

# Skill Development for Rural Entrepreneurship: A study on State Institute of Rural Development (SIRD), Assam

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## ABSTRACT

*Entrepreneurship plays an important role in the economic development of a nation. Entrepreneurship development is necessary for national growth and social development. Every year State Institute of Rural Development (SIRD), Assam organizes a number of training programmes like self employment oriented training programmes on skill and management development for youths, entrepreneurs, farmers, women, etc. Though the role of SIRD in the area of entrepreneurship development is indeed commendable for its contribution towards socio economic growth of the state, but still the growths of enterprises in Assam particularly in rural areas are far behind in comparison to the other state of India. This paper attempts to find out the different skill development facilities provided by State Institute of Rural Development for rural entrepreneurship and to examine the motivational role of training provided by the institute.*

**Key words:** Skill development, Entrepreneurship, Motivation.

## 1. Introduction:

Entrepreneurship development is a prerequisite for an overall socio-economic development of any nation. Entrepreneurship development is necessary for national growth. Schumpeter, J.A (1954) considered economic development as a good change brought by entrepreneur by instituting new combination of production. It is the driving force which accelerates economic development of the country. The development of entrepreneurship creates utilities and generation of employment. Entrepreneurship is the total process undertaken by an entrepreneur. It starts from the innovation of the idea to establishing, nourishing the enterprise. Entrepreneurship development particularly in micro enterprise and SSI sector has been recognized as one of the most significant and characteristics features of industrial development. Unemployment problems and alleviation of poverty can be solved through the entrepreneurship development. As aptly pointed out by Yale Brozen, "The private entrepreneurship is an indispensable ingredient in economic development over the long period."

In India millions of the people are living in villages and majority of them still living below

the poverty line and 26 per cent are considered as poorest of the poor. Again according to the estimation of Planning Commission of India (2006), there are 36 million people who are now unemployed. Hence, for alleviation of poverty and to eradicate unemployment problem, entrepreneurship development is most essential. Since independence Government of India has launched different strategic measures to alleviate poverty and unemployment problems in time to time, but in spite of this programme and schemes India is still considered as industrially backward nation. Therefore awareness about entrepreneurship development is most essential for all round development.

## 2. Skill Development

India values skill. Every year State Institute of Rural Development(SIRD), Assam organizes a number of training programmes like self employment oriented training programmes on skill and management development for youths, entrepreneurs, farmers, women, etc. "If China is like a 'manufacturing factory' of the world, India should become the 'human resource capital' of the world. That should be our target and we should lay emphasis on that," PM Modi said addressing

the launch event of Skill India in New Delhi. IT related facilities have been started since 2007 to make rural people financially and socially secure. The Ministry under its mandate, therefore, not only focuses on skilling but also guides the entrepreneurship movement in the country for speedy reorganization thereby ensuring enough employment opportunities for the skilled workforce. This will also improve the productivity power and help them to choose a sustainable path towards decent livelihood creation. Emphasis must be given on to harness technology as well as resource. Moreover, this would endeavor the outreach of opportunities and services. The Ministry aims to an ecosystem to put forward efforts across the country. Efforts have been made through various programmes implemented by different institutes at various levels.

In the development of rural India, entrepreneurship is of immense importance. In India more than 76 per cent people are living in rural areas should be bought under the network of rural industrialization. The rural people are expected to participate in the process of economic development. In this regard the Government and its sponsored institution has important role. Social mobilization, through proper training and guidance motivates people and raises awareness on development. It is to mobilize national support towards national development by government. It acts as an umbrella of participatory approaches in rural development as well as poverty alleviation programmes. It has been instrumental in decentralizing policies and programmes which aims at strengthening human and institutional resources development at local level.

With the macro objective to achieve the above, SIRD had come up with various training courses covering cost effective techniques, management development programmes, technology support, capacity building on skill upgradation, etc. Seminars and workshops on issues like education, health, sanitation, drinking water, social justice, equity, social problems for officials and non-officials, NGO and other organization representatives are being conducted. Pilot projects from the entrepreneurs are called for.

