Rural Entrepreneurship in the Twin District of Karbi Anglong: A Study

Santika Timungpi, Ph.D. Research Scholar, Assam University, Diphu Campus, Diphu, Karbi Anglong, India.

Lovin Kro, Assistant Professor, Tinsukia College, Tinsukia, Diphu, Karbi Anglong, India.

ABSTRACT

Rural entrepreneurship plays an important role in providing opportunities to the people in rural areas by giving them the source for their livelihood and simultaneously results in rural development. Majority of the population in the twin district of Karbi Anglong comprises of rural areas. Hence, Development of the rural area is important to have a balanced regional development. This development can only be realised through economic development and rural entrepreneurship plays an immense role in such development. The present study comprise of 30 entrepreneurs as sample taken conveniently to achieve the objectives. The study highlights the scenario of entrepreneurship in the rural areas and the prospects for further development of entrepreneurship in the rural areas of the district.

Keywords: rural entrepreneurship, livelihood, balanced regional development.

INTRODUCTION:

Rural entrepreneurship is based on stimulating local entrepreneurial talent and the subsequent growth of indigenous enterprises and brings an economic value to rural sector by creating new methods of production, new markets & new products and generates employment opportunities, thus ensuring continuous rural development (Mohanto, 2016). Rural entrepreneurship is playing an important role in providing opportunities to the people who are migrating to urban areas in search of job or for livelihood and ultimately results in rural development. Rural entrepreneurship can be also be defined as entrepreneurship emerging at village level which can take place in a variety of fields of endeavour such as business, industry, agriculture and acts as a potent factor for economic development. Thus, a rural entrepreneur is someone who stays in the rural area, established industrial units and contributes to the creation of rural wealth.

India is recognized as peasant economies typically characterized by population pressures, an ever declining land-man ratio, small and fragmented holdings and inability to adapt to modern techniques due to illiteracy and ignorance, agriculture alone cannot provide ultimate solution to rural unemployment and underemployment. The burgeoning problem of population and under-employment can be tackled through institutionalizing the process and concept of rural entrepreneurship (Devendravishwakarma, 2016).

Despite of being richly endowed with huge natural resources, the districts lags behind the rest of Assam. The districts will be developed if each and every small region gets balanced opportunities for growth. Nothing can be a better option to impart entrepreneurial skills in the people of these rural areas.

RELEVANCE OF THE STUDY:

Though Karbi Anglong is the largest district of Assam, most of the areas are still under developed with no proper electricity and transportation. According to 2011 census, the rural population in Karbi Anglong is 88.19%. Rural population is calculated as difference between total populations minus urban population. 88.19% clearly shows how important rural areas are for Karbi Anglong future development. People of this area were
mainly agriculturalists and the field are being utilized mainly for one season in a year, leaving the field fallow for rest part of the year. Thus rural entrepreneur can play a very significant role in shaping this area with strong economic base. As the district is abundance with huge unutilized natural resources there is a high prospect of building and transforming these into a valuable product. There is an ample opportunity for the entrepreneurs to turn the disadvantage into advantage. Due to various motivation and training programme arranged by the government many of the rural people have come forward in the field of entrepreneurship. Rural enterprise will help the region in reducing the unemployment problem, poverty, helps in generating income, enhance government revenues, improves standard of living, etc. In this region, majority sections of rural enterprises are based on unorganised sectors. Now the pertinent question arises: how far the entrepreneurship has help in the development of the area and is there any challenges in running the enterprises?

REVIEW OF LITERATURE:
Nandanwar(2011) states that rural entrepreneur have successfully diversified into or started new businesses in markets as diverse as agro-food, crafts, recycling as well as diversification into non-agricultural uses of available resources such as catering for tourists, carpentry, blacksmithing, etc.. The study made by Babu(2012), Singh J.(2013), Pal(2013), Ghosh(2013) reveals that entrepreneurs taking to rural entrepreneurship should not only set-up enterprises in rural areas but should also use rural produce as raw material and employ rural people in their production process. Venkateswarlu & Ravindra(2015) finds out that rural entrepreneurship is the answer to removal of rural poverty in India and in order to make entrepreneurship development more effective there is a need to change the thinking. Entrepreneurship development should be an integral part of school education at plus-two level.

