



# **Socio Economic Impact of Skill Development Training Program on Employment Status of Rural Youth: A Case of RSETI, Gujarat**

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## **Authors' contributions**

*This work was carried out in collaboration among all authors. Author JD designed the study, performed the statistical analysis, and wrote the first draft of the manuscript. Authors SRP and AKN managed the analyses of the study. Author AM managed the literature searches. All authors read and approved the final manuscript.*

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## **ABSTRACT**

**Aims:** This paper investigated the need and socio-economic impact of skill development training program on employment status of rural youth by using the case of Rural Self Employment Training Institute (RSETI) located in Nadiad, Gujarat.

**Study Design:** A random sample of 120 trainees who took skill development training during the period 2013-16 were selected for the study. Data collected were subjected to in-depth tabular analysis as well as statistical techniques such as Principal component analysis (PCA).

**Results:** The study showed that the skill training imparted by RSETI was widely taken by rural youths with the motive of starting a new venture. The impact of training program on occupational status of trainees showed that the training significantly raised the level of self-employment in the youths. The economic impact of the training indicated that the trainees were either monetary motivated or they felt improvement in the job quality. On the basis of social impact, the trainees were segmented into four broad categories namely self-employment seekers, prestige seekers, confident & positive respondents and efficient respondents.

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**Conclusion:** The study suggested that selective training methods should be devised, based on interests and capabilities of the individuals, that were leaders, entrepreneurs, Pessimist, self-conscious and self-motivated categories, to get the effective results.

*Keywords: Rural Self Employment Training Institute (RSETI); employment status; socio-economic impact; skill development program.*

## 1. INTRODUCTION

One of the biggest challenge that India has been facing is the high rate of unemployment. Hundreds of millions of unemployed adolescents, mostly from rural and semi-urban areas, are finding it difficult to find an acceptable job [1]. A report of NSSO-68<sup>th</sup> round presented that the unemployment rate among the youth (aged 15-29 years) in India was significantly higher than that of the general population. The unemployment rate among young people under normal circumstances was estimated to be around 5 percent for rural males, 5 percent for rural females, 8 percent for urban males and 13 percent for urban females. In addition to this, urban males, the unemployment rate for the educated (level of education: secondary and above) was higher than that for those with less than secondary education [2]. Unemployed youth are more prone to career downgrades, and lower income in life due to a lack of professional abilities. Of late, these troubled youngsters have increasingly been drawn to antisocial acts [3]. On the other hand, the agriculture industry, which is the primary source of income in rural areas, faces a number of challenges, including low agricultural productivity, a lack of capital for investment, low income generation capacity, and a lack of access to land and credit, all of which impede the development of rural livelihoods [4].

These anomalies, in turn create a vicious cycle in the agricultural landscape that leads to exodus of labor communities from rural to urban areas [5]. The government is also making a concentrated effort to promote self-employment opportunities in the rural sector via small-scale agro-based enterprises. No doubt, these sorts of entrepreneurial initiatives may provide fillip for creation of adequate employment opportunities in rural areas. However, the need for skilled and empowered labor force can never be ignored. In this view, extensive training programs for the development of entrepreneurial skills among rural youth seem to be an effective way to empower them economically and enable them to contribute more to overall development [6].

In this context, Ministry of Rural Development of India came up with the idea of establishment of Rural Self-Employment Training Institute (RSETI) at the national level with the help of its vast network of scheduled banks. In this scheme, all the banks were entrusted with the task of establishing one RSETI type institute in each of their lead districts under the name Rural Self-Employment Training Institute (RSETI) for training rural unemployed youth to promote self-employment ventures. Today, RSETIs offers more than 60 types of EDPs (Entrepreneurship Development Programmes) in various avenues [7]. All of the programs are for a limited period, ranging from one to six weeks. RSETI training is distinguished by its post-training follow-up, which helps new entrepreneurs maintain their motivation and overcome teething challenges. Following training, the institute also aided the trainees by facilitating funding through institutional financing to help kickstart their businesses. Information and communication technology (ICT) tools have also played an important role in providing youths with novel training and career opportunities. There are a number of successful initiatives in both developed and developing countries that aim to assist young people in developing skills and finding employment. Rural youth benefit from ICT-led entrepreneurship development programmes that help them improve their access to new technology and cope with the combined effects of globalisation, market liberalisation, and the fast adoption of ICTs in the workplace.