The SIRD, Assam has set up the Resource centre in IT and Skill Development at Kahikuchi in order to ensure and transfer the technology development benefit directly to the communities to uplift the rural youths at the grass root level.

Since 2001-2013, the Extension Centre set up by the institute has provided managerial and skill development training to 1.6 lakhs persons comprising youths, farmers, weavers, artisans and women for livelihood. About 6000 persons have undergone skill development training on different activities during 2013-14.

### 3. Need of the study:

The State Institute of Rural Development plays an important role for entrepreneurship development in rural areas of Assam. The institute is developing, an institute exclusively for development of entrepreneurship in Assam. The institute will function as a wing of the SIRD to take care of activities of the SIRD related micro enterprise. The Institute also created wide range of infrastructure for providing quality inputs and other support services required for the growth of micro enterprises in rural areas. Though the role of SIRD in the area of entrepreneurship development is indeed commendable for its contribution towards socio economic growth of the state, but still the growths of enterprises in Assam particularly in rural areas are far behind in comparison to the other state of India. In this context, the study will be carried out on the role of SIRD in the field of entrepreneurship development particularly rural areas of Assam.

### 4. Objectives of the study:

The objectives of the study are

1. To examine different skill development facilities provided by State Institute of Rural Development for rural entrepreneurship.
2. To study the motivational role of training and its effect on starting an enterprises in rural areas.
3. To suggest measures to improve entrepreneurship development through institutional support in rural areas of Assam.

## 5. Methodology of the study:

The present study is an empirical as well as descriptive in nature. It is based upon the methods of survey research and the data which are collected both from primary and secondary sources. Data are mostly representative in nature. In order to make the study more relevant, it has been purposively decided that the study would be carried out on 40 rural entrepreneurs (men and women) who have started their enterprise after receiving training from State institute of Rural Development (SIRD), Amoni Growth Centre located in the Nagaon district of Assam. Besides the primary data, secondary data are also collected from the office of the SIRD, NIRD and rural development block of the study district, Nagaon.

## 6. State Institute of Rural Development (SIRD)

The State Institute of Rural Development is the apex body in the broad field of training and research in rural development which came into being on April 1998 under the Society's Registration Act, 1860. The main objectives of the institute is to organize training courses on various operational areas such as , implementation procedures, appropriate technologies, cost effective techniques, convergence of services, habitation development, etc., for officials and non officials involved in implementation of rural development programmes, elected representatives of Panchayati Raj Institutions and representatives of Non- Governmental Organizations and Community Based Organizations. Capacity building through skill oriented training programmes on Management Development, Technology Support, Skill Up-gradation, etc., for self- employment in rural areas by taking up economically viable activities. Capacity building through skill oriented training programmes on Management Development, Technology Support, Skill Up- gradation, etc., for self- employment in rural areas by taking up economically viable activities.

The State Institute of Rural Development organizes a large number Self employment oriented training programmes on skill and management development for youth,

entrepreneurs, farmers, women, etc.under the different government schemes, like MGNREGA,SGSY,Chief Minister Jeevan Jyoti Swanijon Yojona etc. through their growth centre.

The target versus achievement of conducting programmes in 2013-14 was 135 per cent against 74 per cent of 2012-13 resulting in a growth of 43 per cent in number of programmes and 34 per cent in number of participants.

During 2013-14, SIRD, Amoni Block of Nagaon district has conducted 42 number of sessions in satellite based trainings where 2455 number of participants took part in the programmes which is the highest amongst the other blocks.

## 7. Infrastructural Facilities provided by State Institute of Rural Development (SIRD):

### 7.1 Resource Centre for IEC:

Government of India has declared the institute as resource centre on information, education and communication activities in the NE state to enhance awareness about prospects and problems pertaining to rural development.

### 7.2 Development and Management of Growth centre and common facility centre:

Support services are one of the most important aspects of micro enterprise development, for that purpose SIRD has set up Growth centre in different places in the State. These Growth centre's provided theoretical and practical training to the local youth, women and farmers for taking up income generating activities in the most scientific manner possible.

