CHAPTER – 6

SUMMARY, CONCLUSION AND SUGGESTIONS

The problem of unemployment is a matter of great concern for any underdeveloped or a developing country. In India, the unemployment rate has been increasing over the years. The increasing number of job seekers in the Live Registers of different Employment Exchanges of the country signifies the alarming rate of unemployment problem. For example, in Assam, the number of job-seekers was 7.82 lakhs in 1994 which increased to 13.52 lakhs in 2008. In Karbi Anglong district of Assam, the total number of job seekers in the Live Register of Employment Exchange was 27,899 in 2008. The total number of educated job seekers in the district as per 1991 Census was 10,983, which has increased to 13,204 at the end of December 2001 and 14,665 in March, 2007. The employment opportunities in the public sector alone cannot commensurate with the growing unemployment problem. In such a grim situation, where Government jobs and services seems inadequate to absorb the necessary number of educated unemployed, entrepreneurship seems to be the only weapon to fight against this problem. Entrepreneurship plays a crucial role in socio-economic transformation of a country characterized by scarcity of capital, chronic unemployment, inequality of income and wealth, large quantity of unexplored resources and regional imbalances. Research studies have established the fact that entrepreneurs are not born rather entrepreneurship can be cultivated when right kind of climate conducive for entrepreneurial growth. In India, the Central and State Governments realised this and have given importance on providing self employment opportunities to the unemployed. As such the Government has adopted various industrial policy resolutions from time to time since 1948 for promotion and development of small scale industries in the country.
The Government has established number of institutions to implement various entrepreneurship development programmes/ schemes launched within the frame work of five year plan and provided support facilities to the entrepreneurs in the form of various types of assistances and incentives. In fact, both the Government and various industrial promotion and support institutions have been making considerable efforts to facilitate the process of emergence of entrepreneurs for setting up of enterprises in different field of activity. No doubt, the Government has been introducing various self-employment generating schemes in order to generate employment but still it is seen that entrepreneurial activities in some areas of the country is not satisfactory. Hence, there is an acute need to study the role of Government in promotion and growth of entrepreneurship. The present study is a modest attempt to make an in depth study on the Role of Government in Developing Entrepreneurship in Assam—A Case Study of Karbi Anglong District.

The study was conducted to accomplish the following objectives -

i. To analyse various entrepreneurship development programmes launched by the Government in the district.

ii. To examine various problems that stand in the way of developing entrepreneurship in the district.

iii. To assess the performance of the entrepreneurs in different years covered under the study.

iv. To offer suggestions for the improvement of the effectiveness of the different entrepreneurship development programmes launched in the district.
The following hypotheses were set to accomplish the above objectives -

i. The entrepreneurship development programmes launched by the Government have largely failed to develop entrepreneurship in the district.

ii. The prevailing social attitude is not favourable to the development of entrepreneurship in the study area.

iii. Educational background has no bearing in the success of entrepreneurs.

Scope

i. The study covers the period from 1993-94 to 2006-07.

ii. The study is confined to PMRY scheme implemented by DICC, Diphu.

Methodology

For the present study, both primary and secondary data were collected. The primary data were collected from 166 entrepreneurs engaged in different sectors in the three blocks of Karbi Anglong district by administering schedules. Data were also collected from the officials of DICC, DRDA, Br. MSME and District, Town and Country Planning Department by administering questionnaires. The secondary data were collected from various published or unpublished documents of the Government offices, books, periodicals, journals, websites etc. Various statistical techniques like measures of location, chi-square test etc. were used in order analyse the data and test the hypotheses. Besides, diagrams and graphs were used in order to make the data attractive and vivid.

