

Factors for Selection of Entrepreneurial Career by Youth Trainees of Entrepreneurship Development Programme

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ABSTRACT

Since most of the youth are not attracted towards agriculture mostly because of lack of profitability of agricultural activities and lack of physical and social infrastructure in rural areas. The present study was conducted to find out the factors for selection of entrepreneurial career and socio-demographic pattern of youth participating in Entrepreneurship Development Training Programme (EDP) conducted by Rural Development Self-employment Training Institute (RUDSETI). For this purpose 120 respondent trainees were randomly selected and interviewed using a pre-tested interview schedule. Only 42 per cent of farm trainees were aged less than 29 years compared to 62 per cent in case of non-farm trainees. About 53 per cent of farm trainees and only 30 per cent of non-farm trainees has secondary or below education level. Female youth participation in non-farm sectors was more than farm sector enterprises. The study found that youth were selecting entrepreneurial career due to their last resort of income and preferring to venture into the non-farm enterprises compared to farm enterprises.

Keywords: Entrepreneurial carrier; RUDSETI; Youth; EDP trainees; Non-farm;

The youth of today is the driving force of tomorrow. Youth is often indicated as a person between the age where he/she leaves compulsory education, and the age at which, he/she finds his/her first employment. Today, “almost one in every five persons in the world is aged between 15 to 24 years and of them 85 per cent are residing in developing countries where many of them are especially vulnerable to extreme poverty. Youth unemployment and underemployment is prevalent around the world because young people lack skills, work experience, job search abilities and the financial resources to find employment (*United Nations, 2003; ILO, 2006; Matsumoto et al., 2012*). Creating jobs for young people is a major challenge around the world, which has been further exacerbated by the global financial crisis that hit this group hard. Young Indians face major barriers because of poverty and low levels of human capital. Though educational attainment has risen quickly in recent years, gaining a foothold in the labour market remains elusive for many young Indians.

A country's backwardness is not determined by its lack of resources or dearth of capital but is decided by the lack of entrepreneurial talents in its society. Young minds are creative minds and youth are capable of achieving seemingly impossible tasks such as monsoon management, climate change adaptation and mitigation and enduring malnutrition. In India, 1970s onwards the development of youth entrepreneurship has been prioritized as an important aspect of the nation's financial plans.

In India, 69 per cent of the total population reside in rural areas where the employment potential in agricultural economy also appears to have reached a saturation level leading to large scale migration of manpower from rural to urban areas adding woes and pressure to already over strained civic infrastructure. The development of human resource is becoming a matter of prime concern for increasing sustainable agricultural production. It is the professional who create circumstances that can help in making things happen

(Swamy, 2002). This clearly indicates the need for building capacity in entrepreneurship development among the unemployed rural youth and women. In this direction a lead role has been taken by Rural Development Self-employment Training Institute (RUDSETI) way back in 1982. The motto of the institution is overall development and providing self-employment to rural youth through short duration training (1 to 6 weeks) intervention in farm and non-farm sectors. Therefore there is need to see the socio-demographic difference of farm and non-farm Entrepreneurship Development Programme (EDP) trainees to see the trend of youth participation and involvement in agricultural and other enterprises.

Most rural youths do not foresee a prosperous future for themselves in the agriculture sector, mostly because of lack of profitability of agricultural activities and lack of physical and social infrastructure in rural areas (Ajani, 2015). The survey, by the Centre for the Study of Developing Societies and Lokniti for Bharat Krishak Samaj, of 5,000 farmer households across 137 districts in 18 states from December, 2013 to January, 2014 showed that 47 per cent said the overall condition of farmers was bad. Therefore, there was a need to find out the factors for selection of entrepreneurial career by rural youth and investigate the socio-demographic pattern of the participating youth in different farm and non-farm entrepreneurship development training programmes. The findings of the study will help in devising the new interventions and strategies to attract and retain rural youths in agriculture by making it a profitable, sustainable and viable enterprise.

METHODOLOGY

The present study was conducted by following an exploratory research design in randomly selected four different RUDSETI Institute located at Ujjire and Bangalore (Karnataka), Ghaziabad (Uttar Pradesh) and Hajipur (Bihar). A total of 120 trainees (15 farm and 15 non-farm trainees from each selected RUDSETI) were selected randomly, thus making a total of 120 respondents for the purpose of the study. All the respondents were individually interviewed using pre-tested interview schedule. Trainees were also asked to rank the different reasons for selecting entrepreneurial career for livelihood according to their perception.

