
CHAPTER - VI

SUMMARY, FINDINGS & SUGGESTIONS

6.1 Summary

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6.1 SUMMARY :

A brief review of the present study is as follows.

A) GENERAL :

Self employment schemes are the schemes of providing employment through self employment activities. Particularly to reduce unemployment among educated unemployed, various employment programmes are chalked out.

The main object of self employment scheme is to provide employment opportunities to educated unemployed and to reduce unemployment among educated unemployed youths.

Finance is an important aspect of the self employment activities. With sufficient finance, proper utilisation is an important factor, which is taken into account while providing finance under self employment schemes. For financial needs, entrepreneurs are dependent upon loans from banks and Government assistance. But these

sources are not sufficient in spite of the insufficient use of funds.

B) SPECIAL EMPLOYMENT PROGRAMMES

FOR EDUCATED UNEMPLOYED :

i) PROGRAMMES FOR EDUCATED UNEMPLOYED (PEU) :

In the year 1971-72, this programme initiated for three years (1971-74). The main objective of this programme was to mobilise technical and educated manpower in the various activities like rural engineering surveys, - expansion and improvement in the quality of elementary education, agro-service centres, expansion of consumer cooperatives etc.

These schemes were handed over to respective Ministeries/Departments, for implementation. These schemes were of short duration so that these would be launched immediately and executed within a year. These schemes helped the new entrepreneurs under 'Package Programme' which included Government assistance.

ii) SPECIAL EMPLOYMENT PROGRAMME (SEP) :

It was an additional programme drawn in 1972-73 for two years (1972-74), enabling the states to take employment schemes over a much wider area, for educated as well uneducated persons, in urban as well as in rural areas.

Under this programme the concerned States/Union Territories were given full freedom to draw up their own schemes. This scheme was to be in addition to the programme already initiated by the Government of India for the benefit of the educated unemployed.

Like PEU the scheme was to be of developmental nature and of such a duration that it could be executed within a year or so. Under this scheme the states were provided with a ceiling of central assistance and were asked to make matching contribution.

iii) HALF-A-MILLION JOBS PROGRAMME (HAMJP) :

This programme was introduced in the year 1973-74. It was also split over assistance provided during 1974-75. This programme contained itself to the educated unemployed only. It aimed at providing employment opportunities to highly educated persons as well as matriculates and also to technical diploma holders. For the benefit of State Governments who were requested to formulate their - proposals, detailed guidelines were issued by the Planning Commission.

iv) SELF EMPLOYMENT TO EDUCATED
UNEMPLOYED YOUTH (SEEUY) :

It was in the year 1983 (15th August) the late Prime Minister Mrs. Indira Gandhi announced in her Independence Day addressing that two and half lakh educated unemployed youths in the country will be provided every year with a package of assistance by way of bank loans and Government Subsidy to undertake gainful self employment ventures in industry, service and business. Based on the above the Reserve Bank of India had laid down guidelines for the implementation of the scheme by all scheduled commercial banks.

The scheme is implementing in the entire country except in cities with a population of more than one million as per 1981 census. The scheme covers educated youths in the age group of 18 to 35 years who were - matriculates and above.

The scheme was meant to provide self employment to educated youth who had no access to alternative source of finance. The operational responsibility of the implementation of the scheme had been assigned to DIC which in consultation of the lead bank of the district formulate schemes.

An eligible entrepreneur is provided with credit assistance from bank upto Rs. 25,000/- in the form of the composite loan. The bank would not require the owner's contribution in the form of margin money or collateral security or third party guarantee. The Government assistance in the form of a capital subsidy computed at 25 per cent of the total amount of loan is related to bank after disbursement of the loan which is kept as a term deposit in the name of the entrepreneur. After three fourth of the loan amount due is recovered, the remaining one fourth amount will be adjusted by the bank against the deposit.

Reserve Bank of India fixed a target of Rs. 320 crores for all banks for the year 1983-84 and each bank has been advised to lend one per cent of its total bank credit. The banks in the country had sanctioned loans to 2.42 lakh beneficiaries amounting to Rs. 401 crores for period ended 31st March, 1984.

The scheme was extended till 31st March, 1985 with target of 2.5 lakh beneficiaries with provision of Rs. 65 crores. The provision of Rs. 103 crores is also made in 1986-87 budget for this scheme.

C) STUDY OF FINANCIAL ASSISTANCE

UNDER 'SEEUY' SCHEME :

In Maharashtra State, particularly Kavathe Mahankal Taluka in Sangli District the scheme has received with great enthusiasm by the educated unemployed youth and the banks have sanctioned to 57 beneficiaries aggregating to Rs. 10,22,300/- for period ended 31st March, 1984, 13 beneficiaries aggregating to Rs. 2,06,625/- for period ended 31st March, 1985 and 24 beneficiaries aggregating to Rs. 4,21,300/- for the period ended 31st March, 1986 by all scheduled commercial banks.

i) ASSISTANCE UNDER INDUSTRY, SERVICE &

BUSINESS UNITS UNDER THE 'SEEUY' SCHEME :

The assistance was given to start self employment ventures in industry, service and business units. During three year, out of total financial assistance 9.19 per cent assistance was given to self employment ventures in small industry, 76.60 per cent for service units and 15.21 per cent for small business units.

