CHAPTER-V

CONCLUSION AND RECOMMENDATION
5.1 CONCLUSION

Entrepreneurship is a subject of much debate and discussion among the researcher and the planners as well. It has taken countrywide movement towards creation of awareness and in generation of income among the unemployed youths. This study has been made to analyse the prospect of entrepreneurship development in small and medium enterprises in Assam with special reference to Nalbari district. In the days of dearth of suitable employable scope for prospective generation youths, the avenue of entrepreneurship can be relied upon as the only rescuing hope for the planners and economic policy makers of the country. It has been found that the entrepreneurship movement in recent years has revolutionized the development of all the sectors of our economy specially the one which is covered under micro, small and medium enterprises and the services rendered by them in the region. The economic development of a nation more or less depends on entrepreneurship development. However, to gear up the movement of the present day generation towards entrepreneurial culture, the state Government and the central Government have taken different steps which are mentioned in the third chapter. Besides the Government initiatives, there are also some Non Government Organisations (NGOs) established in the district to help the entrepreneurs in the area of finance, training, marketing etc. and in employment generation for the unemployed. The role of Self Help Groups (SHGs) towards promotion of entrepreneurial works through group activity is also remarkable. It is found from the study that the no. of registered micro enterprises of Nalbari district is 42 (as per 2010-11), which is 4.01% of the total number of Micro enterprise of the State of Assam. Altogether, there are 207 employees engaged in micro enterprises in Nalbari district which is 0.0334% of the total employees of the state of Assam engaged in the micro enterprises. It is
found from the study that there are five small industry in the district namely Pragjyotish Textile Pvt. Ltd., Aluminium Industry, Food Processing Industry, Two Bricks industry (BBI and JBI) as per the definition of MSMED Act, 2006. The average revenue earned by this type of industry is Rs. 40000-50000 per month (reference to Table No 4.4). Apart from the enterprises mentioned above, the other entrepreneurs of the district are categorized as micro entrepreneurs as per the definition of MSMED Act, 2006. Among the visited entrepreneurs, 38 entrepreneurs (which are 33.93%, refer to Table 4.1) had started activities with their own capital which shows the prevalence of awareness for entrepreneurship among the prospective entrepreneurs of the district. All the existing entrepreneurs (visited) who have started activities with own initiative has emerged in the form of job providers to the unemployed youths.

Among the factors which prompted a person to start entrepreneurial career, the most intrinsic factor is found as the self interest of the individuals i.e. 33.92% of the existing entrepreneurs started their ventures with own capital (refers to Table 4.2). It is also observed from the opinion of the existing entrepreneurs that there is enough scope available for the local youths to set up micro and small industry in the area of food processing, agriculture, fish hatchery and fishery, handloom and handicraft, etc. which can be gathered from the expression of opinion as regards to their intellectual ability and attitudinal preferences by the existing entrepreneurs of the district.

Government support for entrepreneurship development incurs both good and bad effect. While the genuine entrepreneurs always catch to turn opportunities into fortune, a host of other dreamers and duds always expect Government to be a more active player with continued support which eventually results in dependability and supportive attitude in lieu of a self action oriented approach. One interesting finding during the study is that
many of the entrepreneurs who are devoid of working ability and knowledge of entrepreneurship never feel themselves deficient of the entrepreneurial skill and adroitness which are important pre-requisite for becoming successful entrepreneur. The selection of candidates for undergoing entrepreneurship training is a very crucial aspect owing to the fact that a vast majority of the trained personnel give up their initiative for entrepreneurial career in their post training period. This happens mainly because of the forced and careless picking up of unemployed youths by the training organisations which are merely following a policy of fulfillment of targets. Another interesting factor which has come to notice of the researcher during the study that sometimes Governments funds made available for entrepreneurship development suffer from duplication of area allotment and duplication of product specialization. This is mainly because of lack of coordination among the training organisations who design training programmes for area and products of a particular locality or region.

The following are the general observation made from the study:

1. There are skilled persons available in the district engaged in different activities starting from agriculture to tertiary and secondary sector. Some of them are engaged in common trades such as bamboo based unit, broom stick, brass and bell metal, Kouna, fishery, agriculture, weaving, fruit processing, etc., but due to cost competitiveness, failure to provide credit facility for longer period, dire need for working capital when payment is locked in, demand for high wages of skilled operators, and mismanagement of the general nature are commonly responsible for failure of these enterprises.
2. The majority (i.e. 97.53% as per census 2011) of the people of Nalbari district live in the rural areas with economic hardship as a major constraint. As the village lending organisation are mostly unorganized and conditions for obtaining loan is very costly, therefore majority of the people prefer public financial institution. However the public sector financial institutions are not free from red-tapism and very often corrupt officials create unnecessary hassle creating an unfriendly environment to the genuine investors. Ultimately the genuine investors who have strong urge for self dependent activity get frustrated and disappointed in their resolution for higher business attainment.

