enterprises, generating employment opportunities in the rural Haryana and economic well being of the rural poor. Research has shown that entrepreneurship is an increasingly important factor in the economic growth in the rural areas and communities across the states. However, analysis of the impact of entrepreneurship on rural economic growth is limited. One primary reason is the lack of data on entrepreneurial activity. Based on the scheme–wise findings of study, following conclusions have been drawn on various employment generation schemes:

1. Under SGSY program, the success rate in the three districts under study is not satisfactory. any of the intended benefits under SGSY have not reached the Swarozgaris in a proper way due to some weakness in design and implementation. Animal husbandry and Agriculture related occupation were dominant SGSY activities in district Rewari and Mahendergarh. Not many traditional activities were given priority. In most of the Self Help Groups, the selection of activity was finalized through group discussion; there has been very limited role of block officials, social activators and bankers in decision making. The corruption in banks is delaying the loan process, many of the Swarozgaris have indicated that bank officials are asking for bribes for sanctioning the loans. Lack of training has been one of the major concerns in the scheme. There is lack of understanding of SGSY scheme amongst many of the Swarozgaris. There is lack of supervision and monitoring by the district/block officials. No follow-up is being done to see whether the ongoing SHG/individual Swarozgaris are able to run their business in an effective and efficient manner. There is also shortage of field officers at block level for proper supervision of the SHGs. Some of the Swarozgaris are utilizing the loan money for their personnel purpose.

2. Under PMRY scheme which has been now restructured in the form of PMEGP, it may be concluded that some of the beneficiaries availing loan from the bank did not start the ventures/units due to inadequate finance or lack of demand for their products or services. As specified in the guidelines of PMRY, the income-ceiling limit of the beneficiaries should be Rs. 40,000 per annum to avail the loan. Most of the beneficiaries interviewed, fall into the annual personnel income group of
above Rs.45001 to more than Rs. 60000. A majority of ventures started under PMRY were owned individually. The participation of female beneficiaries under PMRY is very limited. Many of the beneficiaries who started the venture could not sustain it for long and had closed down the units due to the tough competition and inadequate finance. DICs is not following a viable framework for upgradation of training provided to the beneficiaries in terms of the changing market condition. The PMRY scheme was intended to provide employment not only to the beneficiaries but also to the family members and others. But the proportion of beneficiaries reporting as unemployed as well as unpaid family labour at the time of application had declined. There is no proper follow-up by DIC.

3. Under REGP program, there is a lack of infrastructure facilities at the district level offices of KVIB. There is also inadequate staffing in the office. There is no proper follow-up by KVIB. No changes are suggested to the beneficiaries for proper design and implementation of their venture/units by KVIB. Most of the KVIB district offices are working in a casual manner, there is lack of monitoring or surprise checks from the KVIC in this regard. Though some of the beneficiaries availed loan from the bank, but did not start the ventures/units due to inadequate finance or lack of demand for their products or services. Those beneficiaries who have got the loan, but his/her venture/units is affected by natural calamity are not provided any financial/technical assistance for restarting the venture/unit. The participation of female beneficiaries under REGP is poor. The present duration of training is not sufficient for getting proper knowledge for setting up of business. The bank officials pays visit more than four times before sanctioning the loan. In remote areas, there is lack of awareness of employment generation scheme amongst the people.

4. Under SHG-BLP, the SHGs are not properly providing training regarding the SHG functioning and activities management. Further grading of SHGs is not done properly and in accordance with the guidelines. The revolving amount disbursement is not proper in many cases.

5. Under SIDO (MSME-DI), the training provided in the form of EDPs and ESDPs has not truly happened in the rural areas in most of the cases in the three districts. The outreach programs as per targets have failed to achieve the intended purpose of training more and more rural people enabling them and equipping them for starting their own business.

6. In case of HSIIDC, the Udyog Kunj schemes has been found surviving only on papers. The allotment of plots and sheds has not been proper, not allotted so far, and
those has been allotted are being used for unauthorized activities. No infrastructure has been developed in the areas which have discouraged the potential entrepreneurs from rural areas to come up and do business activities.

7. Infrastructural facilities in respect of road transport, medical, banking and educational facilities are found better in district Gurgaon, than Rewari and than Mahendergarh. These facilities are important and they are essential for enhancing the level of development in different areas. Most of the villages are electrified in the areas covered by community development blocks. Literacy rate is very poor.