To date, the Rural Self Employment Training Institute (RSETI) program has been noted successful in raising the morale of rural youth and empowering them to develop a productive identity by starting self-employment initiatives in their local communities [8]. In this regard, the broad idea behind the present study was to access the impact of entrepreneurship development program of RSETI-Nadiad on the socio-economic status of beneficiaries. The precise objectives of the study were:

1. To study the personal and socio-economic characteristics of RSETI trainees.

2. To measure the impact of skill development programs on the socio-economic environment of the trainee respondents.
3. To identify effective group dimensions for improvement in RSETIs training program.

## 2. METHODOLOGY

Keeping in view the specific set of objectives, the RSETI, Nadiad was purposively selected for the study based on the amount of money sanctioned by NABARD to all RSETIs located across Gujarat state. A random sample of a total of 120 beneficiary trainees of RSETI, Nadiad who had taken up entrepreneurship development training programs during the period 2013-16 constituted as sample respondents of the study. The data was collected by personal interview method using the pre-tested schedule. The beneficiaries were weighed using specific social and economic performance indicators to track their pre and post-status. Data collected were subjected to in-depth tabular analysis using both basic arithmetical tools like percentages, ratios, frequencies, averages, etc. as well as statistical techniques such as Principal component analysis (PCA). PCA is a data reduction technique in which factors are grouped into various groups. It is most commonly used in exploratory research. When no factors are found in literature studies, a pilot research is conducted with a large number of statements, and then a systematic principal component analysis is used to identify factors for subsequent multivariate analysis technique.

## 3. RESULTS AND DISCUSSION

### 3.1 Personal and Socio-economic Characteristics

The adoption of self-employment-related activity is viewed as a complex process that is influenced by various personal, social, economic, and psychological characteristics of the trainees. Table 1 represents the socio-economic characteristics of trainees of RSETI-Nadiad in terms of gender, age, education, occupation, and annual income. Table 1 revealed that the proportion of male trainees (56.70%) was slightly more than that of females (43.30%). The age group classification highlighted that majority (45.80%) of trainees belonged to 21-25 years age group followed by 26-30 years (25.00%), below 20 years (19.20%) and only 10.00 percent

of them were above 31 years of age. The findings on the age group highlighted that the youth were more inclined towards the idea of seeking self-employment than those of later-age adults. The data regarding educational level indicates that 42.50 percent of respondents were having higher secondary education followed by high school education (39.17 percent), college and above graduate-level education (10.00 percent), primary education (6.67 percent) and only 1.67 percent of respondents were illiterate. It can be inferred from the occupational status of trainees that the self-employment option is followed more by the youths who earn primarily from labor work or have an agricultural background. The distribution of trainees based on income indicated that the majority of the respondents (46.67%) were belonging to the family income group of 50000 – 150000 followed by income group 23.33 %, 22.50 % and 7.50% had family income below 50000, 150000 – 300000 and above 300000 respectively. The variables like age, family annual income is understood to have a significant positive relation with income generation [9]. This can be attributed to the fact that as younger age is characterized by dynamism and determination to work hard it leads to higher chances of a rise in income. Further, better family income provides scope for investment as an enterprise. With an extended family, they can enlist the services and participation of other family members in launching and running the business, resulting in increased earnings.

### 3.2 Motive behind Joining Skill Development Training Program

To assess the effectiveness of any training program, it is very necessary to understand the ultimate purpose of participant trainees for joining the training. Classification of respondents according to their purpose for joining RSETI training program is presented in table 2. The table revealed that the majority of trainee candidates (76.70%) have joined training programs with the motive to start a new business [10]. Whereas only 11.67 percent had joined to get job followed by 10.83 percent and 0.83 percent who intended to improve skill for already engaged business and for getting a certificate, respectively. The findings reflect the wider acceptability of RSETI as a profound nursery for establishing a new business enterprise.

