CHAPTER - VI

SUMMARY AND FINDINGS
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Employment generation and Poverty alleviation have been the crucial issues of concern of the Governments at various levels. More specifically, in an economy with surplus labor, ‘employment generation’ to the youth has assumed greater significance.

In 1996-1997 CMEY Programme is introduced to provide employment to youth in Andhra Pradesh State and Roshni scheme was also grounded in 1999. Later, the Velugu/Indira Kranthi Pathakam Project is taken up in many districts to provide employment Opportunities to rural youth and others in a big way.

For Youth, the vibrant and creative force of the society, it is felt that there is a need to involve a comprehensive policy encompassing socio-economic empowerment of the youth. Government of Andhra Pradesh has been striving hard to mitigate the problem of unemployment in a phased manner. Efforts have been made to empower youth with the upgradation of skills and access to investment in potential sectors to widen the employment opportunities. The major efforts of Rajiv Yuva Shakti Programme are to involve youth actively in community development and rural reconstruction programmes through personality development and to reconstruct and reorient the existing education and training needs to meet the requirements of the modern economy.
6.1. Findings of the Study:

Petty business activity emerged as the main scheme accounting for more than 73.00 percent of the total schemes executed. However, there is a 12.00 percent difference between the sanctioned and grounded that showed a decline over a period.

Backward castes and other castes are the largest groups benefited under this programme accounting together for nearly two thirds of the total expenditure on the individual schemes taken up in the district.

All amount released for physically handicapped youth was utilized in the starting year and it declined in the subsequent years. More than 36.00 percent of the total expenditure on individual schemes was allocated to other community youth and another 28.00 percent to backward caste youth in rural areas of the Kurnool district. Only 16.00 percent of the total expenditure was incurred on the scheduled caste beneficiaries and 1.90 percent on scheduled tribe beneficiaries. Minorities accounted for 7.00 percent and women for 9.00 percent of the total expenditure. Interestingly the sanctions to the schemes taken up by these groups have been on the rise during the period under review.

All most all the expenditure sanctioned to youth belonging to physically handicapped category was utilized fully in the first year of its implementation and it declined afterwards. It is inferred that the scope for taking up the petty business activities by the rural youth is shrinking over time and hence there is a need for financing other new activities that yield income to the rural youth.

The amount sanctioned for group activities in 2006-2007 is less than 70.00 percent of the amount sanctioned in 2005-2006 under Rajiv Yuva Shakti Programme.
The subsidy utilized was 58.00 percent of the amount released for the purpose and the percent of bank loan used was 45.00 percent of the released amount. As these components are less than their targets the contribution made by the selected beneficiaries was also less than 50.00 percent of its target.

These are reflected in the steep increasing in the per capita assistance provided to the beneficiaries. In fact, the financial assistance provided to take up the income generating activities by the rural youth increased from Rs.53,440 in 2004-05 to Rs.65,433 in the year 2006-07. All this is mainly due to the difference between the targets and achievements in involving the beneficiaries in employment activities.

Andhra Pragathi Grameena Bank, State Bank of India, Syndicate Bank and Andhra Bank are the leading Banks assisting the beneficiaries to a larger extent under Rajiv Yuva Shakti Programme in the district.

These four banks extended project cost amount to nearly 87.00 percent of the total units covered under Rajiv Yuva Shakti Programme Karnataka Bank and Bank of Mysore Covered a little more than 1.00 percent of the total units while no unit was covered under Bank of India during the year 2004-2005.

It is found that the number of beneficiaries assisted under petty business nearly doubled in the first two years of starting the scheme and as a result higher target was fixed for the subsequent year. As a result of this there has been a significant rise in the amount of subsidy, beneficiary contribution, bank loan provided to these youth. In accordance with this there has been a rise in the per capita subsidy, contribution, bank loan provided to petty business beneficiaries.
The share of petty business schemes and individual schemes grounded to their targets during 2004-2009 ranged from above 60.0 percent in Kurnool District to close to Group schemes are not taken up by youth enthusiastically.

Petty business and individual schemes have been taken up by the rural youth more or less equal enthusiasm which if absent in the group schemes. Larger number of schemes was taken up by backward classes in Kurnool District.

During 2004-2009 it is targeted to cover 5525 rural youth under all schemes to provide employment opportunities to rural youth in the district. However, only 56.80 percent of the targeted number of beneficiaries is covered under all schemes of Rajiv Yuva Shakthi Programme. This proportion seems to be moderate and not impressive, as larger percentage of beneficiaries was not covered under this programme. This indicates that Rajiv Yuva Shakthi Programme did not succeed in attracting more and more rural youth to take up employment under different schemes. This is evident from the fact that the coverage of beneficiaries and total expenditure incurred in all the district was high in the first two years and declined afterwards. Group schemes are the least attracted ones under RYS Programme in Kurnool District.