OBJECTIVES OF THE STUDY:
The following are the main objectives of the present study.
1. To study the development of rural enterprise in the district and
2. To identify the challenges and prospects in the development of rural enterprise in the twin district.

RESEARCH METHODOLOGY:
This study is based on both primary and secondary sources. The study is descriptive in nature and primary data have been collected from 30 entrepreneurs both registered and unregistered entrepreneurs of Karbi Anglong districts with the help of questionnaire. The sample has been collected by adopting convenience sampling technique. Secondary data have been collected from DICC office of Karbi Anglong, various journals, related books, articles and websites.
The term ‘Twin District of Karbi Anglong’ in this study means Karbi Anglong and West Karbi Anglong District which fall under the administrative jurisdiction of Karbi Anglong Autonomous Council (KAAC).

FINDINGS:

Table 1: Table showing sex of the Respondents

| Sex    | No. of Respondents | Percentage |
|--------|--------------------|------------|
| Male   | 24                 | 80         |
| Female | 06                 | 20         |
| Total  | 30                 | 100        |

The above table No. 1 depicts the sex wise composition of entrepreneurs. From the table is has been found that 24 respondents out of 30 i.e., 80 % are male and 20 respondents, i.e., 20 % are female. The participation of women in entrepreneurial activity no doubt has been increasing but at a lower rate compared to the male counterparts. There may be reasons for such lower participation since women are much more engaged in household activities and more so in rural areas.

Table 2: Distribution of Entrepreneurs in terms of Age

| Age Group | No. of Entrepreneurs | Percentage |
|-----------|----------------------|------------|
| 25-34     | 07                   | 23.33      |
| 35-44     | 10                   | 33.33      |
| Age Group   | No. of Entrepreneurs | Percentage |
|------------|----------------------|------------|
| 45-54      | 13                   | 44.33      |
| 55 and Above | 00                   | 0          |
| Total      | 30                   | 100        |

The above table reveals that 23.33 percent of the entrepreneurs fall in the age group 25-34, 33.33 percent of the respondents fall in the age group 35-44 and the remaining 44.33 percent fall in the age group 45-54. No of the respondents age exceeded 55 years of age. It is evident from the above table that entry in the field of entrepreneurship in the rural areas of the twin Karbi Anglong District is in the later years of age. It is also found that the numbers of entrepreneurs increases with the increase in the age group. This trend shows that rural entrepreneurship is mostly carried out by higher age group.

Table 3: Distribution of Entrepreneurs on the basis of educational qualification.

| Educational Qualification | No. of Entrepreneurs | Percentage |
|---------------------------|-----------------------|------------|
| Under HSLC                | 04                    | 13.33      |
| HSLC                      | 12                    | 40         |
| HS                        | 08                    | 26.67      |
| Graduate                  | 05                    | 16.67      |
| Post Graduate             | 01                    | 3.33       |
| Total                     | 30                    | 100        |

Table no. 3 above indicates majority of the entrepreneurs are HSLC passed which is 40 percent of the total sample. The second highest entrepreneurs in terms of educational qualification is HS with 26.67 percent followed by Graduates which constitutes 16.67 percent of the total respondents. Entrepreneurs with educational qualification under HSLC constitutes 13.33 percent of the total samples and 3.33 percent is Post Graduate.

From the table it is found that the constituents of entrepreneurs in rural area does not depend much upon the educational qualifications. The table above clearly depicts that individuals from different educational background are seen taking up entrepreneurial activity. Education however is important as it will help an entrepreneur in many ways, particularly maintaining communication with diverse parties in the course of doing business and to understand the different policies that are implemented by the government.

Table 4: Table showing the type of family structure of the respondents.

| Structure of Family | No. of Entrepreneurs | Percentage |
|---------------------|----------------------|------------|
| Nuclear             | 25                   | 83.33      |
| Joint               | 05                   | 16.66      |
| Total               | 30                   | 100        |

Table No. 4 shows the type of family structure of the entrepreneurs. It is evident from the table that majority of the entrepreneurs i.e. 83.33 percent belongs to nuclear family while only 16.66 percent stays in joint family. The above table also shows that joint family structure is not followed mainly in the rural areas. A typical rural family generally becomes a nuclear family after marriage.

