

CHAPTER - VI

FINDINGS AND SUGGESTIONS

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The evaluation of Self Employment Programme for educated unemployed youth, as has already been stated earlier, was carried out in the Kankavli Taluka of Sindhudurg District. It was based on the survey of 22 beneficiaries who have established their units in different sectors with the financial assistance under the scheme.

On the basis of the survey made by the researcher and personal discussions with the staff of District Industries Centre and bankers, the main findings and suggestions of this study have been presented below.

FINDINGS :

1. It is found that the DIC provides application form printed in Marathi and bankers provide relevant documents printed in English especially form A and B along with the proposal. It is difficult for common entrepreneurs to understand and fill up these forms.
2. It is also found that the entrepreneurs have to submit various documents, paper and certificates within a stipulated period but in practice they find it difficult to complete all the documents from government offices, Municipalities etc. **in time.**

3. All the beneficiaries were found to be in the age group of 18 -35 years as prescribed under the scheme. Out of the sample beneficiaries, 90 per cent of them are in the age group of 18-32 and the remaining 10 per cent are in the age group of 33-35 years.

4. The educational level of beneficiaries indicated that about 70 per cent of them were educated up to matriculation. The graduate beneficiaries constituted 28 per cent in the sample and about 2 per cent beneficiaries were having education more than graduation. It shows that the educational profile of the participants is reasonably good and the benefits under the scheme reach to the target group i.e. educated unemployed.

5. It has been stated by majority of the beneficiaries that it takes a considerable amount of time in actual disbursement of loan. This time gap affects the project cost substantially. Any escalation in the cost will affect the cost estimates made by the entrepreneurs. Hence the need for timely disbursement of loan amount. It has also been noticed that, non availability of suitable place for shop, or shops, machines and power connection had been the main reason for delay in starting ventures.

6. Though no gestation period in involved in the various projects undertaken by the beneficiaries, it takes roughly two to three months in actually starting the venture.

7. No common investment pattern emerges from the study of sample units. It varies not only from sector to sector to sector but also from unit to unit depending upon the nature and size of the activity.

8. The employment generation has been the main objective behind this scheme of providing financial assistance to educated youths. This objective has been partially fulfilled in a sense that the beneficiaries in the sample group have mainly engaged family labour and the need for hired labour is minimised. Though there is a possibility of generating additional employment in terms of hired labour, this can not be taken for granted in the process. The present investment pattern in sample units does not directly create the need for additional employment in a sizable way. It may please be noted that this investment is mainly in small shops or repair workshops.

9. It is rather surprising to note that the detailed information about the subsidy component was completely absent as revealed in our sample survey. The information about the subsidy was known to only 10 per cent of the beneficiaries in our survey. This lack of communication deprives the beneficiaries under the scheme of the legitimate benefits due to them.

10. It has also been found that majority of the beneficiaries who availed of loan facility under the scheme belong to business category i.e. they have taken loans for starting shops and commercial establishments. Other two categories i.e. industry

and service sector have not taken their due share. This is because of peculiar geo economic position of Kankavli Taluka. This taluka joins Konkan and Ghat region of Western Maharashtra. It was erstwhile known as 'trading centre' and hence demand for shops or other commercial establishments seems to be natural.

11. It has also been found out in the course of research work that out of seven nationalised banks which are involved in the implementation of the scheme of Self Employment To Educated Unemployed Youth, State Bank of India has shown relatively better performance. In fact, Bank of India is the lead bank for the District of Sindhudurg. Hence it is the legitimate expectation that this bank should lead in the real sense of the term. But unfortunately this is not the case. This bank does not have its branch at Kankavli and hence this low level of performance.

12. One more interesting finding in our study is that banks give preference to business units as against industrial or service units. They regard investment in shops and other commercial establishments to be 'Safe and Secured'. It means they are still following traditional line of banking.

13. It is a noteworthy aspect of the scheme that banks make direct payment to the dealers of goods or raw material. That

ensures proper utilisation of funds and any unwarranted diversion does not take place.