Under the individual schemes the per capita assistance provided in the Kurnool District at Rs. 97850. Under the petty business scheme the proportion of beneficiaries covered to their target under Rajiv Yuva Shakthi Programme in during 2004-2009 is 52.00 percent in the Kurnool District. It is noted that the beneficiary coverage under petty business schemes is little more than one half of its target in Kurnool District.

Under the petty business schemes the proportion of project cost provided to the beneficiaries covered to their target in the Kurnool District under Rajiv Yuva Shakthi
Programme during 2004-2009 is nearly 62.00 percent. Under the petty business schemes the per capita assistance provided in the Kurnool District at Rs. 48582. Under the Group schemes the proportion of project cost provided to the beneficiaries covered to their target in Kurnool District Rajiv Yuva Shakthi Programme during 2004-2009 is less than 30.0 percent of its target.

It is found that other caste youth are the largest group of beneficiaries under RYS Programme followed by backward castes. In fact, youth belonging to these two castes accounted for nearly 60.0 percent of the total beneficiaries' covered in the Kurnool District. It is also found that 16.0 percent of the beneficiaries are women and these needs to be enhanced by encouraging more women to take up employment activities.

It is interesting to know that 28.00 percent and 27.00 percent of women took up individual schemes and petty business schemes respectively.

Largest percentage (40.47) of beneficiaries under individual scheme possesses qualification between Intermediate and Degree standard and no beneficiary with qualification less than 7th standard is covered under this scheme. It indicates the fact that youth with less than 7th standard qualification are unable to take up employment schemes under individual scheme.

Largest percentage (36.7) of beneficiaries under petty business scheme possesses qualification between Intermediate and Degree standard followed by 29.16 percent have the qualification between Tenth standard and Intermediate. It is found that youth with at least Inter qualification have taken up petty business.

Under Group schemes largest percentage (29.4) of beneficiaries' scheme possesses qualification between Intermediate to Degree standard followed by 24.16 percent have
the qualification between Tenth standard and Intermediate. Many with qualification between 7th standard and degree level have taken up group activities.

Larger proportion of (17.80 percent) the rural youth covered under individual scheme has taken up Dairying activity followed by Kirana shop (17.30 percent). On the other hand poultry farm activity is the least received activity (3.60 percent) by the selected beneficiaries under the individual scheme. It indicates that the scope for taking up these activities in rural areas is large.

Larger proportion (22.60 percent) of the rural youth covered under Petty Business scheme has taken up petty trade followed by general stores (22.00 percent) and milk trading (18.50 percent) by purchasing milk animals. These three activities together accounted for two thirds of the activities taken up under petty business. On the other hand Dish Antenna activity is the least received activity (4.00 percent) by the selected beneficiaries under petty business. It indicates that the scope for taking up petty trade, milk trade and general stores activities in rural areas of Kurnool District.

It is found that nearly one fifth of the total selected units are located in the expanded old premises, 48.20 percent units in the own premises of the beneficiaries and the remaining 22.40 percent of the units in the rented premises. This indicates that one fifth of the beneficiaries have the premises used for some activity under different scheme earlier, and they are being expanded to house the present units under the individual scheme.

It is common practice for the grounded units to purchase useful assets. It is observed that only 10.00 percent of the schemes have purchased some assets useful for running the units.
It is noted that nearly 56.00 percent of the grounded schemes are functioning while nearly 30.00 percent of the units have become defunct. It is surprising to know that nearly 15.00 percent of the schemes recorded as grounded schemes not at all exist at the time of the survey. Beneficiaries of such schemes received the subsidy and raised bank loan and diverted it for other purposes. It clearly indicates that fact that 15.00 of the total expenditure on the grounded schemes did not serve the purpose for which it is granted. On the other hand a significant proportion of the grounded units (30.00 percent) have become defunct, as the beneficiaries did not take the activities to generate income.

It is noted that nearly 58.30 percent of the grounded schemes are functioning while nearly 28.60 percent of the units have become defunct. It is surprising to know that 13.00 percent of the schemes recorded as grounded schemes not at all exist at the time of the survey. Beneficiaries of such schemes received the subsidy and raised bank loan and diverted it for other purposes. It clearly indicates that fact that 13.00 of the total expenditure on the grounded schemes did not serve the purpose for which it is granted. On the other hand a significant proportion of the grounded units (nearly 29.00 percent) have become defunct, as the beneficiaries did not take the activities to generate income.