Table 5: Table showing the category of enterprise established by Respondents.

| Category of Enterprise | Sub- Category of Enterprise | No. of Enterprise | Percentage |
|------------------------|-----------------------------|-------------------|------------|
| Agriculture            | Rice Mill                   | 04                | 13.33      |
|                        | Poultry Farming             | 02                | 6.67       |
|                        | Retailing Farming Products  | 03                | 10         |
| Mining                 | Stone Mining and Crushing   | 01                | 3.33       |
|                        | Sand Mining                 | 03                | 10         |
| Manufacturing          | Furniture                   | 03                | 10         |
|                        | Handicrafts                 | 02                | 6.67       |
|                        | Weaving                     | 02                | 6.67       |
Table 5 indicates the details of the category and sub-category of enterprise owned by the entrepreneurs. It is evident from the table that under agriculture category Rice Mill (13.33%), Poultry Farming (6.67 %) and Retailing of Farming products like (Broom Sticks, Bamboo, ginger, etc.) 10 % are the areas where entrepreneurship emerged. On the other hand, 3.33 percent of the entrepreneurs are engaged in Stone mining and Crushing while 10 percent of the entrepreneurs are engaged in Mining Category. In Manufacturing activity 10 percent of the entrepreneurs manufactures Furniture (Bamboo, Cane and wooden), while 6.67 percent of the enterprise are engaged in handicrafts and another 6.67 percent of the enterprise are engaged in Weaving. The table also shows that 16.67 percent are engaged in Retailing, 6.7 percent owns tailoring units, 3.33 percent owns a barber units and another 6.7 percent of the entrepreneurs owns a computer/Photostat centre.

The above table clearly shows that there are diverse areas in rural areas where entrepreneurship can be undertaken and developed.

| Others                     | No. of Entrepreneurs | Percentage |
|----------------------------|----------------------|------------|
| Retail Store               | 05                   | 16.67      |
| Tailoring Unit             | 02                   | 6.67       |
| Barber Unit                | 01                   | 3.33       |
| Computer/Photostat Centre  | 02                   | 6.67       |
| **Total**                  | **30**               | **100**    |

Table 6 above shows the different sources of idea from where the entrepreneurs has received which influence them in establishing an enterprise. The table clearly shows that majority of the entrepreneurs, i.e. 40 percent, has started their enterprise from their own idea. Another 33.33 percent got the idea of establishing an enterprise from their friends, 13.33 percent of the entrepreneurs got the idea of establishing enterprise from their family while 10 percent got the idea from other sources such as advertisement, medias etc. Only 3.33 percent of the entrepreneurs got the idea of establishing enterprise from government agencies. The table depicts that government agencies have a least role to play in the development of entrepreneurship in the rural areas. Most of the people in rural areas are unaware of various policies and schemes initiated by the government to develop entrepreneurship. As a result entrepreneurs develop their own ideas and establish their enterprise. However, the role of friends and family are found to be much influencing in the development of entrepreneurship in the rural areas.

| Sources of Idea         | No. of Entrepreneurs | Percentage |
|-------------------------|----------------------|------------|
| Family                  | 04                   | 13.33      |
| Friends                 | 10                   | 33.33      |
| Government Agencies     | 01                   | 3.33       |
| Self                    | 12                   | 40         |
| Other Sources           | 03                   | 10         |
| **Total**               | **30**               | **100**    |

Table 7 above indicates the different nature of support received by entrepreneurs in establishing their enterprise. Out of the total, 50 percent received financial support from various sources such as banks, friends and families. 26.67 percent of the entrepreneurs received logistics support in the form of supply of materials and transportation during the start-up and another 23.33 percent of the entrepreneurs received physical support in the form of labour during the establishment of their enterprise.

| Nature of Support | No. of Entrepreneurs | Percentage |
|-------------------|----------------------|------------|
| Financial         | 15                   | 50         |
| Logistics         | 08                   | 26.67      |
| Physical          | 07                   | 23.33      |
| **Total**         | **30**               | **100**    |
Major Problems faced by Rural Entrepreneurs:

Table 8: Table showing the response of entrepreneurs regarding the various problems/Challenges faced by the rural entrepreneurs

| Major Problems/Challenges     | No. of Entrepreneurs | Percentage |
|-------------------------------|----------------------|------------|
| Infrastructural Facilities    | 06                   | 20         |
| Finance                       | 10                   | 33.33      |
| Marketing                     | 08                   | 26.67      |
| Transportation                | 02                   | 6.67       |
| Price                         | 04                   | 13.33      |
| **Total**                     | **30**               | **100**    |

When the entrepreneurs were enquired about the various problems faced by the entrepreneurs in the rural areas, the above response were found from the survey. As evident from the table 20 percent responded that infrastructural facilities as the main challenges in the rural areas. Lack of well-connected roads and lack of storage facilities particularly for agricultural products has discouraged entrepreneurs in rural areas.

