CHAPTER-1

INTRODUCTION

Many developing countries like India has been facing the problem of rapid growth of population on the one hand and increasing unemployment on the other hand. In order to promote economic development, these countries have been spending huge amount of money in different sectors including education. The rapid growth of educational institutions and the increasing number of educated persons has increased the overall unemployment rate over the years. In India, the unemployment rate in the year 2002 was 8.8% which increased to 10.8% in 2010\(^{(1)}\). The employment opportunities in the public sector are not increasing at the same rate at which the number of unemployed persons is increasing. The Government of different countries realised this problem and have given importance on providing self employment opportunities to the unemployeds. For example, the Government of Japan, in recent years, created six million jobs within a period of six years by creating opportunities for entrepreneurship development\(^{(2)}\). In India, conscious efforts were made by the Government towards economic and social transformation after independence. It was during sixties that the Government for the first time laid emphasis on the development of small scale sector in the country\(^{(3)}\). The Government has adopted various industrial policy resolutions in different years, viz. 1948, 1956, 1977, 1980 and 1990 for development and promotion of small scale industries in the country. The Government has announced New Small Enterprise Policy in 1991 for the growth of Small, Tiny and Village Enterprises \(^{(4)}\). The Government has taken various measures for development of industries as well as the agriculture sector within the framework of five year plans. Particularly, since the Third Five Year Plan (1961-1966), the
Government started to provide various concessions in the form of capital, technical know how, markets and lands to potential entrepreneurs to establish industries in the industrially potential areas for overall economic development of the country\(^5\).

The Government has been providing various types of incentives in the form of subsidy relating to investment, research and development, taxes, resources, export/import, excise duty exemption etc various assistances in different forms, viz.-technical assistance, cash assistance, assistance for obtaining raw materials, marketing assistance etc., providing training through entrepreneurship development programmes and providing infrastructural facilities to the entrepreneurs in the country \(^6\). The Government has been launching number of entrepreneurship development programmes/ schemes and as such have established various promotion and support organisations like Indian Institute of Entrepreneurship(IIE), North Eastern Industrial and Technical Consultancy Organisations(NIETCO), Khadi and Village Industries Commission(KVIC) etc. for entrepreneurship development in the country. A research study on effectiveness of three months training programme conducted by Small Industry Extension Training Institute (SIET), Hyderabad, in 1964 at Kakinada (A.P.), covering a lot of 52 trainees, on evaluation of their performance in different field of activity, after a period of two years from the date of starting their enterprises, showed that those attended the training programme performed better than those did not\(^7\). It is, therefore, observed that suitable training with finance can provide the necessary motivation to entrepreneurs. Besides, in order to create awareness about entrepreneurial opportunities and generate enterprising spirit among the youths, the Government have been organising entrepreneurship education programmes for the teachers, students and personnel from support organisations. Steps have also been taken on the introduction of entrepreneurship as a subject in schools and colleges \(^8\).
Inspite of all these efforts, the country could not achieve success in the sphere of entrepreneurship development. The evaluation studies on various entrepreneurship development programmes/schemes prove that the entrepreneurship development in the country is far from the satisfaction level. But, still it can be stated that the Government plays an efficient role in moulding the people of the country to take up entrepreneurship as their career.

Statement of the Problem

The problem of unemployment is a matter of great concern for any underdeveloped and developing economy. Unemployment is, nodoubt, a national problem but it has assumed greater significance in Assam due to economic backwardness of the state resulting from improper or non-exploitation of the ample natural resources. According to 2011 Census (Provisional), Assam currently has 1.08 million unemployed youth which is likely to increase to around 1.47 million by 2011. A study conducted by Ranjit Borthakur of Balipara Tract and Frontier Foundation reveals that if the unemployment rate remains unchanged, there will be around 2.5 million unemployed people in Assam by the year 2022. Moreover, the rate of increase in unemployment in Assam is the highest among all the North Eastern States taken together. Further, the year-wise increasing number of educated job seekers has accentuated the problem of unemployment. As per the Live Register of Employment Exchange, Assam, the total number of job-seekers was 85,365 in the year 1975, 3,19,175 in 1985, 7,82,461 in 1994 which increased to 12,99,366 in 2007 and 13,51,511 in 2008. In this aspect, entrepreneurship seems to be the only weapon to fight against unemployment. The incidence of unemployment is more grave in the rural areas. A preliminary investigation reflects that entrepreneurial activities in the Karbi Anglong District are not up to the mark of expectation, in spite of availability of
adequate natural resources. According to 1991 Census, the total number of population in the district was 6,62,723, which has increased to 8,13,311 as per 2001 Census, and 9,65,280 as per 2011 Census (Provisional). As per Statistical Hand Book, 2009, Assam, the total number of job-seekers in the Karbi Anglong district was 27,899 in the year 2008. Again, the total number of educated job seekers as per 1991 Census was 10,983, which has increased to 13,204 at the end of December 2001 and to 14,665 in March, 2007.(10)

In this grim situation, where Government jobs and services seem inadequate to absorb the necessary number of educated unemployed, entrepreneurship development is the best and only solution to the problem.