However, out of total financial assistance of Rs. 16,50,225/- during three years, Rs. 6,65,225/- was sanctioned by Bank of India, Branch Kavathe Mahankal as a lead Bank of Taluka.

The yearwise financial assistance granted to entrepreneurs by all scheduled commercial banks in Kavathe Mahankal Taluka was as follows :-

<u>YEAR</u>	<u>RS.</u>
1983-84	10,22,300/-
1984-85	2,06,625/-
1985-86	4,21,300/-

However, share of Bank of India shows more in granting financial assistance to beneficiaries under this scheme.

ii) SUFFICIENCY OF FINANCE :

Finance is provided upto Rs. 25,000/- under 'SEEUY' Scheme in composite term. The researcher made an attempt to find out approximate minimum investment required to start self employment venture in the respondents' area, and actual investment required to start self employment ventures of entrepreneurs. It was found that 60 per cent of - entrepreneurs had reported that the finance provided under the 'SEEUY' Scheme is sufficient to develop the business.

iii) UTILISATION OF FINANCE :

For proper utilisation of finance bank made direct

payment to dealers or suppliers and banks also requires to the entrepreneurs to make payments through cheques.

iv) ACHIEVEMENT IN SELF EMPLOYMENT :

It was found that 54 per cent entrepreneurs had employed one more additional labour in their ventures. This shows the success of scheme in creating additional employment opportunities.

v) DIFFICULTIES OF BORROWERS :

Particularly there is main difficulty of providing medical facilities towards poultry and dairy - entrepreneurs under service unit.

With a view to study the financial assistance under 'SEEUY' Scheme in Kavathe Mahankal Taluka, the technique of 'Interview Schedule' is emphasised and necessary data is collected through direct visits to the offices.

vi) SAMPLE SIZE :

Out of total entrepreneurs financed during three years i.e. 94, 50 per cent of them i.e. 50 entrepreneurs were selected for the purpose of interview and contacted during the survey. While choosing the number of units in proportion of the total number, care was taken at least

one entrepreneur is interviewed having each type of unit because it was highly impossible to take interview of half entrepreneurs.

6.2 FINDINGS :

On the basis of the above summary and the sample survey made by the researcher and personal discussions made with the official staff of District Industries Centre and bankers, important findings of the study are shown as follows :-

1. It is found that the D.I.C. provides application form printed in Marathi and bankers provides relevant documents printed in English. It is difficult for common entrepreneurs even to understand and fill in 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 etc. from Government Offices, Municipalities etc. in time, therefore, delay takes place.
3. The researcher also found that the major share in finance is claimed by dairy entrepreneurs which has increased the employment opportunities.

4. It is also found that bankers give more preference to service and business entrepreneurs instead of small industry entrepreneurs.

5. The researcher also found that Bank of India, Kavathe Mahankal Branch, as a lead Bank of Taluka had made a good performance in financing to entrepreneurs under 'SEEU' Scheme.

6. It is found that for proper utilisation of fund, bankers made direct payments to dealers.

7. The researcher also found that most of the entrepreneurs does not pay instalments regularly, though the provision of incentives by bankers is made.

6.3 SUGGESTIONS :

After considering the performance of 'Self Employment to Educated Unemployed Youth' Scheme during the period under review that researcher would like to make following suggestions for efficient working of bankers and District Industries Centre.

(i) SUGGESTIONS FOR D.I.C. :

1. To avoid delay in sanctioning loans, quick processing of loan applications of entrepreneurs is essential.

2. Make effective advertisement through Radio, Cinema and arranging Camps.
3. Timely coordination and early decision of all authorities concerned.
4. Motivation and proper training arrangement to entrepreneurs is essential after sanctioning proposals.
5. Experience and training of entrepreneurs must be taken into consideration while sanctioning proposals.
6. To avoid delay in collection of various documents, certificates etc. The DIC, as far as possible, should reduce the number of such documents. It should, if possible, make arrangements to get these documents directly from the concerned officials. For the collection of these documents it should impose some charges on the respective - entrepreneurs. The work of collection of various documents can be entrusted to the cells to be established at the DIC.
7. Political pressure for recommending loan sanction should be avoided and proposals on merit/productivity/need based should only be considered.
8. D.I.C. should prepare/collect a summary of loan sanction and disbursement on quarterly basis.

(ii) 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.
3. Bank should keep personal contact with entrepreneurs and frequent visits to the business places.
4. While fixing instalment amount and period, productivity and profitability of units must be taken into consideration.
5. Bank should provide services according to their needs of entrepreneurs or make an arrangement at minimum cost.
6. Bank should prepare summary of loan sanction and disbursement and make available to District Industries Centre.
7. Insurance must be made compulsory to all types of units.
8. Bank should arrange some entertainment programme at places where there is a concentration of entrepreneurs.

Through these programmes the bank should win their confidence and get across to them that further credit would flow to the area for improving their standard of living, provided loans, previously granted by the bankers are repaid.

9. Using of loan amount in proper manner is the question of soul and heart of the loanees. So monthly or once in two months, the staff of the bank should arrange a general discussion-cum-lecture in the village itself. There the speech should impart about the loan procedure and instigate them how to use the funds for otherwise manner and convey the disadvantages of improper utilisation of loan amount.

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