Descriptive statistics were used to analyze the data using SPSS. To ascertain the reasons for selecting entrepreneurial career for livelihood, Garrett ranking technique was used since all the items were not ranked by all the respondents. Therefore, the method of combining of incomplete order of merit ranking as suggested by Garrett (1979) was followed. By using this technique, the order of the merits given by the respondents was changed into ranks by using the following formula:

$$\text{Percent position} = \frac{(R_{ij} - 0.5)}{N_j} \times 100$$

where,

R_{ij} , rank given for i th factor by j th respondent; and N_j , number of factors ranked by j th respondent.

RESULT AND DISCUSSION

The results of the present investigation are presented in two subheads: (i) Reasons for selecting entrepreneurial career for livelihood and (ii) Socio-demographic difference between farm and non-farm EDP trainees.

Factors for selecting entrepreneurial career by RUDSETI trainees: To know the entrepreneurial intention and source of inspiration for choosing entrepreneurial career, the respondent trainees were asked to rank the different possible reasons and generated response were analyzed using Garrett ranking technique and result presented below.

Reasons for selecting entrepreneurial career by farm trainees: It is evident from the Table 1 and 2 that the first reason to select the entrepreneurial career for both farm and non-farm trainees were the 'last resort of income' across the different locations which means the youth first look for the Government jobs and if they were unable to get any then ultimately they go for this.

From Table 1, it is clear that the second reason for opting for entrepreneurship was 'to receive the Government incentives and third was the 'desire to be self-employed' which means the youth were willing to get involved in the farm business if proper and timely Government incentives is provided along with the adequate technical skills. As we know many farmers perceive agriculture as a non-profitable venture so there is need to promote farm business through suitable Government incentives. The other reasons of farm trainees for selecting entrepreneurial career in

Table 1. Factors for selection of entrepreneurial career by farm EDP trainees (N=60)

Factors for selection of entrepreneurial career	RUDSETI, Ujjire (n = 15)		RUDSETI, Bangalore (n = 15)		RUDSETI, Ghaziabad (n = 15)		RUDSETI, Hajipur (n = 15)	
	GS	Rank	GS	Rank	GS	Rank	GS	Rank
Last resort of income	55.67	I	49.94	I	52.97	I	54.98	I
To receive Govt. incentive	48.41	II	49.89	II	50.70	II	49.63	II
Desire to be self-employed	29.15	III	45.00	III	43.60	III	33.83	III
Encouragement from RUDSETI official/Bank Official	28.62	IV	29.50	IV	30.80	IV	18.17	IV
Imitating other entrepreneur	6.22	V	14.80	V	8.00	V	3.00	V
Encouragement from family/friends	0.0		0.0		0.0		0.0	

Table 2. Factors for selection of entrepreneurial career by non-farm trainees (N=60)

Factors for selection of entrepreneurial career	RUDSETI, Ujjire (n = 15)		RUDSETI, Bangalore (n = 15)		RUDSETI, Ghaziabad (n = 15)		RUDSETI, Hajipur (n = 15)	
	GS	Rank	GS	Rank	GS	Rank	GS	Rank
Last resort of income	68.16	I	57.32	I	63.91	I	63.30	I
Desire to be self-employed	49.89	II	55.56	II	63.76	II	55.46	III
Imitating other entrepreneur	45.98	III	44.62	III	22.47	III	22.87	III
To receive Govt. incentive	34.12	IV	31.81	IV	18.96	IV	21.40	IV
Encouragement from RUDSETI official/Bank Official	21.04	V	18.50	V	16.42	V	21.95	V
Encouragement from family/friends	3.00	VI	6.22	VI	8.00	VI	18.15	VI

GS=Garret Score

decreasing order were encouragement from RUDSETI or Bank officials and imitating other entrepreneur. It reveals that there is very less imitation by other fellow farmer as it was given last rank by farm trainees for selecting entrepreneurial career. Strikingly no trainees had reported 'encouragement from family/friends' as the reason for selecting entrepreneurial career since no farmers want their sons to be involved in farm business. Similar view has been shared by *Orhan and Scott (2001)* in his study where women were entering into business due to no other choice left to them.

Factors for selection of entrepreneurial career by non-farm trainees: The result of Garret ranking technique for non-farm EDP trainees has been presented in the Table 2. In case of non-farm trainees first reason were the 'last resort of income' while second and third best reason for choosing entrepreneurial career was the 'desire to be self-employed' and 'imitating other entrepreneur' respectively. It means that non-farm sector attracts rural unemployed youth for doing business and other successful entrepreneur was the best source of inspirations for this. Even family or friends also

encourage to take-up non-farm business although it was ranked last by the trainees.