The condition seems more tensed when it is observed that in the year 2001-02, only 10 small scale units were registered under DICC, Diphu, Karbi Anglong for self employment against 13,204 number of job seekers in the year .In spite of different entrepreneurship development programmes undertaken by different Government institutions/departments, perhaps there exists certain problems like financial, technical, managerial, infrastructural, socio-economic, law and order etc. which stand on the way of entrepreneurship development in the district. So, there is a dire need to investigate the reasons as to why our youths are reluctant to build up their career in entrepreneurship.

Concepts and Definitions

Entrepreneur

The word ‘Entrepreneur’ has been taken from the French language where it cradled and originally meant to designate an organiser of musical or other entertainments. In the early 16th century, it was applied to those who were engaged in military expeditions. It was extended to cover civil engineering activities such as
construction and fortification in the 17th century. It was only in the beginning of the 18th century that the word was used to refer to economic aspects. The concept of entrepreneur is considered over more than four centuries. Since then, the term ‘Entrepreneur’ is used in various ways and various views. There is no universally accepted definition of entrepreneur.

The word ‘Entrepreneur’ was first introduced by the French Economist, Richard Cantillon described an entrepreneur as an agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future. J.B.Say, an aristocratic industrialist, differentiated entrepreneurs from capitalist as financier and entrepreneurs as an organiser. In the 19th century, entrepreneurs were given a new name—captains of industry. They were the risk takers, the decision makers and the individuals aspired to wealth and were subject to losses. But over time, the meaning of an entrepreneurs changed from captain of industry to an individual who made profits at the expense of other members of the society.

It was none other than Joseph A. Schumpeter, who for the first time identified human agent as a centre of the process of economic development. He argues that the rate of growth in an economy depend to a greater extent on the activities of entrepreneurs and has laid greater emphasis on the entrepreneurial function than any other economists. According to him, an entrepreneur is an innovator who introduces a new product, a new production process and find out new market, a new source of raw material or introduces a new type of organisation.

David McClelland considers an entrepreneur to be an energetic moderate risk taker having high need for achievement.
Classical economists and the modern schools treat entrepreneurship as an external force in the business. According to Classical economists, entrepreneur is one who provides the fourth factor of production, namely ‘enterprise’. It assembles, co-ordinates and manages the other factors namely land, labour and capital. He is responsible not only for deciding what method of production shall be adopted but also for organising the work of others. He has to take many other important decisions such as what, when and how to produce.

Adam Smith viewed the entrepreneur as a person who undertook the formation of an enterprise for commercial purpose with unusual foresight.

David Ricardo, a contemporary of J.B.Say, treated the industrial manufacturer and the agricultural farmers as entrepreneurs throughout his famous book, “The Principle of Political Economy and Taxation”. In his words, “the farmer and manufacturer can no more live without profit than the labourer without wages”.

According to Frank Knight, the entrepreneur is a bearer of uncertainty or risk for which he receives the reward. An entrepreneur in such an uncertain situation has to play role of a special functionary and the success or failure depends on the foresight and judgement of the entrepreneurs.

Peter F. Drucker defines an entrepreneur as one who always searches for change, responds to it and exploits it as an opportunity. He has aptly observed that “Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. It is capable of being presented as a discipline, capable of being learned, capable of being practiced.
Thus, from the above definitions, it can be understood that the entrepreneurs had been defined in various ways—an innovator, a risk taker, a resource assembler, an organisation builder, bearer of uncertainty and so on. Hence, an entrepreneur can be defined as a person who identifies an opportunity, collects the money and other resources needed to exploit that opportunity and takes some or all of the risks associated with executing industrial or business projects.

Earlier, when only sole proprietary form of business organisation was there, the entrepreneur was identified as the owner/manager of the enterprise. But today, with the emergence of joint stock companies, “the individual entrepreneur has been increasingly replaced by a body of decision makers whom Galbraith calls as technocrats”(21).

Broadly speaking, entrepreneurs are persons who initiate, organize, manage and control the affairs of business unit that combines the factors of production to supply goods and services, whether the business pertains to agriculture, industry, trade or profession (22).

Entrepreneur is one of the most important input in the economic development of a country or of regions within a country because economic competence makes all the difference in the rate of economic growth. The success of entrepreneurs, to a great extent, depends upon their personal characteristics such as hard working, desire for achievement, optimistic, independent, foresight ness, organising and innovative skill etc.

On the basis of pace of economic development, Clarence Danhof(23) classified entrepreneurs as follows—
a) Innovating Entrepreneurs: Such entrepreneurs introduces new goods, inaugurates new method of production, discovers new market and reorganises the enterprise. Such entrepreneurs can work only when certain level of development is already achieved and are always ready for change and improvement.

b) Imitative Entrepreneurs: Such entrepreneurs do not innovate the change themselves, they just accept the techniques and technology innovated by others.

c) Fabian Entrepreneurs: Such entrepreneurs are characterised by very great caution and skepticism in experimenting any change in their enterprises. They imitate only when it is clear that the failure to accept the changes would incur losses in their enterprise.

d) Drone Entrepreneurs: Such entrepreneurs do not grab the opportunities to make changes in their existing production method though they might suffer losses in their enterprises.