### 7.3 Training:

The state institute of rural development organizes various training programme for official and non official involved in implementation of rural development programmes ,such as elected representative of Panchati raj Institution, members of different NGOs etc and institute also organizes skill oriented training programme for local youth.

### 7.4 Motivational infrastructure:

The Institute has also created essential infrastructure like Mushroom Laboratories, Pig

Breeding Centres, Poultry Hatcheries, Brooding Centres, Parent Stock Rearing Farms, etc., so as to ensure timely availability of quality inputs to the SHGs at reasonable prices. Demonstration units have also been set up at different places to motivate the rural people to take up such activities in a scientific way to make micro-enterprise sustainable in the rural areas.

### **7.5 Resource Centre in IT and Skill Development:**

The Ministry of Panchayati Raj has provided fund to set up a Resource Centre in IT & Skill Development. The project cost was Rs. 6.00 crore. The Resource Centre has been inaugurated in the second campus of SIRD situated at Kahikuchi has been inaugurated in the month of February 2011. The Centre will help SIRD to organize intensive courses in the broad field of Panchayati Raj, decentralized planning, IT, courses on various management, courses on skill development for livelihoods etc.

### **7.6 SATCOM:**

The State Level Satellite Studio is complete at SIRD's Kahikuchi campus for satellite based training programmes. The North Eastern Space Application Centre under ISRO, Shillong / ISRO Ahmedabad has been providing technical guidance and support. 15 Receiving Stations have been set up in Extension Centres and selected Block HQs for satellite based training programmes.

## **8. Analysis and Findings:**

Training is an important component for enhancing the skill of entrepreneur. Training improves the knowledge, skill and managerial ability. Because of technological change, training becomes an essential part in almost all the industrial units. Therefore the institute has given much importance in training to the rural people in the areas of Amoni Growth Centre of SIRD. From the study it was found that 75 per cent local youth are motivated to start their own enterprise after completion of their training.

### **8.1 Employment Generation:**

The approach of dealing with unemployment crises has been changing. The

current is more based on developing people with the requisite skills and giving the people more opportunities to start their own small scale enterprises wherein they can also create job for others.

The industry wise pattern of increase and decrease in employment generated by the sample units of the study district is studied. It is observed that overall employment in the sample units has increased at the rate of 23 per cent from the initial year of establishment.

### **8.2 Impact on Standard of living:**

Apart from a change in the income level of the entrepreneurs the enterprise may also affect other members of the society. Other members of the society may also be motivated for taking up entrepreneurial activities. It is therefore necessary to assess the total impact on the income of the entrepreneur. The study attempted to see the impact on the income of the entrepreneurs, whether it has any positive impact on the standard of living of the entrepreneur or not.

From the field survey, it is found that 67 per cent of the entrepreneurs agreed that their standard of living have improved.

### **8.3 Leadership Development:**

One of the most important factors of individual performance is enhancing leadership skills. Through the training programme provided by the SIRD, it is found that almost all the participants are able to enhance their leadership qualities. From the establishment and to nourishing an enterprise, one entrepreneur has to face many obstacles and a good leader can take right decision in time.

In the study district it is found that 63 per cent of the entrepreneurs have developed their leadership skills through various training programmes on motivation and are able to approach financial institutions without hesitation.

### **8.4 Technical skill:**

Skill Development aims to create skilled and job ready workforce by equipping it with employable skills. Here traditional trades and employment skilling in informal sector is being

recognized as a skilling outcome among the youths.

From the study it is found that 59 per cent of the respondents have upgraded themselves technically with the support of technically skilled trainers.

### 8.5 Resource Allocation:

Various programmes at the local level have been launched so as to strengthen participation of rural poor in local decision making, improves their access to social and production services and efficiency in the allocation of locally available resources and enhances opportunities for asset building by the poorest of the poor.