14. At present the repayment of loan does not take place on regular basis. This has created the problem of 'recovery' which is not good in the long term interests of the scheme. The scheme is expected to become self sustaining by proper and timely circulation of funds.

SUGGESTIONS :

After considering the performance of self employment to educated unemployed youth scheme during the period under review the researcher would like to make the following suggestions to the bankers and District Industries Centre authorities of Sindhudurg District.

SUGGESTIONS FOR DISTRICT INDUSTRIES CENTRE :

1. To avoid delay in sanctioning loans quick processing of loan applications of entrepreneurs is essential. It has been found that at the end of District Industries Centre no special counter has been provided which will cater to the needs of prospective applicants. It may be suggested that this application form may be made available at the specific counter in the District Industries Centre Office. This will enable all the eligible educated unemployed youths to avail of loan facility under the scheme. Though this may increase the number of applicants, the

the easy access to the application form will provide much wider scope for selection of the beneficiaries.

2. The present scheme has not been widely known to the target group of beneficiaries. The lack of awareness about the scheme will defy the very purpose of the scheme. Hence it is suggested that Self Employment ^{to} Educated Unemployed Youth may be given wide publicity through radio and television. These means of social communication may be utilised to the fullest extent. Likewise social workers if the area may be involved in the scheme.

3. Timely coordination and early decision making of all the authorities concerned is required in the implementation of the scheme.

4. At present the component of training is completely absent in the scheme. The target beneficiaries under the scheme, though fairly educated, have not been trained to meet the specific needs of trade, business or service sector. A suitable agency under the control and supervision of District Industries Centre for importing training may be envisaged under the scheme. The success of any scheme depends upon the level of training of target beneficiaries. It may be suggested that the training needs of beneficiaries may be carefully identified and suitable ' tailor made ' programmes may be organised in the District Sindhudurg.

5. To avoid dearly in collection of various documents certificates etc. The DIC as far as possible should reduce the number of such documents. It is suggested that DIC may make arrangements for collecting such documents even by charging some fees.
6. Political pressure for recommending loan sanction should be avoided and proposals on merit/productivity and need based may only be considered under the scheme.
7. DIC should prepare/ collect a summary of loan sanctions and disbursements on quarterly basis. This consolidated information will enable DIC to discharge its role effectively.
8. DIC should start "single contact agency" which will avoid the delay and inconvenience to the beneficiaries.
9. The General Manager DIC may have personal contact and supervision in the implementation of the scheme. It may be suggested that he may maintain personal diary which will enable him to trace the things properly. The may act as counter check which will ensure speedy disposal of the loan applications ~~under~~ the scheme.

SUGGESTIONS FOR BANKS :

1. Bank should adopt simplified and less time consuming method of lending.
2. It can be suggested that for increasing additional

employment opportunities the bank should give more stress on financing small industry units. This category has been completely neglected in the taluka.

3. Banks may keep personal contact with entrepreneurs and frequent visits to their business places. This will not only ensure proper utilisation of funds, but will also enable them to extend timely advice to small entrepreneurs.

4. While fixing installment amount, and profitability of the concerned units must be taken into consideration.

5. Banks should provide services according to the needs of entrepreneurs or make an arrangement at minimum cost. Since beneficiaries under the scheme do not have adequate knowledge of managerial functions banks may extend management consultancy services at reasonable cost.

6. Banks may prepare summary of loan sanctions and actual disbursement and make it available to DIC. This will ensure proper liaison with DIC.

7. Insurance must be made compulsory for all types of units. This provision may be made in the loan application itself.

8. At present the liaison of the banks with beneficiaries is minimum. It is the general impression that bank officials visit the concerned unit on commercial establishments at the time of recovery only. It may be suggested that bankers may try

to friend, philosopher and guide of entrepreneurs in the true sense of the term. The liasion on continuous basis will generate proper atmosphere and instill a sense of confidence amongst entrepreneurs.