Another challenges or problem faced by rural entrepreneurs is the lack of finance facilities. 33.33 percent of the entrepreneurs has responded finance as the major problem which hinder the growth of entrepreneurship in the rural areas. Due to un-availability of finance entrepreneurs face problem to upgrade and expand their enterprise. It is also noteworthy that most of the entrepreneurs in the rural areas are unaware of different financial assistance and schemes provided by government to encourage entrepreneurship. It is also found that complexities on the part of government in the process of granting loans seems to be an additional burden for the entrepreneurs as most of the rural entrepreneurs are not accustomed to such complex official process.

Also the table shows that 26.67 percent of the entrepreneurs face Marketing problem. Marketing is one of the challenges the rural entrepreneurs face since most of the entrepreneurs in rural areas operates on a small scale. Sometimes such products have a problem to find its market in the rural areas because the market in rural areas in confined to a limited area due to low population. In such case, the products from rural area are exported to urban area where they struggle to find the market for their products since they are exposed to competitions from larger players in the market.

Another 6.67 percent of the entrepreneurs have responded transportation as the major problem for rural entrepreneurs. Absence of proper road connectivity hampers the supply of materials and finished products to market. Since rural entrepreneurs are concentrated in interior areas transportation bottleneck hampers the operation of enterprise.

The table also shows that 13.33 percent of the entrepreneurs have problem with the price of their produce. Many a times, the producer from the rural areas has to sell off their products, particularly in the case of agricultural products at a price lower than its production cost. In such case the producer is not the price maker but the buyer is. The producer do not get the justified price of the product.

THE PROSPECTS:

Rich in Resources:

The twin district is bestowed with huge natural resources. 85% of the geographical areas of the twin district are covered by forest which is rich in non-timber forest products such as ginger, bamboo, cane, broomsticks, and fruit items like pineapple, orange, etc. However, it is seen that such products are not utilised at the maximum as productions are done mainly for household purpose only. It is also seen that most of the natural resources are transferred to urban areas for further processing. Commercialisation and processing them into tradable products in the rural area itself of such non-timber forest products will further develop and increase the scope entrepreneurship in the rural areas.

Increase in education:

Education being the primary factor affecting consumer behaviour is another prospect which will help in developing entrepreneurship in rural areas. Increase in education level is no doubt higher in urban areas compared to rural areas, but the education scenario in rural area is seen increasing gradually. Such rise in education level makes the rural citizens more aware about the various products that are available in the market. A prospective entrepreneurs can tap this opportunity and provide goods in the rural market.
Rise in standard of living:
The government through the implementation of various flagship programs like JRY, PMRY, IRDP, NREP, etc. has provided employment opportunities in the rural areas. Moreover, the rise in the educational level of the rural population has influenced the lifestyle to a very great extent. More people are engaged in jobs too. This has led to rise in the income of the rural population and increased the disposable income. The increase in the disposable income influenced the demand of rural population for various and diverse products. There is an ample opportunity for an entrepreneur to grow and increase the customer base within the locality based on this.

Government support:
The government have been relentlessly working to encourage the development of entrepreneurship and start-ups. The Government of India under the Ministry of MSMEs has enacted the Micro, Small and Medium Enterprise (MSME) Act, 2006 with a view of promoting self-employment as means of job creation and encourages entrepreneurship. Some of the latest policies/ schemes for start-up includes Udyog Adhar, Scheme for Promotion of Innovation, Entrepreneurship and Agro-Industry (ASPIRE), Micro Units Development and Refinance Agency (MUDRA), Atal Innovation Mission (AIM), Self-employment and Talent Utilisation (SETU), Electronic Development Fund (EDF), SIDBI Make in India Loan for Small Enterprise (SMILE). To meet the financial requirements of entrepreneurs and small enterprise in the form of SHGs/ NGOs the government has also initiated the micro-finance schemes through NABARD and NEDFi. The Assam Financial Corporation (AFC), an apex financial institution and development in North East India has also been providing credit to Small Scale Industries (SSIs) in the region. AFC’s ‘Axom Fund’ is aimed to encourage new and first generation entrepreneurs with innovative activities.