Taking various parameters like availability of raw material, fund from banks, machinery link ups, after sales services of the machineries, the study revealed that 52 per cent of respondents could efficiently allocate available resources.

### 8.6 Women Empowerment:

A report by McKinsey Global Institute pointed out that India could boost its GDP by 60 per cent by 2025- if it were to use the full potential of women in its workforce by bridging the gender gap at workplace. For this, it is the need of the hour to realize the step to education and skill development. The SIRD, Assam has been organizing various training programmes for women entrepreneurs. Training programmes under Panchayat Mahila evam Yuva Shati Abhiyan have been launched. The institute has organized 180 courses covering 6383 participants from April, 2010 to March, 2011.

In the study district it is found that from the randomly selected respondents, 30 per cent were women. Out of them, 71% have successfully established their small enterprises and earn their livelihood.

### 8.7 Professional Development:

Learning more about the field on latest trends and getting hands on experience on the respective activities tend to reduce stress to a

great extent which continues to develop the entrepreneurs professionally as well as personally. With the introduction of various programmes 68 percent of the rural youth are able to realize the need for diversification and develop a “Can Do” attitude in them.

The study also found that training provided by NGOs, Banks, and other financial institutions are meant to provide awareness about the schemes but it has also revealed a fact that only 13 per cent of respondents are aware to a few of the schemes.

### 8.8 Social Mobilization:

The Constitution’s 73<sup>rd</sup> Amendment has made the village council, the *Gram Sabha*, into a very powerful tool of social mobilization. There has been seen a need to improve on access to public information on local development issues directly linked with their livelihood interests. Remote areas have been covered through the Extension Centres of the SIRD to meet this demand. Awareness is a major promotion tool. Therefore, efforts have been put on to develop a team of animators and facilitators for mobilizing rural poor. Leaflets on various programmes are printed in local languages and distributed in the rural areas for better understanding and thereby create awareness.

In the study district it is found that only 13 per cent of the respondents have come to know about the programmes through print media. Others have joined the trainings when they came to know about the same from friends and relatives.

### 9. Conclusion and Suggestions:

1. More training programmes should be provided at the block levels in phase-wise manner by the FIs, banks, management institutions, etc so that it becomes easier to monitor and review the performances of the trainees from time to time.
2. Awareness can be created among the school and college students by having separate papers or sessions.

3. Separate wings in professional and technical institutes are to be set up wherein teams of teacher and students provide guidance at the grassroot level to the first generation entrepreneurs. One such example is the **Unnat Bharat Abhiyan** under the Human Resource Development Ministry, a team of IIT teachers and students will visit selected villages, study their problems and work out effective solutions through their rural development wing.
4. The training sessions carried out by SIRD must incorporate specialized sessions on how to allocate locally available resources with limited finance.
5. An initiative should be taken for empowering the women aspiring to set up their own venture. For this **One Stop Centres** for women can be set up in order to provide integrated support under one roof to the working women.
6. The trainings provided for Skill Development should empower the youths to promote a culture of innovation based entrepreneurship thereby providing an institutional framework to reach the expected outcomes.
7. Schemes are to be made aware by distributing leaflets printed on local languages, broadcasting information on radio and television etc.
8. Awareness camps should be set up in an aggressive manner. Targets should be set for conducting camps in a week/month and year by an individual trainer, with a clear cut definition of agenda and blocks.
9. More vocational institutes are to be set up. Tie ups can be done with local collages or higher secondary schools. This will motivate the youth to take up enterprise and generate employment for the society than looking for a job for him.
10. There is a need to build up a single window operation, one-stop solution to cater various needs of the citizens and bring government, business and education services to rural India through an expanding network of village level franchise partners.
11. Identification of relevant block for any given scheme. So that's the efforts made for awareness or entrepreneur development gets a surgical precision.
12. Successful entrepreneurs should be recognized as presented as role models in the blocks. If possible they should also be called in the vocational institute, so that they can motivate the youth by sharing their success stories.

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**Be faithful in small things because it is in them that your strength lies.**

~ **Mother Teresa**