

Rural Entrepreneurship Development in Assam With reference to Sonitpur District

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ABSTRACT

Entrepreneurship plays an important role in the economic development of a nation. Entrepreneurship development is necessary for national growth as well as social development. An entrepreneur promotes capital formation and creates wealth in society and in the process reduces unemployment and poverty. Therefore, it is the need of the hour to create a climate for Entrepreneurship particularly in rural India as majority of the people lives in the villages in India. In Assam also majority of the people are living in rural areas but it is found that they lack in entrepreneurial abilities. This paper attempts to find out the performance and problems faced by rural entrepreneurs of Sonitpur district of Assam.

Keywords: *Entrepreneurship, explore.*

1.0 Introduction

"India lives in her villages." said Mahatma Gandhi. Villages still remain at the heart of Indian economy, society and politics although there is a wake of growing urbanization. India is a country full of human as well as natural resources. There is a need to develop our rural sector so as to develop the nation as a whole. Despite of having education we still hold the unemployment problem in our society. Unemployment has been one of the most unmanageable problems in India. Sector wise, unemployment in India is of two types-rural and urban. The majority of the population lives in rural India and is engaged in agriculture and allied activities. Due to backward technology in agriculture and changing season in agricultural operations, there is a widespread disguised unemployment. About 76% of the population in the country is dependent upon agriculture which has low income per worker and per unit of land. This is because of the fact that too many are engaged in this field and lack in improved technology in cultivation. Moreover, there was a lack of alternative employment opportunities such as poultry, bee keeping, fisheries, etc. Hence, developing India is akin to developing villages. For this, there is always a need to uplift the rural sector to mitigate not only the problem of unemployment but also contribute to the national wealth.

1.1 Entrepreneurship

The word "entrepreneur" has been taken from the French language where it was originally meant to designate and organizer of musical or other entertainments. In economics, an entrepreneur is an economic leader who possesses the ability to recognize opportunities for successful introduction of new commodities, new techniques, and new sources of supply, and to assemble plant and equipment, labour and organize them into a concern. According to Schumpeter in 1934, an entrepreneur is a person who is willing and able to convert a new idea or invention into a successful innovation. Thus, entrepreneurship is the process of exploring the opportunities and arranging resources required to exploit these opportunities. An entrepreneur promotes capital formation and creates wealth in society and in the process, reduces unemployment and poverty. The promotion and development of entrepreneurs both in the agricultural as well as industrial sector are crucial not only for accelerating growth in the primary and secondary sectors but also achieving social objective of dispersal of economic growth and equitable distribution of wealth. Entrepreneurship is essential for economic development.

1.2 Need of the Study:

Presently, the Government and other institutions in the recent years have taken measures to encourage the practice of entrepreneurship; rural sector still economically and socially backward with inadequate infrastructure, economic stagnation, low levels of education, low skilled workers, low income, and a culture not supportive of entrepreneurship (Kulawczuk, 1998). Entrepreneurship in the rural areas of Assam plays a pivotal role in their socio-economic conditions. Therefore, it's very important to take measures which would help the rural people to explore their skills, uplift themselves, create job and thus earn livelihood. Inadequate infrastructural facility and rampant poverty contributes to the overall economic

backwardness of the state. So, the need of the hour is to understand their problems and work out effective solutions.

The study is to assess the performance of the rural entrepreneurs in the district and give an insight view to the problems and opportunities associated with the rural entrepreneurs in the district. This would enable the rural youths to measure their strength and weaknesses thereby help them identify measures for further uplift in their livelihood. It is expected that the study would inspire the rural youths for exploring new opportunities and allocate their resources available locally with minimum finance. This would also help them to look forward for the new technologies and schemes provided by various institutes.

1.3 Objectives of the Study:

The objectives of the study are:

1. To examine the performances of the rural entrepreneurs in the study district.
2. To identify the problems of rural entrepreneurs.
3. To suggest measures for the development of rural entrepreneurs.

1.4 Methodology of the Study:

The study is basically explanatory in nature. It is primarily based on sample survey covering Sonitpur districts of Assam. A sample of 60 micro enterprise units were selected on random basis in order to get the details about organization structure, incentive behind starting enterprise, age of the entrepreneur, investment and managerial structure, their educational background, social status, training programme attended etc. in four development blocks of Sonitpur district of Assam.

Secondary data have been collected from various libraries, concerned Government Departments, Journals, internet and various publications. Information collected cover social and economic aspects as well as data on finance. Collected data have been classified according to their nature; then processed and analyzed. The scope of applying statistical techniques is limited owing to descriptive nature of the study.

1.5 Limitations of the Study:

The study was taken up in the Sonitpur district of Assam. The numbers of micro and small enterprise in the district is higher than that of other medium and large industries and all of them are scattered in the different blocks of the entire district. While filling up the questionnaire, it was found that most of the entrepreneurs did not want to share their views as far as the actual sources of finance, repayment position of loan and income level goes, which restricted the researcher to prepare the analysis. In this study banks and other financial institutions position was taken into consideration for references.

1.6 Profile of the study district

The Sonitpur district is one of the most industrially backward district of Assam. The district has an area of 5324 km and according to 2011 census total populations of the district is 19, 25,975 of which male and female were 983904 and 940206 respectively. Sonitpur district is situated in the north bank of river Brahmaputra.

The district has lot of potentiality for promotion of micro enterprises. Though most of the formal financial institutions are based in Assam and in the study district sonitpur, the credit scenario is not satisfactory.

