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# Employment and Entrepreneurship Opportunity Assessment, Bargarh cluster, Chitrakoot, UP

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*A preliminary discussion  
paper  
April, 2016*

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### **Introduction:**

Chitrakoot in UP Bundelkhand is one of the most backward districts of the state and the country. According to the *Planning Atlas, Uttar Pradesh, 2006*, which ranked districts of the state on 36 indicators of economic and human development, Chitrakoot falls in the “very low development” category, along with Banda. Even other districts of UP Bundelkhand have a higher development level.

The reason for poor development in Chitrakoot can be broadly derived from the following facts:

- According to Census 2011, 90.3% of the population of the district lives in rural areas. Nearly 60% of the total population, including 67.7% of the female population is non-working. Cultivators and agricultural labourers form, in roughly equal proportion, 83.4% of the working population. This shows that the district has very low level of urbanization and industrialization, with the result that the overwhelming majority of households (HHs) are dependent on land for their livelihood.
- However, for various reasons (discussed in ‘Agriculture productivity and returns of small & marginal farmers in Bargarh cluster, Chitrakoot, UP’, ABSSS, April 2016) returns from agriculture are low. The problem is compounded by frequent droughts. As a result, incidence of poverty is high, and even in years of normal monsoons, there is high migration of males or whole families to seek labour work in other locations.

While migration can lead to a substantial increase in family incomes, the migrants from Chitrakoot, and Bundelkhand at large, are at a disadvantage as they generally do not possess education or skills to secure high-wage work in cities. Mostly, they work as construction labourers, and in brick kilns or quarries, under exploitative and hazardous conditions. Migrants’ long periods of stay away from home also affects family life, education of children, and well-being of the aged.

Given this situation, it is imperative for government and non-government agencies to work out multi-pronged, sustainable strategies to improve the economic, education and health status of households in the region. The focus of one of the strategies would have to be developing employment and entrepreneurship potential from avenues other than traditional agriculture. This would reduce dependence on agriculture and distress migration.

Efforts to develop employment and entrepreneurship potential would have to be undertaken at the macro and micro levels. At the macro level, investments and policy initiatives would have to be undertaken to address the following issues raised in ‘District wise skill gap study for the State of Uttar Pradesh’ report (2013) of the National Skill Development Corporation (NSDC):

- Strong, skill-development units to be put in place in each district to promote skill development and integrate various related schemes of the state and central governments.

- Labour market information system to be set up, to -
  - Fully understand the skill gaps within the existing manpower and identify training areas
  - Provide real-time skill-gap information, and
  - Bring employers, trainees and training providers onto a single platform.
- Increase supply of trainers by:
  - Setting up a teacher-training nodal institute
  - Training trainers in line with national occupational standards
  - Giving incentives to senior and experienced professionals to become trainers
  - Setting norms for vocational training providers for conducting training of trainers
  - Using promotion strategies to attract more people to become trainers.
- Encourage entrepreneurial programs with focus on:
  - Servicing of two-wheelers, tractors
  - Providing drivers for light motor vehicles
  - Mobile phone repair
  - Dress and apparel design
  - Provision of services like guided tours for tourists
  - Desktop publishing.
- Focus on retail product-manufacture clusters, to develop market linkages with the help of financial institutions and leading retailers, and set up common training centres to provide skilling in:
  - Design
  - Production techniques
  - Sales and marketing
  - Inventory management and
  - Soft skills.
- Provide training for migrant workforce, with focus on:
  - Demand for skilled labour in construction industry
  - Workforce for various functions in organised retail
  - Demand for drivers, domestic workers, housekeeping and security guards in large urban areas.
- Include education in vocational trades from 9th to 12th standard in schools so that students can acquire skills for carpentry, electrical repair, desktop publishing and computer-based accounting (Tally).
- Provide incentives to private training institutes or set up government training institutes to cater to demand for skills in growth sectors like agriculture and allied sectors, construction, handloom and handicrafts, healthcare (paramedics and nurses), and the unorganised sector (domestic workers, drivers, security guards, beauticians, etc).