It is noted that one half of the total units grounded are functioning while one quarter of the total units grounded have become defunct. It is surprising to know that nearly one quarter of the total units recorded as grounded schemes not at all exist at the time of the survey. Beneficiaries of such schemes received the subsidy and raised bank loan and diverted it for other purposes. It clearly indicates that fact that one quarter of the total expenditure on the grounded schemes did not serve the purpose for which it is granted.
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It is estimated that 49 of the units of Individual scheme grounded under Rajiv Yuva Shakthi prorramme have become defunct for a variety of reasons. Some of the reasons stated by the beneficiaries of defunct units are frequent troubles, non-availability of raw materials, low margin of profits, lack of trained skills and diversion into other business. However, the twin problems of procuring raw materials and low margin of profits have been identified as the reasons for the defunct of the units to a larger extent.

It is found that 22.50 percentages of these units became defunct due to the low margin of profits and another 21.00 percent of the Petty Business units became defunct due to non-availability of inputs of trade and nearly 15.00 percent each became defunct due to frequent troubles and diversion to other business. Further, 12.50 percent of the units became defunct due to lack of skills to run the business efficiently. Thus, the twin problems of procuring inputs and low margin of profits have been identified as the reasons for the defunct of the units to a larger extent.

It is found that six groups of five member activities have become defunct at the time of field survey. One third of the groups units became defunct due to the repeatedly occurring problems in the activities and one sixth each of the units became defunct due to non-availability of raw materials, low margin of profits, and lack of trained skills to run the activity and diversion to other business. Thus, the major problem of frequent troubles is identified as the reason for the defunct of the units to a larger extent.
Nearly 60.00 percent of the units under petty business scheme have no problems. However, release of II installment of bank loan is the difficult problem followed by the delays in the release of subsidy for grounding and maintaining the units.

Nearly 58.00 percent of the units under group scheme have no problems. However, delay in the disbursement of II installment is reported to be the difficult problem followed by delay in the release of subsidy for grounding and maintaining the units.

Thus, it is found that other caste youth are the largest group of beneficiaries under RYS followed by backward castes. In fact, youth belonging to these two castes accounted for nearly 60.00 percent of the total beneficiaries covered in Kurnool District. It is also found that 16.00 percent of the beneficiaries are women and these needs to be enhanced by encouraging more women to take up employment activities.

6.2. Suggestions to improve the functioning of RYS Programme in Kurnool District:

In view of the limited success recorded by the Rajiv Yuva Sakthi programme the following suggestions may be considered to improve the performance of the scheme.

Activities combining the local resources in the villages are to be identified and offered to the youth to take-up income generating activities. This will induce sustainability to the activities assisted under the programme.

For taking up individual schemes minimum educational qualification of X class needs to be insisted. This ensures proper coordination among the members.

The training programme executed in the district offices is to be diversified so as to meet the heterogeneous requirements of the youth from different villages.
Classification of the activities between the sub schemes namely individual, petty business and groups need to be maintained to ensure longevity of the activity.

Activities are to be offered to the youth to take up in relation to their skills, capacities and interest. Otherwise, they may be discontinued or not grounded at all.

Dairying and sheep development programmes are to be interlinked with the watershed programme to develop pastures the supply fodder to the animals. In drought prone district development water resources through minor sources such as percolation tanks and check dams assumes greater importance.

The finances provided to the beneficiaries, the project cost may be enhanced and shall ensure the purchase of physical assets/animals necessary for the activity.

The subsidy amount offered needs to be rationalized and disbursed in installments. Subsidy amount may be enhanced according to the need and not on a blanket basis.

Beneficiary contribution shall be made mandatory to ensure beneficiary's active participation in the projects sanctioned them.

Bank loans are to be distributed in time in single installment and the recovery of the loans also to be made time bound and mandatory. Additional finances may be provided to the beneficiaries performing well as an incentive.

It is essential to check the diversification of the funds sanctioned to RYS activities to the unproductive activities.

Constant and periodic monitoring and supervision of the programme to the government officials are essential for the success of the employment generation programmes.
Regular meeting of the beneficiaries and the officials are to be arranged to assess the performance and progress of the activity financed under Rajiv Yuva Sakthi programme.

Special programmes to draw women into the employment generating activities in the rural areas need to be identified and financed on a large scale.

Employment generating programmes are to be integrated with the other schemes and projects that involve the utilization of local resources both physical and human.

Local self-administrators are to be associated with the implementation of the programme in villages of the district.

The group schemes may be sanctioned to smaller groups with 3 beneficiaries also.

The members in the selected activity group shall be necessarily in the age group of 18 to 35 years of age.

Measures need to be taken to provide inputs for the maintenance of the activities financed under Rajiv Yuva Shakthi Programme.

The demand for the output of the assisted projects needs to be generated locally to a larger extent possible.

It is important to publicize the RYS schemes more intensively to attract the youth from rural areas on a larger scale.

Political involvement and influence needs to be avoided in the selection of the projects and the beneficiaries under the RYS Programme.