The whole study is divided into six thematic chapters namely Introduction, Profile of Karbi Anglong District, Role of Government in Developing
Entrepreneurship, Problems of Developing Entrepreneurship in Karbi Anglong District, Performance of the Entrepreneurs under Study and Summary, Conclusion and Suggestions

It is observed from the review of literature that number of studies has been conducted at different times on the importance of entrepreneurship development, the role of Government in implementing entrepreneurship development schemes, performance of PMRY in India. But no detailed study has yet been conducted in order to ascertain the role of Government institutions in developing entrepreneurship in Assam in Karbi Anglong District.

Majority of the people in the Karbi Anglong district of Assam are tribal. The literacy rate of the district as per 2001 Census was 58.83% which increased to 73.52% as per 2011 Census (Provisional).

The main source of income for the people of Karbi Anglong district is agriculture. Rice is the largest crop in the district in regard to both production and area. Maize, paddy, rape, cotton, mustard, sugarcane are the principal crops grown in this region. This sector engages around 28.20% of the people in the district as per 2001 census. Jhum cultivation is practiced by 65% of the people in this hill district. The climatic condition of Karbi Anglong is congenial for growing plantation crops like tea, coffee, rubber, cashewnut, muga etc. Animal husbandry plays a vital role in the day to day economic and social life of the tribal people of this region. Most of the people rear pigs, buffaloes, goats as well as fowls as their source of income and for self consumption of animal protein. The district is industrially backward. Bokajan Cement Factory is the only large scale industry in the district. However, there are many cottage and small scale industries in the district. The Karbi women are very much experts in weaving and handicrafts. The district lacks infrastructural facilities in
the sense only 9% villages are electrified, doctors are available only in 10% of the villages, only 17% of the villages are blessed with pipe water and for nearly 50% of the villages, the nearest bus stop is at a distance of 5 Km. or more.

Some of the major findings emerged from the present study are stated below -

i) The Government of India has established number of institutions like NISIET, NSIC, EDII, NEISBUD, IIE, SIDO, TCOs, MSME, KVIC etc for promotion and development of entrepreneurship in the country. But in Karbi Anglong District, DICC, DRDA, Br. MSME and Town Committees are actively involved in entrepreneurship development of the district.

ii) The number of training programmes conducted by the Government institutions under different entrepreneurship development schemes implemented in the district during the period 2002-03 to 2006-07 is showing a decreasing trend along with a decrease in the number of trainees.

iii) Both theoretical and practical training was provided by the Government institutions/departments in Karbi Anglong District. The Br. MSME provided only theoretical training, the Town Committees under the District Town and Country Planning Department provided only practical training while both the DICC and DRDA provided both the practical and theoretical type of training to the entrepreneurs.

iv) All the Government institutions except Br. MSME have provided follow - up assistance to the entrepreneurs in selecting the project, getting finance from the banks, monitoring the enterprises etc. It needs to be mentioned her that the Br. MSME do not provide any type of follow-up assistance to the trainees.

v) In regard to selection of the entrepreneurs for the training programmes, DICC has
selected the trainees on the basis of personal interview, Br. MSME and the Six Town Committees on the basis of applications and DRDA has selected the trainees on the basis of application and activity under the entrepreneurship development schemes in the district.

**vi)** The study brought to light that among various programmes/schemes that were in operation in the district during 1993-94 to 2006-07 namely- IRDP, TRYSEM, SGSY, KVIC-Margin Money Scheme, PMRY, SGSRY, only SGSY and SJSRY are in operation in the district now. Besides, the PMEGP scheme launched on 2\textsuperscript{nd} October, 2008 is also in operation in the district.

The performance of these schemes in the district is not much satisfactory. In case of KVIC- MMS scheme, only 14 entrepreneurs were benefitted during the period 2002-03 to 2006-07. Under SJSRY scheme, Diphu Town Committee has sponsored highest number of entrepreneurs during the period 2001-02 to 2006-2007. In regard to SGSY scheme, 2947 SHGs were formed during 1999-2000 to 2005-06 and maximum SHGs are involved in agriculture followed by piggery, weaving etc. The number of applications sanctioned by the DICC under PMEGP was 27 amounting to Rs.87.44lakhs in the year 2008-09, 34 applications amounting to Rs.71.45lakhs in 2009-10 and 38 applications amounting to Rs.115.85lakhs in the year 2010-11.