## Employment & entrepreneurship potential, Bargarh: ABSSS, 2016

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Along with the macro-level initiatives, some micro-level initiatives can be taken right away, to identify:

- Locally available employment and entrepreneurship opportunities
- Emerging opportunities
- Perceptions and expectations of youth regarding the opportunities and their training needs
- Constraints and challenges that will have to be overcome to utilize the opportunities.

To initiate action on above fronts what is first required is a basic understanding of current employment and entrepreneurship potential in specific districts and clusters.

With this understanding, the present paper has been prepared with focus on the Bargarh cluster of Mau block of Chitrakoot district by Akhil Bhartiya Samaj Sewa Sansthan (ABSSS). ABSSS is a reputed NGO headquartered in Chitrakoot and working in the Bargarh cluster since 2015 under multi-dimensional projects focused on children and youth with support from ChildFund India (CFI). CFI is a child development organization “representing the voice of deprived, excluded and vulnerable children in India regardless of their race, creed and gender”. It is a part of ChildFund International, a global child development and protection agency, headquartered in US, serving more than 17.8 million children and family members in 30 countries.

The next sections of this document describe:

- Development profile of the region and cluster
- Process followed to identify employment/entrepreneurship opportunities and challenges
- Sector-wise discussion of employment/entrepreneurship potential

Looking forward for your kind suggestions & feedback,

**Bhagwat Prasad**

Director

## Profile of region & cluster

Bargarh cluster falls in Chitrakoot district, which lies in the Bundelkhand region of Uttar Pradesh (UP). The region is 'backward' according to several indicators identified in the *UP Draft Annual Plan 2014-15* (Vol, Part II, Chapter III) prepared by Planning Department, Government of Uttar Pradesh (Table 1).

**Table 1: UP Bundelkhand development indicators (2011-2012)**

Indicator	UP Bundelkhand
Density of population: persons per sq km	329
Percentage of urban population	22.67
Main workers engaged in agriculture as percentage of total main workers	69.44
Productivity of foodgrains (quintals per hectare)	16.96
Percentage of net irrigated area to net sown area	58.26
Gross value of agricultural output per hectare (Rs)	36,627
Total registered factories per lakh persons	1.37
Persons engaged in registered factories per lakh persons	81.35
Length of pucca road (km) per thousand sq.km	433.41
Per capita power consumption (kwh)	233.94
Per capita net domestic product (Rs)	36,304

The data shows that Bundelkhand has negligible industrialization, low urban population, low coverage of irrigation facilities, low agriculture productivity, and poor infrastructure. The combination of these factors poses an enormous challenge for development of employment and entrepreneurship.

Within this under-developed region, Bargarh cluster lies in Mau block, which has a population of 1.61 lakh persons (2011 Census) living entirely in villages. The cluster, which is located around 60km from Allahabad, has 10 large villages, and around 45 smaller settlements with distinctive names. There are no factories or large businesses here and agriculture or wage-labour are the main livelihood sources, apart from minor trading and services. There is no canal irrigation in the area and farmers lift water from wells or streams for cultivation of crops.

The ABSSS-CFI project's target-group in the cluster mainly comprises families from Scheduled Caste (SC) and Other Backward Class (OBC) families. The main SC group is Kol, which is an adivasi (tribal) group that is severely marginalized and deprived. Education levels of adults in the target-group are low. An ABSSS survey found that:

- 40% of male adults and 73% of female adults are illiterate.

## Employment & entrepreneurship potential, Bargarh: ABSSS, 2016

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- Only 35% males and 15% females have studied above primary level<sup>1</sup>.

A study of farmers belonging to the target-group found that<sup>2</sup>:

- Agriculture is main source of livelihood for 23% of surveyed farmers. The rest depend on agriculture and wage labour.
- The average number of household (HH) members per farmer is 8.
- Average land holding is 1.1 hectare (ha).
- 20% farmers have no irrigation facility. 55% farmers lift water from wells for irrigation. 25% lift water from streams. These sources are not perennial and provide little water in drought years.
- Nearly 50% farmers own an irrigation pump. None have a tractor.
- 20% farmers are “extremely poor” and rest are “poor” according to field surveyors’ assessments.