Garret ranking for the reason for selecting entrepreneurial career for farm trainees revealed that first reason was the last resort of income which means they tried for Government jobs but unable to get then selected this option. Second reason was to receive Government incentives, as Central and State departments announces several schemes for promoting agricultural enterprise for the welfare of the farmers. Surprisingly, no trainees have reported that their relatives or friends have encouraged to venture into enterprise in the field of agriculture because majority of them perceive it as non-profitable and risky venture.

The Table 3 have highlighted about the future of farm business as many of the youth were not willing to join agriculture for earning their livelihood since agriculture is not perceived as profitable and viable enterprise. It shows that youth sees opportunity in the non-farm sector by seeing other neighbours earning money as also reported by *Ajit (1994)* in his study where he revealed that socio-economic profile of the

Table 3. Factors for selection of entrepreneurial career by trainees (N=120)

Reason	Farm trainees (n=60) Rank	Non-farm trainees (n=60) Rank
Last resort of income	I	I
To receive Govt. incentive	II	IV
Desire to be self-employed	III	II
Encouragement from RUDSETI official/Bank Official	IV	V
Imitating other entrepreneur	V	III
Encouragement from family /friends	VI	VI

Table 4. Comparison of socio-demographic characteristics of trainees of RUDSETI (N=120)

Characteristic	Categories	Farm Trainees (n= 60) No. (%)	Non-farm trainees (n= 60) No. (%)	Mean/ Mode	
				Farm Trainees	Non-farm trainees
Age	Below 29 Years	25 (41.7)	37 (61.7)	33.02 years (Mean)	28.12
	Above 29 years	35 (58.3)	23 (38.3)	years (Mean)	years (Mean)
Education	Secondary level or below	32 (53.3)	18 (30.0)	Secondary level	Intermediate
	Intermediate	17 (28.3)	19 (31.7)	or below (Mode)	(Mode)
	Graduate and above	11 (18.3)	10 (16.7)		
Caste	ITI/Diploma/JOC	0 (0.0)	13 (21.7)		
	General	12 (20.0)	13 (21.7)	OBC	OBC
	OBC	33 (55.0)	27 (45.0)	(Mode)	(Mode)
	SC/ST	11 (18.3)	13 (21.7)		
Gender	Minority	4 (6.7)	7 (11.7)		
	Male	46 (76.7)	39 (65.0)	Male	Male
Marital Status	Female	14 (23.3)	21 (35.0)	(Mode)	(Mode)
	Married	47 (78.3)	35 (58.3)	Married	Married
Type of Family	Unmarried	13 (21.7)	25 (41.7)	(Mode)	(Mode)
	Nuclear	42 (70.0)	42 (70.0)	Nuclear	Nuclear
Size of Family	Joint	18 (30.0)	18 (30.0)	(Mode)	(Mode)
	Small (<5)	37 (61.7)	35 (58.3)	Small	Large
	Large (>5)	23 (38.3)	25 (41.7)	(Mode)	(Mode)

Figure in parenthesis indicate percentage

entrepreneurs and their motivation for shifting from an agriculture-based occupation to a non-farm activity. They also perceive it as less risky, more profitable than farm enterprise. Sometime their family members also encourage to take up non-farm business activities because of relative advantages (such as regular profit, complete involvement into business, easily recognisable involvement) are more easily observable.

Socio-demographic pattern of trainees of RUDSETI:

Age: As reflected from Table 4, 58 per cent of farm and only 38 per cent of non-farm EDP trainees were of adults. The average age of the non-farm trainees was around 28 years while farm trainees were around 33 years irrespective of locality of the institutes. It was

evident from the result that youth (Individual aged between 15 to 29 years, as per National Youth Policy, 2014) were less attracted towards farm enterprises and were willing to leave agriculture if other avenues are available. The main reason behind this was that the individuals take agriculture as his last resort of income when there is no other possibility of livelihood left for them. Even parents do not want that their children to take up agriculture as an occupation because of its over dependence on nature and their phenomena and being labour and input intensive *etc.* It was revealed in the survey conducted by CSDS and Lokniti that 76 per cent of farmers are ready to quit farming if alternatives are available to them. Even the gestation period is very long

in case of farm enterprise (Minimum one month or season) compared to non-farm enterprises (immediate after delivery of products). The findings affirm the result of *Sushma (2007)* who reported that majority (68.46 %) of the women EDP trainees were of young age group (less than 35 years of age) and *Banerjee and Banerjee (2012)* who reported that 66 per cent of sampled EDP trainees were in the age group of 18 to 30 years.