3. Although the state Government as well as the central Government have taken holistic approach through various schemes for self employment and are conducting some training programme regularly for skill upgradation of the entrepreneurs, yet the real objects of the schemes of the Government has not been able to succeed. Very often it is found that there is inordinate delay between the time of launching of the scheme and its actual implementation in the field. The budding entrepreneurs who undergo training with a mind to develop the venture within a short perspective get disheartened owing to dilatory nature of activities of officials and concerned persons.

4. It is found that a common attitude prevailing among some of the existing as well as the first generation entrepreneurs that they have taken entrepreneurship as a career option owing to their failure to secure white-collar job especially in the public sector. Thus entrepreneurship for them is a task of second preference which naturally lacks dreams and ambitions.
5. The Non Government Organisations (NGOs) and Self Help Groups (SHGs) of the district have been working in different areas of entrepreneurship such as training programme, financial assistance, motivational effort, project preparation through micro finance scheme etc. There are women entrepreneurs in the district who are working in weaving sector, tailoring, embroidery, cutting etc. These group need support from the social environment around which they live and especially from the Government who pays the major supportive role. They need support from their family, society where they live and Government support under which they are citizens. The NGOs are extending help to the rural entrepreneur through micro finance scheme which is the major role of the NGOs for creating new ventures by the potential entrepreneurs. The NGOs of the district provide loan to the local venturist upto maximum of Rs. 1.5 lakhs and their repayment system is also easy which is daily/weekly/fortnightly/monthly etc. The industrial environment in the North Eastern region is abysmally poor owing to the fact that majority of the industrial items, large and small, are imported from the nearby states resulting in poor existence of industrial climate. The value system of social recognition is yet to pick up for entrepreneurial zeal and this has resulted upon the youth seeking public employment services. All these have resulted in exodus of many new generation youth to develop states for seeking employment in corporate sector. Most of the SHG groups have been working in weaving sector which has given them earning source as well as livelihood to some of the family members.
6. Most of the entrepreneurs of the district are found to be micro entrepreneurs as the establishment of micro enterprise is easy in comparison to small and medium enterprise.

7. There has been a booming upsurge among the women entrepreneurs in starting entrepreneurial activities through forming of SHG groups. This will lead to increase the income level of household which will help in boosting up the quality of life of the family as a whole. This will in turn help in growth of per capita income of the state and will improve the economic stability of the nation.

8. The institutions and organisations related to entrepreneurship development namely IIE, NSIC, NEDFi, NGOs etc. are providing training through general EDP and some Product specific EDP. This will help in mobilization of their skills in different fields of entrepreneurship and improve the productivity of the manufacturing sector. The monitoring and follow up services to the participants provided by institutional agencies namely IIE, NSIC, NGOs in the district are found satisfactory in comparison to pure Govt. institution like DIC and other Govt. training organisations. The promotional institutions for EDP training take care of their respective participant which was expressed by several participant of the sample study. One such participant who had undergone training for fashion designing expressed her feeling that after completion of the training programme she had applied for loan under DIC but the institution didn’t sanction the loan amount to her even after many request made. But the same participant had also undergone training for fashion designing under NSIC, Guwahati and she has got a much unexpected help from the institution in regard to setting up of an enterprise.

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9. Although the financial assistance has been provided by the public sector financial institutions, yet 33.92% of the existing entrepreneurs have to undertake the teething pain of finance by supplying capital of their own. It is true that public financial institutions do assist the entrepreneurs financially at a very nominal rate of interest, but the procedure for obtaining loan from them is very long for which the potential people find difficult in getting loan from financial institutions. However the public financial institutions also give subsidy in certain schemes of loan to the entrepreneur. This proves that the role of financial agencies has to be more vigorous in assisting larger segment of new entrepreneurial initiatives.

10. The no. of small enterprise of the district is very less and there is ample scope in different areas such as in fish hatchery, automobile and electronic goods repairing, tailoring, bamboo based industry, bricks industry, food processing industry etc. The real thrust for rural industrialisation could be achieved through establishment of micro and small enterprises in areas in which availability of skill and technological limitation together with means of supplying small capital are quite convenient in the social environment to which these villagers are accustomed to.