### Process followed

To identify employment and entrepreneurship opportunities for youth in Bargarh cluster, and the challenges they are likely to face, the following activities were conducted:

- Study of Bundelkhand or UP-specific reports on employment/entrepreneurship opportunities, particularly the previously mentioned NSDC report.
- In-depth interviews with 15 youth from Bargarh cluster (all male), who are either already employed or are actively seeking employment. It was felt that these individuals would be good sources of information on existing and potential employment/entrepreneurship opportunities, and would also provide insight into relevant training needs.
- Informal discussions with key informants of the area including a widely travelled and well-connected labour contractor.
- Study of responses to youth survey conducted under the ABSSS-CFI project (the survey included questions on training received, and training desired).

Additionally, discussions were held with senior ABSSS staff who have more than two decades of in-depth knowledge of the region. Connections were also made with opportunities emerging from ongoing and proposed ABSSS projects.

The discussion on sector-wise potential that follows is in the nature of a preliminary exploration, which will have to be enriched by actual estimation of demand, identification of specific training requirements, capital required, and suitable locations for setting up units.

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<sup>1</sup> ‘Why do children stay absent from school ? A study of causes in Bargarh cluster, Chitrakoot district, Uttar Pradesh’, ABSSS, April 2016

<sup>2</sup> ‘Agriculture productivity and returns of small & marginal farmers in Bargarh cluster, Chitrakoot, UP’, ABSSS, April 2016

### Sector-wise potential

**Agriculture & allied sectors:** Although agriculture is done in the region mainly to meet food needs, there are some unmet areas of demand, which throw up the following entrepreneurship opportunities:

- Manufacture of high-quality compost
- Quality seed production using foundation seeds suited to the region
- Manufacture of organic-farming inputs like Jeevamrut
- Paid counseling to farmers on optimum use of inputs and measures to increase productivity and tackle crop diseases and pests
- Renting of power tiller for ploughing (more suitable than tractors for small plots)
- Land-leveling with modified ('Rajasthani') tractors
- Repair and servicing of irrigation pumps
- Dal milling.

In the livestock sector, there is scope for:

- Development of backyard poultry units
- Scientific goat rearing with cross-breeding to get higher meat output.

All the above opportunities can be tapped through training and raising of capital through self-help groups and/or bank finance. To provide training on manufacture of compost and organic-farming inputs, ABSSS itself has resource persons. For other areas, resource persons can be sourced from NGOs/projects in the region.

**Automobiles:** While there is no auto manufacturing units in the region, there has been a huge increase in the number of vehicles, particularly two-wheelers, creating a large demand for trained auto mechanics. Currently the demand is met through roadside repair shops and training opportunities are available only through informal apprenticeship at these units.

**Banking, financial services and insurance:** Several policy measures initiated by the Central government to expand the reach of banking, financial services and insurance products in rural areas hold the promise of a large number of openings for field executives and collection agents. However, actual demand for such personnel will arise in the region only after there is substantial increase in the number of companies penetrating the region. At present there appears to be some demand only for marketing/collection agents of finance companies and health-insurance companies. Both jobs require specialized training and skills.



**Basic manufacturing:** There is no manufacturing-industry hub in UP Bundelkhand (except in Jhansi). Hence there is no current or future potential for getting factory-employment or setting up ancillary units in the region.

**Building, construction and real estate:** The construction boom in some parts of India like the National Capital Region has drawn hundreds of youth from the region, who have obtained work as unskilled labour. However, in the construction-boom areas as well as in the region itself, there is demand for better-paid labour skilled in areas like masonry, plumbing, electrical work, glass-cutting, water-proofing, carpentry and painting.

**Education:** Due to the poor quality of school and college education, there is a demand for private tutors and tuition classes. The entry barrier to exploit this opportunity is however steep, as the aspirant has to be himself well educated. However, demand for tutoring school students can be met in villages by trained youth with Std X/XII qualification.

**Electrical goods:** There is unmet demand for persons who can repair household electrical goods like fans and coolers and install domestic wiring.

**Electronics, IT & telecom hardware:** As virtually every household has at least one mobile phone, there is considerable unmet demand for persons who can repair these instruments. There is also demand for TV repairers.