The government of Assam through the Department of Industries and commerce has implemented various schemes like the Prime Minister’s Employment Generation Programme (PMEGP), MSME and Handicraft Unit, Mukhyamantri Karmayoti Achani, Multi- Dissciplinary Skill Development Programme, Angel Fund Scheme, etc.

Emergence of New Business areas:
There are many areas where new business is found emerging. The concept of rural tourism is the thrust area which will help in developing the rural areas. Developing rural tourism will expand the opportunity of entrepreneurship like hotels, guest house, transport, etc. in the rural areas. Moreover, in agricultural sector like cultivation of medicinal plants, floriculture, horticulture, bee keeping, etc. there exist ample opportunities. Organic farming is another emerging area where a prospective entrepreneur can pursue entrepreneurship. The twin district of Karbi Anglong which is rich in natural resources and scenic beauty has everything to provide for such business.

CONCLUSION:
Since the majority of the population in the twin district of Karbi Anglong comprises of rural areas, development of the rural area is important to have a balanced regional development. This development can only be realised through economic development and rural entrepreneurship will play an immense role in such development. The locally available product should be converted into tradable products and expand the market base locally. Rural areas can only be developed by providing awareness programme and encouraging entrepreneurship to the rural people. There is a lack of skilled labour where they need to shaped and trained.

REFERENCES:
Barman, R. & Chakraborty, D. (2013). Rural entrepreneurship-One key to rural revitalisation. *International journal of Applied research*, vol.3 issue 5.
Babu, V. (2012). Challenges and prospectus of successful women entrepreneurs-A case study in Davangere City, *International Journal of research in commerce, economics and Management*.
Dasgupta, Raju (2014). Problems and prospects of entrepreneurship: A study on Kamrup District of Assam. *International Journal of Humanities & Social Science*, vol. 3 issue 3.
Devendravishwakarma, (2016). Rural entrepreneurship, Innovation and Economic Growth. *Interantional Journal of Research in Economics and Social Sciences*, vol.6 issue 2.
Ghosh, Sudipta (2013). Entrepreneurship: An overview of the issues and challenges in the context of rural development in India, *Business Spectrum*, vol.1, no.1
Kro, L. & Borman, R. (2018). Socio-cultural characteristics and emergence of entrepreneurship in Undivided
Karbi Anglong district of Assam: A Study; Researchers’ World, Vol-IX, Issue-2, April 2018, pp. 98-104, ISSN-2231-4172, E-ISSN-2229-4686.

Mohanto, P (2016). Entrepreneurship and economic development in Rural Assam: A sociological study on Margherita sub-division, Assam, India. Regional conflict and entrepreneurship development, Global Publishing House India.

Pal, Satya (2013). Rural entrepreneurship in India: Challenges and problems, TMIMT International Journal, vol.4 issue 4.

Patel, B. & Chavda, K. (2013). Rural Entrepreneurship in India: challenge and problems. International Journal of advance research in computer science and management studies, vol.1 issue 2.

S.Patil, Priyanka & R.Patil, Sidharth (2013). Rural Development through entrepreneurship. International journal of latest trends in Engineering and technology, vol.6 issue 4.

Sasaki, R. (2012). A study on rural entrepreneurship in Kanniyakumari District, retrieved from http://shodhganga.inflibnet.ac.in/handle/10603/133714 accessed on 22/06/18.

Singh J, S.G., (2013). Fostering Rural Entrepreneurship in India, retrieved from https://sdmimd.ac.in/rubanomics/articles/FosteringRuralEntrepreneurship.pdf accessed on 27/06/18.

Venkateswarlu, P. & Ravindra, P.S. (2015). An empirical Study on Problem and Prospects of Rural Entrepreneurs with Special reference to Visakhapatnam District. International Journal of Management and Commerce Innovations, vol.2 issue 2.