11. Entrepreneurship education refines many a first generation prospective entrepreneurs to motivation, precision, methodical observance of books and accounts, realistic approach to consumer behaviour, balancing the pay structure for employees and production utilities like cost consciousness, sources of supply of inputs, credit lending etc.

12. Women empowerment through Self Help groups is remarkable but there is still a gap between the determination of target and achievement level of this socially backward section of people in our society. This group needs special care and
attention from the block officials in collusion with the respective NGOs who are entrusted to play the key role in promoting women enterprises.

13. There is a prospect of growing fish hatchery unit at Saulkhowapar, Barnibari, Joysagar Reserve, Baraliapar, Adabari, Ghoga, Rampur and also bamboo and brass metal unit at Tilana, Mugkuchi, Bala Mugkuchi, Chandkuchi, Japarkuchi within the district of Nalbari.

5.2 Constraints

Among the various constraints which were deduced as per the revelation made by concerned categories of people connected with entrepreneurship are as follows:

A vast majority of the surveyed samples highlighted financial constraints as a staggering problem in their effort to get themselves established as budding entrepreneurs. A common problem experienced by micro and small enterprises in the district is the problem of marketing. Capturing an established market, providing credit for longer duration, cost of advertising for new products, cost of distribution, product innovation in subsequent period are some of the problems with which both new and old enterprises are frequently confronted with. In the social front, entrepreneurship as a newly derived culture is often faced with family and social barriers. While the female are not encouraged for independent business, the male folk are often discouraged and disassociated by his close family members. It happens mainly because of a shifting culture from age-old service holders to a newly acquired culture of entrepreneurship. Competitiveness demands use of new technology for which an entrepreneur must visit outside world since such opportunities are not usually available within the state. Certain inherent problems like risk bearing for longer period, mismanagement are common deterrents of entrepreneurship in an industrially backward state like Nalbari district and
the state of Assam. A sizeable section of the people also mentioned collection of raw material as an important constraint in the field of entrepreneurship. The shortage of working capital or failure of the financial institutions to cater to the needs timely is also regarded as one of the very important problem. Last but not the least, modernism in consumer behaviour which gradually shifted their interest from indigenous and traditional product to multinational products marketed by shopping malls and big departmental stores has greatly affected the spirit of local entrepreneurship.

5.3: RECOMMENDATION

Some of the recommendations for promoting entrepreneurship in the district of Nalbari are mentioned hereunder. The rate of success for promoting entrepreneurship depends on a number of factors such as the attitude of the entrepreneur, dedication for the work, selection of the type of enterprise, locational advantage, risk bearing capacity, economic background, market conditions etc. There are some steps to be taken for promoting entrepreneurship which are policy support, congenial entrepreneurial environment, coordination of the various entrepreneurship development agencies, providing handholding support, providing finance to the target groups, developing infrastructure for establishing enterprises and proper marketing support etc. Following are the few important areas to be taken care of by the concerned groups and authority for the purpose of promoting entrepreneurship development in an industrially backward district, namely, Nalbari of the state of Assam.

1. Need to create Entrepreneurial Environment. Self employment is regarded as the panacea to curb the menacing problem of unemployment among youths of present day. It is necessary to create an entrepreneurial environment among the present
generation youths. For this, a designed set of master plan has to be prepared by different entrepreneurial promotional agencies for the present youths to make them more aware about the opportunities for self-employment and entrepreneurial career. This will boost up a general environment for creating awareness among the unemployed. It is true that until and unless people realize the importance of using the available resources (both human and natural) to create the environment, proper growth of an entrepreneurial environment is not possible. To work in a free environment an entrepreneurial atmosphere is obviously required.

2. Entrepreneurship as a course curriculum: Today's students are the potential source for tomorrow. But the prevailing education system has not been fully geared up to meet the expectation of the present day. The grooming of an entrepreneur is a long drawn strategy in which an idea of self dependence into the mind of the child has to be inculcated right from the primary stage of h/her education. It is therefore necessary to introduce entrepreneurial education in academic curriculum as primary step for the development of entrepreneurship in India in general and North Eastern India, in particular.