Education: The study revealed that 53.3 per cent of farm trainees had educational qualification at secondary level or below while only 25 per cent of non-farm trainees had secondary level or below across the selected RUDSETIs. In case of non-farm trainees nearly 50 per cent of them have higher secondary or above qualification and around 25 per cent of them also had some vocational qualification such as ITI, Diploma etc. Educational level of trainees indicate the intellectual power of the trainee which will facilitate them in taking the better decision in dynamic external environmental situation to optimize his profit from their entrepreneurial venture. The main reason behind the lower level of educational qualification was mainly due to negative perception of the trainees and their parents about agriculture as an occupation. Even the youth who gets an opportunity to higher education are only looking for the white collar job or private job rather than doing agri-business, because there is no respect in the society for the farmers. Agri-business is only the last option as an occupation. The result of the present study was in line with the findings of *Badatya and Reddy (2008)* who reported that nearly 75 per cent of EDP trainees had education level of secondary level or below.

Caste: Distribution of sample trainees according to social group revealed that SC/ST trainees constituted 25.11 per cent of total sample, Other Backward Caste 42.73 per cent and minority 8.85 per cent and trainees under general category were 23.31. The main reason behind the maximum participation of the OBC was due to their maximum share in overall population. The caste-wise percentage composition of trainees varies with the geographical area due to their natural occupants. The finding of the study contradicts the finding of *Banerjee and Banerjee (2012)* who found 32.28 per cent SC/ST, 23.08 per cent of OBC, 37.07 per cent general and 7.57 per cent of minority who had participated in the EDP training programme.

Gender: The participation of men (76.7%) in the farm

EDP training was higher than the women (23.3%) and participation of men (65 %) and women (35%) in case of non-farm EDP in all the selected RUDSET institutes across the location and type of training which were mainly due to the social culture where men is considered as the bread winner for the household. But now a day the participation of women is increasing in the field of non-farm EDP training due to the improvement in educational level of the women in both rural and urban area. The increased participation of the women due to the increase in the house-based entrepreneurial venture such as beauty parlor, embroidery, dress designing etc. The finding gets support from the finding of the research conducted by *Banerjee and Banerjee (2012)* who reported 58.38 and 41.62 per cent of male and female participation respectively.

Marital status: The study revealed that the majority of the EDPs trainees were married irrespective of farm or non-farm trainees across the places which may be due to the reason that after the marriage of the youth they focus their strategy for searching for the livelihood options rather than waiting for jobs. The main reason behind this may be the increased responsibility of the individual to earn bread and butter for the household members if they are not having any other avenues for getting their livelihood. But the proportions of married trainees were more in the farm trainees (78.3%) rather than non-farm trainee (58.3%). We can see the unmarried youth were attracted more toward the non-farm sectors. Most of the non-farm trainees were youth and that is the reason for higher proportion of unmarried non-farm trainees. The result affirms the findings of *Sarri and Trihopoulou (2005)* who reported that most of married women were entering into business.

Type of family: From Table 4, we can easily interpret that the participation of individuals from nuclear family (70%) was higher than the joint family (30%). This indicates that nuclear families have to constantly search for livelihood options as there may be existence of single breadwinner for the entire family. Even now days the occurrence of nuclear family is increasing due to rapid economic and technological development which has led to the multiple avenues for earning livelihood.

Size of family: Results obtained from the present investigation shows that more than half of the respondents had family size less than five members irrespective of training types across the different

selected sample area. This is the mainly due to the nuclear family type usually where the number of members are usually not more than five. Even due to the less number of the family member, it is usual that the more members should search for the alternate livelihood options through EDPs training. The result of the present study supports the findings of the *Sushma (2007)* and *Banerjee and Banerjee (2012)*.

Therefore, there is an urgent need to take up necessary corrective actions to make agriculture profitable and viable enterprise by incentivizing and providing necessary soft and hard skills to attract and retain the youths in agriculture.

CONCLUSION

The rural youth are finding avenues for earning

the livelihood in both farm and non-farm sector by participating in entrepreneurship development programme organized by different agencies. The present study had revealed that youths were selecting entrepreneurial career as their last resort of income in case of both farm and non-farm EDP trainees. The more educated youth both male and female are getting attracted toward the non-farm sector which indicates that if alternatives were provided youth will not be willing to engage themselves in agriculture. Because of this also the performance of non-farm sector was higher than the farm sector EDPs. Youths were selecting non-farm enterprises for their employment due to its profitability, sustainability and viability. Therefore there is urgent need to devise suitable strategies to attract and retain youth in agriculture.

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