The total number of entrepreneurs sponsored under PMRY by the DICC, Karbi Anglong, to Banks under PMRY scheme during the period 1993-94 to 2006-07 was 4,719 but loan was disbursed only to 1,718 entrepreneurs. Again, the amount disbursed to the entrepreneurs is showing a decreasing trend from 2005-06 to 2006-07. It is also found from the study that only 31.06% of the total amount sponsored by the DICC during the period 2002-03 to 2006-07 was disbursed by the banks to the entrepreneurs under study.
vii) The study identified that wrong selection of prospective entrepreneurs, lack of credit facilities, low percentage of PMRY loan to the total given by the banks, red tapism at the time of sanction and disbursement of loan, low moratorium period allowed by the banks under PMRY, marketing problems, transportation and communication problem, lack of conducive environment and frequent bandhs, lack of power supply, non-recovery of loan amount under PMRY, poor coordination between the Government departments and the banks, rigid and complicated Government rule, unfavourable terms of lending of banks, shortage of skilled labours etc. are the problems that stand in the way of entrepreneurship development of the district.

viii) In regard to the magnitude of problems hindering the growth of entrepreneurship in the district, the Government officials considered lack of conducive environment for running the enterprise as the most acute problem, the bank officials considered lack of organised market as the most acute problem and the entrepreneurs considered lack of finance as the most acute problem.

ix) The total number of entrepreneurs included in the study was 166 of which 128 (77.1%) are male and 38 (22.9%) are female. Maximum entrepreneurs (i.e., 111) belong to the age group of 30-40 years followed by 49 entrepreneurs less than 30 years and 6 entrepreneurs in the category of 40-50 years. Among males, 1.8% belongs to the age group of 30-40 years followed by 21.7% upto the age of 30 years and 3.6% within the age group of 40-50 years. In regard to females, 15.1% belong to the age group of 30-40 years and 7.8% are upto the age of 30 years.

x) The study revealed that majority of the entrepreneurs are Hindu i.e, 135 entrepreneurs representing 81.3%, 25 entrepreneurs are Christian representing 15.5% and 6 entrepreneurs are Muslim representing 3.6% of the total.
xi) The study revealed that out of 166 entrepreneurs, a majority of the entrepreneurs (i.e., 34.3%) are Scheduled Tribe, followed by 30.1% General caste, 18.1% OBC, 16.3% SC and 1.2% MOBC.

xii) In regard to General Educational Qualification, 47% of the total entrepreneurs are matriculate, 30.7% are under-metric, 19.9% are H. S. passed, 1.8% are Graduates and only 0.6% i.e., one entrepreneur was Above Graduate. Only 9 entrepreneurs i.e., 5.42% of the total entrepreneurs have technical education.

xiii) The family background of majority of the entrepreneurs i.e., 93 is related to Trade and Service, 65 entrepreneurs belongs to Agricultural and Allied background and 8 entrepreneurs belongs to Industrial background.

xiv) The attitude of the family members, neighbours and relatives, Government and bank officials and support of entrepreneurial class have been helpful, encouraging and favourable to majority of the entrepreneurs under study so far as their entrepreneurial activity is concerned.

xv) The study revealed that various factors motivated the entrepreneurs to take up entrepreneurship as their career. Among the various factors, it is the need for financial independence which motivated majority of the entrepreneurs to adopt entrepreneurship and as such is assigned 1st rank, the other factors being the desire to achieve something (2nd rank), influence from EDP (3rd rank), desire to get status in the society (4th rank), presence of subsidy component in the schemes sponsored by the Government (5th rank) and influence from the success of others is ranked as sixth motivating factor.