3. Coordination among the responsible institutions for entrepreneurship: Promotion of entrepreneurship is a collective effort. The coordination between policy maker and promoting agencies and supporting departments/institutions/organizations is most important task to promote entrepreneurship. Stimulating the idea among potential groups, providing all-round support until sustenance of the outcome and to overcome initial hassle are the areas for which model of entrepreneurship development can be offered as viable option for success.
4. **Effective Entrepreneurship Development Programme:** Entrepreneurship development programme for providing handholding supports to the upcoming youths is quite necessary. EDP is an integral part of making an entrepreneur more efficient in h/her line of business. After developing the motivational and attitudinal aspect among the prospective entrepreneurs, it needs to develop the skill of the concerned entrepreneur on the specific trade through Entrepreneurship Skill Development Programme (ESDP). The Government and Non Government Organisation should play a catalyst role in transforming the culture among new generation people to shift their target from job oriented career to entrepreneurial oriented activities through EDP. The course contents of the EDP should be designed in such a way that the participants of the training groups really get the benefits from the EDP. The promotional agencies should disseminate all information of financial assistance to the trained entrepreneurs for establishing ventures which have been provided under the North East Industrial and Investment Promotion Policy, 2007 (NEIIPP) and the Industrial Policy of the Government of Assam, 2008. The practice of assisting new venturist through single window system should be strengthened and more vigorously implemented. There is immense role of cluster programme on entrepreneurship development in the district which is found as lacking in implementation.

5. **Financial assistance to the targeted group of people:** Capital is the prime ingredient to propel entrepreneurial activities. Supplying sufficient credit should be an integral part of the package for developing entrepreneurship, so that the motivated youth come forward to setup their enterprises in due time. Easy finance to the needy should be made available to the first generation entrepreneurs till they
reach the break even stage and for the existing entrepreneurs to increase the working capital. Therefore Public financial institution should design a policy for providing easy finance to the upcoming entrepreneurs to full the dreams and career and let them provide all necessary financial requirements to attain in the desired expectation.

6. Developing Infrastructure facility for the first generation entrepreneurs:
Suitable infrastructure facilities including appropriate technology for establishing enterprise have a pivotal role to support and to create a congenial entrepreneurial environment for promoting entrepreneurship in each locality. There is need to play a catalyst role by the developing agencies to transform the idea of those first generation youths who are keen to struggle towards developing entrepreneurial culture. In this case the Government and the training organisations have the positive impact in providing entire pre-defined concept just before establishment of an enterprise. The proper infrastructure facilities include power facility, communication facility, sources of raw materials, availability of local expertise etc. All these are pre-requisite for the new venturist to inspire and lead them in a proper way towards success of their goals.

Marketing support for establishing enterprises: Market is the place of showcase where products are sold in a more attractive way to get return out of the investment. It is like a platform of the entrepreneurs to make future strategy regarding sales of the products. As it is a pre-requisite for any talented person to get a forum for his exposition, so is the case of entrepreneur where he requires a market place to prove the worth of his product and for channelizing this to the distributive outlet without competitive hardship will be an added advantage for future prospect of specially a
new venturist. Marketing is a combative field where existing marketers not only resist entry of new products into the market but also plans out devices to nip the new entrepreneur in the bud. Predatory pricing, offering longer credit period and trade and cash discount, delivery at the door point of the retailer are some of the combative strategy commonly applied by existing entrepreneurs. Such strategies are continued in marketing by existing marketers for periods till the new enterprise gets financially sick owing to large inventory and working capital scarcity.

8. Follow-up action by training organisations after EDP: It has been observed from the study that there is lack of monitoring and follow up services to the participants mainly by purely Govt. institution which has the immense role in starting entrepreneurial career by a first generation entrepreneur. So follow-up action from the promoting agencies helps the participants to solve their problems faced during the process of launching their enterprises. It has been felt by most of the participants that simply theoretical knowledge by way of training is not sufficient for them to immediately convert their mind towards entrepreneurial career. Hence the promotional agencies should frame the programme of the training into three phases such as pre training period, during the training period and post training period.

9. Training for the trainers: The training organisations should conduct training for the trainers to improve the teaching ability and quality of the trainers. This will help the trainers to easily find out the actual attitude of the participants and inspire those participants who are actually entrepreneurship oriented. Ultimately, this will help in fulfillment of the object of the training programme. The teaching ability and knowledge of the training personnel could be far improved by way of conducting
different training programme on them. Quality development of the trainers is utmost important which will be used during the course of training for the participants. Instant feedback from the participants during the course of training may help fulfill the goal of management by objective i.e. taking corrective action before the objective is either deviated or lost.