**Table 1. Personal and socio-economic characteristics of trainees**

Sr. No	Particulars of trainees	Frequency	Percentage
1.	Gender		
	Female	52	43.30
	Male	68	56.70
2.	Age group		
	Below 20	23	19.20
	21 to 25	55	45.80
	26 to 30	30	25.00
	31and above	12	10.00
3.	Education level		
	Illiterate	2	1.70
	Primary education	8	6.70
	Secondary	47	39.20
	Higher secondary college and above	51	42.50
4.	Occupation		
	Labour	32	26.70
	Agriculture+labour	21	17.50
	Agriculture	27	22.50
	Agriculture+Allied occupation	14	11.70
	Agriculture+Business	7	5.80
	Agriculture+Job	7	5.80
	Only business	7	5.80
	Only job	5	4.20
5.	Income (Rupees)		
	Below 50000	28	23.30
	50000 – 150000	56	46.70
	150000 – 300000	27	22.50
	Above 300000	9	7.50

**Table 2. Distribution of respondents according to the purpose of joining the training**

The purpose for joining a training	Frequency	Percent (%)
Starting new business	92	76.70
Getting job	14	11.70
Improve skill for already engaged business	13	10.83
Obtaining certificate	1	0.83
Total	120	100.0

### 3.3 Distribution of Respondents According to Occupation Possession Pre and Post-Training

The success of any skill development training program can be best understood in terms of employment generation and income generation [11]. Table 3 shows occupational status with respect to pre and post-training period.

It was revealed from table 3 that the training imparted by RSETI-Nadiad was successful in reducing unemployment of trainees from 60 percent to 19.20 percent. The percentage of students was reduced to 1.70 percent from 27.50 percent that indicated the attainment of

employment after training. The percentage of trainees who were wage-employed in skill imparted during training increased from 2.50 percent to 8.30 percent after skill up-gradation training whereas the percentage of trainees self-employed in skill imparted during training increased from 6.70 percent to 41.70 percent after training. Further, the percentage of trainees self-employed in skill imparted during training + wage-employed in other skills increased from 1.70 percent to 12.50 percent after training. The percentage of trainees wage-employed in other skills increased from 1.70 percent to 10.00 percent after the training. The percentage of trainees self-employed in other skills increased to 6.70 percent after the training. Overall, the

results demonstrated the effectiveness of RSETI, Nadiad in bringing about positive change in the employment status of the trainees. The positive impact of various entrepreneurship development programmes conducted by RSETI on income and employment generation was also demonstrated by Makkar and Mann, 2020 [9] and Borana and Ameta, 2017 [1].

### 3.4 Impact of RSETI Training on Economic Parameters of Trainees

The impact analysis of different variables related to economic impact of training on the trainee respondents revealed that the trained respondents were either monetarily motivated or they felt improvement in their job quality. The monetary motivated people were those who experienced monetary gains from the institution after training. However, some group of respondents were found to participate in the

trainings for non-monetary reasons as denoted by negative correlation coefficient. The second group was of those who come for training largely for improvement in their job quality and believed that more quality improvement in their job after training resulted in productivity enhancement thereby stimulating monetary gains. Earlier research demonstrated that training made employees more aware of their skills and job specifications, needed to do their jobs, which motivate the employees for better performance [12].

### 3.5 Impact of RSETI on the Social Environment of Trainees

Certainly, the resulting economic interests were more accountable, but they came after effective social activity and optimism. The social impact of RSETI's skill development training is presented in Table 5.

**Table 3. Distribution of respondents according to occupation possession before and after training**

Sr. No	Occupation	Before the training		After the training	
		Frequency	Percent (%)	Frequency	Percent (%)
1	Unemployed	72	60.00	23	19.20
2	Student	33	27.50	2	1.70
3	Wage-employed in skill imparted during training	3	2.50	10	8.30
4	Self-employed in skill imparted during training	8	6.70	50	41.70
5	Self-employed in skill imparted during training + wage-employed in other skill	2	1.70	15	12.40
6	Wage-employed in other skill	2	1.70	12	10.00
7	Self-employed in other skill	0	0.00	8	6.70
	Total	120	100.00	120	100.00