xvi) The enterprises covered under the study were established in different years under study i.e., 2002-03 to 2006-07. Out of 166 enterprises, 33 enterprises were established
in the year 2002-03, 36 enterprises in 2003-04, 51 enterprises in 2004-05, 34 enterprises in 2005-06 and 12 enterprises were undertaken by the entrepreneurs during the year 2006-07.

xvii) The most common activities undertaken by the entrepreneurs under study are piggery, poultry, fishery, goatery, weaving, knitting and tailoring, steel fabrication, fruit processing, grocery, auto rickshaw, cloth store, stationery shop, auto spare parts shop etc.

xviii) It is found from the survey that 88% of the total entrepreneurs (i.e.,146 entrepreneurs) had established their entrepreneurial activities on their own initiative and 20 entrepreneurs constituting 12% of the total number of entrepreneurs inherited the units from their family members.

xix) It is found from the study that only few number of entrepreneurs (i.e., 38) were engaged either in their parental business, or in a service in shops prior to taking up of the present entrepreneurial activity. There are some entrepreneurs who worked as a day labourer.

xx) The study revealed that only 27 entrepreneurs reported had knowledge about EDPs before joining entrepreneurship. It is also revealed from the study that a majority of the entrepreneurs i.e., 154 representing 92.8% of the total entrepreneurs were ignorant about entrepreneurship development schemes while only 7.2% entrepreneurs (i.e., 12) were aware of the entrepreneurship development schemes implemented in the district for entrepreneurship development.

xxi) The survey brought to light that 84 entrepreneurs (i.e.,50.6%) received information on PMRY from the Government officials, followed by 62 entrepreneurs representing 37.3% from friends and relatives, 11 entrepreneurs (i.e.,6.6%) from bank
officials, 5 entrepreneurs (i.e., 3%) came to know about loan under PMRY on their own and only 4 entrepreneurs (i.e., 2.4%) considered their neighbours as their source of information.

xxii) In regard to the extent of help derived from the EDPs in different aspects such as selection of projects, preparation of project plan, getting finance from the banks, a majority of the entrepreneurs from all the three economic sectors considered the EDPs helpful. But so far as providing information on marketing and increasing efficiency of the entrepreneurs is concerned, majority considered the EDPs as not helpful.

xxiii) The main source of capital invested in the entrepreneurial activities by the entrepreneurs under study was bank loan under PMRY. Besides, the entrepreneurs had to contribute towards margin money under the scheme. Again, the entrepreneurs also contributed some amount of additional capital, either of their own or procured from friends or relatives.

In respect of bank loan, 104 entrepreneurs engaged in trade and service sector availed maximum amount of total bank loan representing 64.03% of the total amount of loan disbursed by the banks operating in the study area during the period i.e., 2002-03 to 2006-07 i.e., Rs.1,32,89,645, followed by 38 agricultural entrepreneurs who received 21.17% of the total and 24 industrial entrepreneurs could procure 14.80% of the total loan disbursed by the banks.

In regard to margin money, 104 entrepreneurs engaged in trade and service sector contributed maximum margin money i.e., Rs. 4, 47,875 representing 64.03% of the total margin money contributed by the entrepreneurs under study during the study period, followed by 38 agricultural entrepreneurs who contributed 21.17% of the total and 24 industrial entrepreneurs who contributed 14.08% of the total contribution. The
study also revealed that 104 entrepreneurs engaged in trade and service sector invested an additional amount of Rs.53,96,200 representing 73.06% of the total additional amount contributed by the entrepreneurs during the study period i.e., 2002-03 to 2006-07 followed by 38 agricultural entrepreneurs who contributed 14.22% of the total and 24 industrial entrepreneurs under study invested 12.73% of the total investment.