8. The overall socio-economic development is positively associated with the entrepreneurial development, infrastructural facilities and literacy rate. The association between infrastructural facilities and self-employment opportunity development is not found to be significant. In the same manner, the literacy level is not affecting the entrepreneurial development.

9. Infrastructural facilities are found to enhance the level of literacy in the block areas. Socio-economic development is positively associated with the literacy rate.

10. Wide disparities in the level of development among different blocks have been observed.

Thus, if appropriate measures are taken and a big push provided to rural industrialization efforts, especially focusing on the promotion of resource-based industries, there is enormous potential for poverty alleviation and overall entrepreneurial development and employment opportunities generation in rural areas of the state of Haryana.

8.4 Recommendations and Suggestions

On the basis of major findings of the Study and overall environ for the implementation of various self-employment generation and development programmes leading to the rural entrepreneurship development in the Study Area, a few suggestions and recommendations are made to achieve better results of implementation of these programmes.

1. In the context of SGSY program, some of the areas which the researcher found appropriate to suggest in view of taking proper care and precautions while dealing with restructured SGSY program.

In future, Program guidelines should be followed at the time of selection of beneficiaries and counseling activities should also be carried out. While finalizing of the activity of SHG, the participation of block officials, social activators and
bankers in decision making should be given more priority. More traditional activities should be given priority. The target approach to group formation need not be adopted rigidly. Officer should have the time to nurture the groups once the name of members has been selected. Proper monitoring of groups needs to be done at various stages of their growth, strengthening and group monitoring methods including selection of leaders, homogeneity of group member, etc. needs to be developed. Training and awareness are required for the Swarozgaris towards their entitlements and responsibilities. Training needs to be undertaken in much more systematic manner covering groups according to some schedule. Strong surveillance is required to check corruption, due to siphoning off of profits or payment of bribes at every point in the procedures. Bankers need to be much more proactive in monitoring the financial aspects of the scheme and visiting the groups more frequently. Lack of proper training has been one of the major concerns in the scheme. There is lack of understanding of SGSY scheme amongst many of the Swarozgaris. Market survey needs to be stressed and explained to Swarozgaris Viability of activities selected should also be considered from all angles.

2. It is suggested that Banks and DIC official should assist the beneficiary of any rural development programs to start the unit at the earliest and supervise the activities at least at the beginning. Banks and DIC need to develop some package to assist the beneficiary owners of the closed units to revive closed or defunct units. Further, Banks should interact periodically with the beneficiaries, this would help keep constant watch on the happening and state of affairs in the unit and improve the rapport between the bank and beneficiary.

3. In the context of KVIC, HKVIB, the issues pertaining to the proper and adequate Human resources and staff should be taken care off for the proper functioning and working at the District branch level, and hence enabling the different program beneficiaries to take full advantages of benefits and facilities. Further, Better infrastructure facilities should be provided at the district level offices of KVIB. Proper maintenance of records of different related years, accessibility of records and follow-up by KVIB is needed. It is highly suggested that a special training programme should be organized for program beneficiaries for proper design and implementation of their venture/units. The State KVIB should extent the necessary help to beneficiaries for creation of better marketing avenues. Further HKVIB should strengthen the monitoring system. Scrutiny of the projects should be properly done to make sure that there is demand for the proposed product or services in the market before sanctioning the loan.
4. It would be more appropriate that the Bank managers should be motivated or trained and they should feel comfortable in financing the rural poor under different Govt. sponsored programs and SHGs. Delay in sanction of loans is a major problem in addition to insufficient capital. Some managers are not participating in grading exercise. Simplification of procedures to open a bank account, access credit, etc. could also go a long way in encouraging the poor to bank with the formal sector, by reducing clients’ transaction costs. The financing banks should ensure timely and adequate finance to the SHG members and should remove the procedural and time consuming processing hurdles.

8.5 Limitations of the study

This evaluative study suffers from certain limitations. In view of the dimension of exploration and geographical spread of the study area, the large number of selected development and financial institutions and Govt. support agencies for the stated objectives, the selection of a good number of rural development programs aiming at self-employment generation and entrepreneurship development, the times as well as financial resources available were serious limiting factors for the study. Poor availability of secondary sources of data, particularly the lack of time series data on physical and financial targets achieved under the programs like PMRY, SGSY, REGP; Lack of the availability of district-wise secondary data pertaining to the achievements of MSME-DI (SIDO) training and EDPS/ESDPs, SHGs functioning and performances limited the portrayal of performance of various development programs in the study area, which could have given a deeper insight into the future projections.