**Table 4. Rotated component matrix and factors identification**

Description of variables	Component	
	Monetary Motivation	Job quality improvement
Higher quality in work improves my economic potentiality		0.971
Training enables me to generate more income from my activities	-0.898	
The new idea helps me to garner more money through learning while earning policy		0.923
My Economic Credentialism in Society is reinforced as a result of my training.	0.796	
After completing my training, I had a better life and more money in my pocket.	0.826	

**Table 5. Rotated Component Matrixes and Factors Identification**

Description of variables	Component			
	Self-employment seekers	Prestige seekers	Confident and positive respondents	Efficient respondents
Self-employment is another area observed after the training program	0.746			
Training helps to improve skills among respondents.	0.700			
Training helps to create more employment in society	0.676			
Training incites a high interest level among respondents	0.726			
After training, social prestige and value increase.		0.807		
An effective training program reduce the unemployment		0.753		
Training provides confidence among the respondents to do something in future			0.767	
Training establishes positivity in society			0.751	
The training proves efficiency in social life endeavours				0.865

**Table 6. Rotated Component Matrix and Factors Identification**

Description of variables	Component				
	Leaders	Entrepreneurs	Pessimists	Self-conscious	Self-motivated
I worry about others thinking	0.841				
Planning necessary in business	0.836				
Feel free for any unanticipated changes	-0.753				
I take new challenges		0.655			
Risk makes me better in the financial aspect		0.682			
I always accept realistic risk essential		0.648			
I follow successful methods for doing my job		-0.572			
I feel confident in my own way			-0.656		
I am worried about the outcome			0.821		
I feel frustrated in my life			0.574		
I feel self-conscious in activities				0.853	
I feel smarter than others				0.515	
I feel good myself					0.822

From table 5, it was observed that the social impact of training was effectively grouped into four broad categories namely Self-employment seekers, prestige seekers, confident and positive respondents and efficient respondents. The first group of respondents was more inclined towards prospects of self-employment opportunities in society. It was very much pervasive and the ultimate goal of any training. But, other impacts of training could not be underrated, as second groups preferred training for harnessing prestige in society. The third group liked training as it improved their confidence and positive ways of thinking in their working areas. Some respondents, who are very calculative in monetary or resource management, were always seeking training for getting efficiency in their life and job.

### **3.6 Identification of Trainees with Respect to their Interest and Attitude**

Some of the important objectives of training was to develop managerial and entrepreneurial skills and a risk-taking attitude among the respondents. In addition, perfect identification of respondents in terms of their interests and attitude is also required for the success of the training programme. The results of the factor analysis technique shown in Table 6 reveal that there can be five categories of trainee respondents namely leaders, entrepreneurs, pessimists, self-conscious, and self-motivated, grouped based on their interests and attitude. Negative sign signifies the way item is related to the factor. All such negatives can be clubbed together as some parameter which is a hindrance for the main factor. In total, training methods can be developed specifically based on their attitude and can be offered to the respondents for effective results. Devaki (2019) also identified six categories of entrepreneurial traits that was evidenced higher in the RUDSETI training namely: innovation, managerial strategies, risk bearing, achievement orientation, leadership and networking [10].

## **4. CONCLUSION**

Self-employment is the effective way to deal with the menace of growing unemployment among rural youths. Simply granting social safety nets to unemployed rural peoples may not be enough to improve their living conditions, particularly when wage employment is not adequate for them. There is an immense need of skill development program like RSETI which can support the

livelihood of self-employed and small-scale entrepreneurs by successfully reducing unemployment rate. One group of respondents prefer monetary gain from business and another group inclined more towards long-term quality indicators after the training program. Success of this training is more due to its business-centric nature as desired by the respondents. Training needs must be identified and training tools must be modified according to the needs and attitudes of trainee participants to enjoy better incorporation of the knowledge thereby harnessing better socio-economic development among the communities.

## **CONSENT**

As per international standard or university standard, Participants' written consent has been collected and preserved by the author(s).

## **COMPETING INTERESTS**

Authors have declared that no competing interests exist.

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