xxiv) In the matter of repayment of loan amount, a majority of the entrepreneurs i.e., 108 representing 65.1% did not pay their loan amount within the scheduled time while only 58 entrepreneurs representing 34.9% could repay their loan amount as per schedule. 60.2% of the total entrepreneurs considered loss in the business as the main reason behind non-repayment of loan, 17.6% stated family or self illness as a reason behind their inability to repay the loan amount, 14.8% had to close the business due to competition in the market and 7.4% considered the insurgency caused due to Karbi-Kuki clash (2004-05) as a reason behind non-repayment of loan amount. All the entrepreneurs except the 16 entrepreneurs who closed their enterprises stated that they are going to repay the loan amount as soon as possible.

xxv) The survey revealed that the total production of the enterprises from all the three sectors within a period of five years was Rs.8, 63, 12, 800. The production of the enterprises is showing a mixed trend i.e., increased in the second year as compared to the first year, decreased gradually in the third and fourth year and marginally increased in the fifth year. The units engaged in industry sector performed better than the units from trade and service sector and agriculture and allied sector.

xxvi) The study clearly showed that the total turnover within a period of five years by the enterprises was Rs.10,79,66,000. The turnover, no doubt, increased in the second year as compared to the first year but it started decreasing from the third year. It is
also revealed from the study that in regard to sales, the performance of industry and trade and service sector is better than the agriculture and allied sector.

In regard to profits earned by the entrepreneurs from their entrepreneurial activities within a period of five years, the survey found that total profit generated by the entrepreneurs decreased in the subsequent years except increase in the third year (Rs.55,09,500) as compared to the first year (Rs. 53,34,900). The survey also revealed that the enterprises engaged in the industry sector with a net profit ratio of 33.60:1 performed better than the enterprises engaged in agriculture and allied sector with a net profit ratio of 19.78:1 and enterprises involved in trade and service sector which maintained the net profit ratio at 21.13:1.

In respect of reinvestment of profits by the entrepreneurs in their entrepreneurial units, the study brought to light that out of 166 entrepreneurs under study, only 33.7% could re-invest their profits in their entrepreneurial units. Majority of the entrepreneurs re-invested above 50% of the profits in their entrepreneurial activities.

The study brought to light that number of full time employees engaged by the entrepreneurs in the first year was 106 which decreased to 102 employees in the fifth year. Again, 2 full time employees, 1 part time and 1 seasonal employee were engaged by the entrepreneurs in their enterprises every year.

It is observed from the study that out of 166 entrepreneurs, 10 entrepreneurs introduced new products in their enterprises, 10 entrepreneurs improved the quality of their products or services, 9 entrepreneurs expanded their enterprises and 1 entrepreneur installed new improved machinery in his/her enterprise after establishment.
It is observed from the study that there are some entrepreneurs who wilfully are not repaying their loan amount in time although they are earning profit from their enterprises. The consideration of getting benefit in the form of subsidy and possibility of waiving of the Government loan in future is one of the stubborn obstacles that stand in the way of entrepreneurship development.

By analysing different types of data related to number of training programmes, number of trainees, number of entrepreneurs sponsored, trained and disbursed under PMRY, amount disbursed under PMRY, employment generation by the entrepreneurs, recovery of loan under PMRY, knowledge of entrepreneurs on EDPs and entrepreneurship development schemes and extent of help derived by the entrepreneurs from EDPs, the first null hypothesis is accepted. In other words, though some people were benefitted from entrepreneurship development programmes/schemes but the number of persons motivated by the EDPs to start and run their enterprises on a sustained basis is very small. Thus, the entrepreneurship development programmes/schemes especially PMRY have largely failed to develop entrepreneurship in the district. The second null hypothesis i.e., the prevailing social attitude is not favourable to the development of entrepreneurship in the study area is rejected on the basis of Likert Method. The third hypothesis is rejected by applying chi-square test and thus, it can be concluded that the success of entrepreneurs is dependent upon their education qualification.