Since the study was based on primary data hence, the establishment of linkage between secondary and primary data could not be established as both sets of data have different nature. One of the limitations of the study is that a schedule instead of questionnaire was developed and responses generated by respondents were having statistical inaccuracy. Respondents were uneducated and illiterate that hindered the process of data collection as the respondents were lacking the participatory attitude and willingness to reveal the correct informations. The availability of data was not possible because some data was not latest despite by all efforts by researchers. The researcher came across with issues of non-maintenance of written records by the concerned officials in many of the Govt. support agencies and the data is scattered and spread in different forms.

Further, on a later stage of the exploratory research, it was observed that some programs were started during the after years of 1991 which was the initial year of time
period of study. Hence the time period reference for the study could not be established in accordance with the stated temporal scope of the study. The researcher also observed that there was a large focus on profile study of the beneficiaries and category wise study was not done as neither it was the study of objective and nor it was judiciously preconceived. A model building depicting the relationship of REDPs and well being of people was not done because nature of data and responses from beneficiaries could not be quantified.

Some of the important study aspects which resulted into limiting dimensions of overall research framework, are documented as follows-

1. Small scale Industries Corporation (SSIC) was mistakenly selected and documented as a development institution in the approved synopsis but on a later stage, it is found that as such no organization exists. Hence, no work could be carried out about this institution.

2. Further, in case of KVIC, it is found on a later stage that Haryana Khadi and village industries board has been entrusted for implementing the select development programs (REDP) in the study area, hence, a detailed study of HKVIB is being done instead of KVIC in the select study area of Haryana.

3. Small Industries Development Organization (SIDO) now renamed as MSME-DI, Karnal in Haryana is engaged only in providing Entrepreneurial education and training to the rural and urban unemployed youths to make them employable or to skilled to start their own business. It has reportedly not engaged directly or indirectly in the implementation of any sort of credit linked scheme in the state, hence no data is available about its credit and financial assistance. Hence, as such its direct role in the promotion and development of micro-entrepreneurial enterprises or village Udyog could not be identified and ascertained.

4. The researcher could collect only the secondary data about various financing schemes for different scale of industrial and entrepreneurial activities by Haryana Financial Corporation (HFC). As such no detail and data is available about any of the micro- credit & financial assistance and rural entrepreneurial credit support provided by HFC. Hence, no study with respect to stated objective could be done in case of Haryana financial corporation.

5. Further, the study was planned to span on 18 years of time frame i.e. from 1991 to 2008. In the view of this, it is pertinent to mention here that in case of few selected development institutions, it is found that a good number or ongoing development schemes were either concluded or modified just after 1991-92 and hence no authentic
data was available at all except the data part of various research reports conducted during that period. Further, new programs or modified programs or schemes were introduced and had commenced/implemented on a later point in time during 1991-2008. Hence, the status of time reference with respect to select programs has been modified accordingly as follows-

- The study of SGSY scheme implemented by DRDA relates to a period from 1999-2008 only.
- The Study of PMRY implemented by DICs relates to 1994-2008 only.
- The Study of REGP implemented by HKVIB relates to 1999-2008 only.
- The study of SHG-Bank linkage program by NABARD relates to 1994-2008 only.

To sum –up this section, it remained the general observation of the researcher that whenever the primary- data analysis demanded further probe into the issue which surfaced, it could not be undertaken since the revisit to the research area for further data collection was not feasible due to shortage of time as well as financial resources. However, the issues thrown in the present investigation would provide valuable insights for future studies to be undertaken to make explorations into the functioning and performances of developmental institutions and Interventions.

8.6 **Scope for further research**

The study paves way for further research in the development of micro rural enterprises by rural credit and finance, development of rural entrepreneurs, social change, group dynamics, role of NGOs and voluntary organizations in sustainable rural development, marketing of products of SHGs, training and its effectiveness in group management and income generating activities, sustainable alternative livelihood practices and the role of bank loan and financial assistance in rural development in the context of the emerging threats of globalization. Further the performance of various rural self employment development programs could be done at the state level covering all the districts. Further a comparative study on the role of Development institutions and support agencies towards entrepreneurship development in the rural areas and employment generation for rural poors and educated unemployed youths.