**Export:** Other than betel leaves from Mahoba, brass-work from Jhansi and Lalitpur, and shahjar-stone work from Banda, the region is not known for any export products.

**Food processing:** Essential facilities like assured supply of power and smooth market linkages are not available in the region for development of food processing on a large scale. However, there is some local demand for items like papads and pickles, which can be made on a small scale at home.

**Handloom and handicrafts:** UP Bundelkhand is not known for manufacture of any handloom or handicraft products that command a reputation in large retail markets.

**Healthcare:** There is a huge unmet demand for qualified medical practitioners across the region. However, this demand will remain unmet till the notion of 'barefoot doctors' (who need not have an MBBS degree) is institutionalized and legalized at the policy level.

**IT services:** Particularly in towns and in the proximity of high schools and colleges, there is demand for DTP services in Hindi and English.

**Leather products:** Though the region has a large livestock population, the potential for manufacture of leather products remains untapped due to religious sentiments. However,

there is good local demand for footwear repairers, which is not met due to caste and religious taboos about the vocation.

**Organized retail:** There are no malls or other large organized retail centres in the region (except in Jhansi).

**Other services:** As in the case of footwear repairers, there is considerable demand for barbers, which is unmet due to caste taboos. Many young women associated with the ABSSS-CFI project express interest in getting trained to work as beauticians. However, the interest will have to be matched with estimation of remunerative local-market demand for this service.

**Textile and clothing:** UP Bundelkhand has no major textile or clothing production centres. However, despite increasing availability of readymade garments, there is local demand for tailoring. The demand can be capitalized with identification of master trainers and introduction of new designs.

**Tourism, travel and hospitality:** The rich tourism potential of UP Bundelkhand has sadly remained unexploited due to poor transport facilities, lack of quality hotels and the image of the region as a land of dacoits. The pilgrimage town of Chitrakoot receives a large number of tourists from different parts of the country, but the inflow is mostly restricted to auspicious days. With the help of web and local marketing, there is some scope for diverting this traffic to organized tours, which will create demand for trained guides and tour operators.

**Transport, storage and communication:** Many local youth express the desire for getting training to work as drivers for six-seater autorickshaws, jeeps and light commercial vehicles. There is also some unmet demand for persons trained to operate excavators.

The sector-wise potential is categorized under gross estimation of opportunity in Table 2. The gross estimation is based on discussions with local youth and key informants mentioned earlier, as well as internal discussions with senior ABSSS staff. Main factors taken into account were (i) current local/regional demand (ii) whether market is readily available or has to be developed (ii) investment and risk involved. It must be noted that actual potential, in terms of number of persons who can profitably tap the identified opportunities without saturating demand, varies across sectors and opportunity-areas.

**Table 2: Gross estimation of sector-wise employment/entrepreneurship opportunities**

Sector-wise opportunities	Grade of opportunity		
	High	Medium	Low
<b>Agriculture &amp; allied</b>			
Manufacture of high-quality compost			
Quality seed production			
Manufacture of organic-farming inputs			
Paid counseling to farmers			
Renting of power tiller			
Land-leveling with 'Rajasthani' tractors			
Repair and servicing of irrigation pumps			
Dal milling			
Backyard poultry units			
Scientific goat rearing			
<b>Automobiles</b>			
Repair mechanics			
<b>Banking, financial services and insurance</b>			
Marketing/collection agents			
<b>Building, construction and real estate</b>			
Masonry			
Plumbing			
Electrical work			
Glass cutting			
Carpentry			
Painting			
<b>Education</b>			
Private tutors for school students			
Tuition classes for high-school/college level			
<b>Electrical goods</b>			
Household electrical goods repairers			
<b>Electronics</b>			
Mobile phone repairers			
TV repairers			
<b>Food processing</b>			
Household manufacture of papads and pickles			
<b>IT services</b>			
DTP services			
<b>Leather products</b>			
Footwear repairers			
<b>Textile and clothing</b>			
Tailoring			
<b>Other services</b>			
Barbers			
<b>Tourism</b>			
Guides and tour operators			
<b>Transport</b>			
Drivers			