CONCLUSION

The Government of India has been taking various measures to promote entrepreneurship in the country. Various incentives are given to the entrepreneurs as per the industrial policy resolutions announced by the Government from time to time. Different programmes/schemes have been implemented by the Government for
entrepreneurship development in the country. But the success of these programmes/schemes is not as per expectation. There is an implementational failure for which the Government machineries, entrepreneurs and the society as a whole are responsible. Thus, it can be concluded that promotion as well as development of entrepreneurship is possible only when the Government agencies/institutions implementing the various entrepreneurship development programmes/schemes, the lending institutions and the entrepreneurs under these programmes/schemes realises their duty and performs their function well in co-operation with each other.

SUGGESTIONS

On the basis of observations made in the study, certain suggestions have been put forward with a belief that it would help the Government in framing and announcing entrepreneurship development programmes/schemes in the near future. No doubt, the PMRY scheme is no longer in operation yet it is believed that these suggestions would result in formulation of new programmes / schemes and their effective implementation of other entrepreneurship development schemes / programmes chalked out by the Government by the Government institutions / departments. These suggestions are -

i) The success of any Government sponsored programme/scheme depends very much upon proper co-ordination between the Government officials and the officials of lending institutions but many times it is seen that the outlook and approach of both are dissimilar. Thus, there is a need for building up such an environment in which both the Government officials and the officials of the lending institutions can play their role effectively and with proper co-ordination with each other.
ii) The Government institutions/departments under any Government sponsored programme/scheme should select such activities which have sufficient potentialities for development rather than selecting the stereo-type activities in the area where the scheme is implemented.

iii) The Government should make arrangements to develop and provide all types of infrastructural facilities to the entrepreneurs through policy resolution and various institutions.

iv) Both the Central and the State Governments should take adequate steps to disseminate information to the entrepreneurs about its policies, incentives, schemes, programmes etc. relating to enterprises. Moreover, the Government should organise re-orientation programmes, workshops and seminars at district level in order to provide latest information on different entrepreneurial activities and as such ensure people’s participation.

v) In order to avoid undue delay in recovery of loan or non-recovery of loan under any Government sponsored scheme, the Government should design such a process which lay emphasis on frequent meetings between the entrepreneurs/beneficiaries and the financial /lending institutions and frequent visits of the Government officials to the units/enterprises financed under the schemes.

vi) The Government as a facilitator should motivate and provide proper training on different aspects like research and extension, credit facilities, quality control, marketing facilities etc. to the emerging young entrepreneurs so that they develop interest in entrepreneurship as well as run their enterprises efficiently.

vii) The Government should ensure such type of credit flow system which is free from political influence or recommendation from higher authority.
viii) Availability of good markets for goods and services is the first and foremost requirement of an enterprise. Therefore, the Government should take efforts to provide such services to the entrepreneurs.

ix) The Government should take best efforts to simplify the procedures, formalities, rules etc. to be fulfilled by the entrepreneurs under any Government sponsored scheme.

x) The financial /lending institutions under any Government sponsored scheme should provide high and consistent level of service to the entrepreneurs so that they can start or run their enterprises efficiently.

xi) The entrepreneur should try to develop a positive work culture by identifying the task, maintaining punctuality and discipline in their enterprises.

xii) Beside participating in the EDPs organised under the Government sponsored schemes, the entrepreneurs should also participate in management programmes, seminars, workshop organised by Government and other Non-Government Organisations in order to develop their management competencies.

xiii) As the entrepreneurs have the right to receive loan under the Government sponsored schemes they should assume that they equally have the responsibility to repay their loan amount within the scheduled time. The repayment of loan by the entrepreneurs would encourage the lending institutions to release more and more loan to the new entrepreneurs which ultimately will result in entrepreneurship development.

xiv) The subject ‘entrepreneurship’ may be included in the school curriculum so that the students are motivated to choose entrepreneurship as their career. In the course/subject, life histories of some successful entrepreneurs may be highlighted.
xv) The society should try to motivate the upcoming generation towards entrepreneurship because entrepreneurs are the key factors of change and development. The parents should encourage their children to become independent as well as motivate them to take entrepreneurship as their career rather than giving preference to jobs.