10. Need to set up Local resource based industry: Assam is predominantly an agrarian state and most of the family depends on agriculture as a prime source of income. Hence there is a feasibility of setting up of agro based industry to inculcate the potential of agro entrepreneurs. This will also materialize the idea of the people and contribute towards growth of the economic status of the nation. At the same time the people of the district have diverse experience in different entrepreneurial culture and so local resource based industry such as bamboo based unit, fish hatchery, fruit and vegetable processing units, tourism, herbal industry based on medicinal plant, plastic based industry, downstream industry etc. can be established for economic upliftment of the nation.

11. Professionalism as a managerial approach: Professionalism is an approach which reflects the hidden talents of the management as a prime ingredient among all others which help to become a successful entrepreneur. The management of the organisation should insist upon the workers to use the professional attitude in the discipline of h/her duty. Professionalism admits persons of suitable expertise as the decision makers in various process of management. In most of the small businesses a family person who lacks expertise is often placed at important position of management. This practice should be done away with even if the enterprise is in micro or small scale areas. The normal practice of engaging a family person to
check leakage of cash in any business is often wrongly construed when such authority is extended even in taking managerial decision. The principles of delegation, decentralization, professionalisms, managerial freedom, quality circle etc. are some of the important components of a successful management approach.

12. **Awareness programme by promoting agencies:** It is needless to say that people may have the potential quality in diverse fields but not aware about the present scenario of that specific line of trade or business. In this regard some general awareness programme, product specific awareness programme etc., should be made available for the present day youths to make them aware about the scope available in the line of entrepreneurship. This awareness programmes for the upcoming youths are quite important like, as the primary teaching for the children is necessary to show them the right path to bring a great success in their life. The awareness programme may be conducted by those Government and Non Government Organisation which are related with entrepreneurship development and this programme can be organised either weekly/ fortnightly/ monthly etc. in each locality.

13. **Proper Scanning of project:** While scanning a project, proper guidance should be given by the training organisations or by any sponsorship organisation which has been established mainly for that purpose. Because an entrepreneur should have the knowledge of different areas of entrepreneurship such as knowledge of their product or service, locational advantage of that product/service, knowledge of accounting, managerial efficiency, familiarity of the product/service, fixation of pricing policy, knowledge of VAT payable to the authority, economic status of the people in that locality, consumer preferences etc. Close and keen attention is required for every
budding entrepreneur especially when h/she belongs to first generation entrepreneurs. In this regard the youths should make a survey by way of field visit and practical training to find out the appropriate type of enterprise. It is important to select proper project of appropriate site of work by the upcoming youths which need to identify just before setting up of an enterprise. Looking the emergence of the youths one can establish the same kind of business besides taking advice from friends and relatives or from any other source.

14. Entrepreneurship as a substitute to main as well as subsidiary source of income: The unemployment problem in present day world has menacing impact upon society resulting in poor growth of per capita income. The scope in entrepreneurship further be accentuated with increased absorption of surplus manpower which will stabilize the socio economic scenario of any nation. To accelerate the growth rate of the economy, unemployment problem should be reduced to the minimum and optimism should be achieved over the already engaged workforce. The quality of life of the people in general and the marginal workers in particular could be corrected only when the movement for entrepreneurship assumes inclusive growth which should spread out to every nook and corner of the country specially to the remote villages of our nation.

The major steps necessary to facilitate for proper development of the micro, small and medium entrepreneurs are-

1. Increase the number of schemes, training programmes and research works relating to the entrepreneurship development.

2. More emphasize have to be given in-group, areas or cluster approach to promote micro enterprises.
3. New initiative has to be taken for Entrepreneurship and Skill Development Programmes.

4. The existing tax exemption for the micro and small industry should be continued under the industrial and investment policy.

5. In time credit assistance for all those entrepreneurs who are financially very weak but they have the intellectual capacity and skill in entrepreneurial areas.

6. Availability of input resources like power, raw material, transportation, skill labour etc. at a reasonable cost without any harassment.

Finally, before setting up an enterprise one should fix up/determine the following aspects:

1. Make a realistic dream
2. Willingness to fulfill the dreams into reality
3. Selection of the project/type of venture
4. Scope of the selected unit/venture
5. Strong determination and preparation of a realistic action plan
6. Source of finance- such as own fund, borrowed fund etc.
7. Availability of raw materials for manufacturing unit (if)
8. Availability of skilled labour & technical persons for manufacturing unit
9. Implementation of rules and regulations for encouragement of workers
10. Make the people best use of their talents in time
11. Attractive packaging of the products
12. Capacity to handle different situations in the competitive market
13. Try to approach the bankers for getting easy finance
14. Timely payment of loan to the borrowers
15. Always maintain the privacy of business policy
16. Risk bearing capacity
17. Try to convert the problems into the advantage