1.7 Findings and Analysis

1. During the course of the study, it was found that all the respondent entrepreneurs are literate and majorities are in the age group of 35 years to 45 years. Also majority of the entrepreneurs of the district were male. The study also revealed that 65 per entrepreneurs belonged to general caste. Schedule caste entrepreneurs were found to be 12 per cent and only 2 per cent entrepreneurs are schedule tribe.
2. It was observed that, the initiative to start an enterprise came from non availability of Government jobs or alternative sources of income in majority of the cases. It is found that agro based industries are still taking leading role in development of micro enterprises in the district. Requirement of less investment, easy decision making and administration etc. have encouraged the sample entrepreneurs for starting of proprietorship business rather than partnership or other form of business.
3. During the field survey, it was found that majority of the entrepreneur (42%) gets information from the District Industries Centre (DIC). The role of District Industries Centre is therefore is most

important to provide necessary information to the prospective entrepreneur. Gaon Panchayats which are supposed to be a very proactive agency, have not played a prominent role.

4. Most of the entrepreneurs have been found to start the business with their own sources of fund. Only, 28 per cent entrepreneurs got funds from banks. The time taken for approval of loan was more than 2 months in most of the cases. The sanctioning process is found to be even more time consuming and complicated. It is seen that in most of the cases the time taken for loan sanctioning ranges between 3 months to one year. However it has been found from the study, that the nationalized banks play a very crucial role in these blocks in terms of funding the projects. Out of the total project, 68 per cent of the projects submitted by the respondents were funded by the nationalized banks and 20 per cent by the Regional Rural Bank and only 12 per cent by Co-operative banks.
5. The disbursement process of Banks is found to be quite complicated and it was seen that due to procedural formalities, many of the loan applications were not considered for the loan, 40 per cent of the entrepreneurs could not get their loans sanctioned. Procedural formalities of banks were cited as the main reason for delay. non sanctioning of loan, they cited various reasons like non cooperation by the Bankers, high collateral security, high margin money etc.
6. In the survey, it was found that majority of the entrepreneurs had not invested the whole loan amount in their business due to poor economic condition, recurring family expenditure, repayment of their old loan etc. and as a result they were unable to repay their loan regularly.

1.8 Suggestions

The following views of the researcher have been presented as suggestions with a view to help the policy makers, financial institutions especially banks and the entrepreneurs for better prospect of rural micro enterprises in the district of Sonitpur.

1. Motivational programmes for youths at gram panchayat levels as well as in educational institutions to increase the desire to take up entrepreneurship as a career option.
2. Easy access to information relating to schemes and benefits for entrepreneurship. Majority of the entrepreneurs of the district were not aware about the various scheme of the government and the financial institutions. Bank should be advised by the Government to print brochures and pamphlets in local language about the financial / non financial assistance available at each bank and district industries centre (DIC) and distribute it to prospective and existing entrepreneurs.
3. The procedure of applying for loan should be made simple and at the same time, time for sanctioning and disbursing the loan should be lesser.
4. Considering the backwardness of the district the interest rate of the different commercial banks should be uniform to attract the prospective entrepreneurs.
5. Banking services should be available near to the entrepreneurs/enterprise. Special cell for micro enterprise development should be established in the district level. Mobile banking facilities should be introduced so as that the poor can easily get finance.
6. Attention should specially be given to sustainably managed infrastructure, lowering of energy, transport and communication charges, while improving the reliability of these services. Facilitating public-private partnerships and attracting FDI into basic infrastructure as well as for establishment of industrial parks for SMEs are options that should be considered.
7. It is generally one of the duties of the financing banks to take follow up measures after sanctioning and disbursing the loan amount. But it was found that none of the bank branches made a follow up visit to the entrepreneurs after sanctioning the bank loan. Therefore, it is suggested that the financing bank should make surprise and frequent visit to the units for smooth implementation of the project.
8. Marketing is one of the weakest areas in the state and the district. Very little efforts are made by the local units on effective marketing. It is felt that the micro enterprise of the state has to follow a dynamic marketing strategy to increase its market share in nation market. The state level training institution, financial institution may arrange more and more programmes on marketing particularly on marketing techniques, pricing strategies, packaging, total quality management etc.
9. The empowerment of women especially economic empowerment will revitalize the nation and bring about all round development in the society. It was found that there are very limited numbers of women are engaged in micro enterprise in the study district. Therefore the Government and

Financial Institution should take some awareness campaign on entrepreneurship development among the women's of the district.

10. Most of the micro/small enterprises studied have remained sole proprietorship concerns. In order to increase more employment in this sector and increase the amount of investment, partnership and limited company form of organization may be encouraged with a very minimum formation procedure.
11. Raw materials are the basic requirement of all industries. The Government should set up raw material depot in the district. Raw material depot is mainly required for micro enterprise of food processing unit, wood, cane and bamboo making enterprise, chemical based industries.
12. The adoption of suitable technology is most important for the all round development of any industry. For micro enterprise of the State and the District, the availability of suitable technology is immense importance to enhancing the productivity and marketability of the product. Government and promotional agencies should provide requisite technology to the micro entrepreneurs at cheapest price on installment basis.
13. The Government and financial institution should give more importance about Cluster Approach. There are so many advantages in cluster group. Cluster organization may be formed under Society Act. With the help of cluster organization it is easy to coordinate each other. Development of infrastructure, common services and requirements need to be planned cluster wise.

1.9 Conclusions:

Rural enterprise could be described as the backbone of Indian economy. The role played by the enterprises in the industrial economy of India is being realized and plans and policies are formulated accordingly. However, implementation of the same is expected to be fast.

It has been recognized that this sector is one of the largest employment potential sectors which can generate more employment opportunities and income for development of the nation. In this respect, all the concerned stakeholders should take requisite steps for its overall development.

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A wise man gets more use from his enemies than a fool from his friends.

~ Baltasar Gracian