Besides, there are other types of entrepreneurs as Solo Operators, Active Partners, Inventors, Challengers, Buyers and Lifetimers.

Entrepreneurship

The term ‘entrepreneurship’ is often used synonymously with ‘entrepreneur’ though conceptually they are different. The entrepreneur is essentially a business leader and a function performed by him is entrepreneurship (24). Entrepreneurship is the mission whereas entrepreneur is the missionary (25).
Entrepreneurship is the creation of an innovative organization (or network of organizations) for the purpose of gain or growth under conditions of risk and uncertainty \(^{(26)}\). It is associated with a multiplicity of functions, changing institutions and environments in the course of economic development. It does not mean either a specific individual or occupation. It is an activity carried out by an individual habitually, occasionally, very rarely or never. Hence, confining entrepreneurship to a specific individual as is done in economic theory is not correct \(^{(27)}\). But today, entrepreneurship may be defined as the purposeful activity of an individual or a group of associated persons, initiating, promoting and maintaining business activity for the production of wealth and distribution of goods and services with a pecuniary motive, or such benefits in the given social and political conditions and enjoying an appreciable measure of freedom of choice and decision to run the business unit \(^{(28)}\). According to A.H.Cole, “Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services” \(^{(29)}\).

The most recent definition of entrepreneurship is given by Robert Ronstadt in which he defines entrepreneurship as “the dynamic process of creating incremental wealth by assuming major risks in terms of equity, time and/or career combination of providing value for some product or service. The product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources \(^{(30)}\).

The evolution of the Indian entrepreneurship can be traced back to even as early as Rigveda, when metal handicrafts existed in the society. Before independence, entrepreneurship among the Indians was not well developed because at that time the British entrepreneurs held monopoly over the safer ventures and the
Indians were forced to take up risky ventures. Moreover, the British regime did not give enough stress for entrepreneurship development. It is only after independence that the Indian Government started proclaiming many concessional measures to give fillip for the growth of entrepreneurship, supported by emergence of new class of entrepreneurs, expansion and diversification by old industrial houses, the growth of state entrepreneurship also the entrance of multi-national corporations, on the industrial scene (31). In fact, entrepreneurship can be applied both in start up situations and within more established business.

Thus, Entrepreneurship can be defined as the process of doing the innovation, taking the decisions, assuming the risk, bearing the uncertainty, making the organisation, skillfully managing the enterprise and making the enterprise a success.

**Entrepreneurship Development**

Development of Entrepreneurship refers to all those activities undertaken to encourage a prospective entrepreneur to set up an industrial unit. It is cordial to industrial development as any other economic factor. In a narrow sense, it refers to the process of bringing out the ‘entrepreneur’ as an individual. In other words, instilling in a person, the urge to set up an industrial unit and provide him with training in all aspects of establishing and managing an industrial enterprise (32). It is the acquisition of the capabilities that are needed to do the economic activities for the welfare of the living human in the world. Entrepreneurship development is the outcome of efforts of the entrepreneurs in enterprises. It includes all activities aimed at encouraging the growth of entrepreneurship and can be grouped into two types—Indirect approach and Direct approach (33).
The indirect approach to entrepreneurship development includes all those measures which are intended to create a suitable environment for the entrepreneurs to operate in. These measures include provision for financial assistance, financial incentives like tax concession, concessional finance, preference in Government purchase, creation of infrastructural facilities, encouraging capital formation etc. Besides, other facilities which are provided to the entrepreneurs under this approach include marketing assistance, equipment leasing and sale of machinery on hire purchase basis, pro-type development and research and development facilities through various Government sponsored institutions. The assumption underlying this approach is that the various financial facilities available would induce people to set up an entrepreneurial activity. In recent years, the Government has formulated a National Equity Fund to enable the tiny and small-scale units to bridge the gap in margin requirements while borrowing term loans.

The direct approach focuses on the development of the man rather than environment. The aim of this approach is to train people to perform the role of the entrepreneur. It consists of developing entrepreneurial aptitude among those people with identifiable entrepreneurial traits. Training is provided to potential entrepreneurs in all aspects of establishing and managing an enterprise. The training agency even assists them in selecting a project and setting up the unit. The Government has provided a package of consultancy services through a network of technical organisations. In addition, the Government adopted Entrepreneurship Development Programme as an important instrument to develop small entrepreneurs in the country.
Process of Entrepreneurship Development

The process of starting a new enterprise is embodied in the entrepreneurial process. The various components involved in the entrepreneurial process are entrepreneurs, context, opportunity, venture, resources, management and strategy. The entrepreneurial process has four distinct phases-

(i) Identification and evaluation of the opportunities by the entrepreneurs.

(ii) Development of the business plan by the entrepreneurs to exploit and implement the alarming opportunity.

(iii) Determination of the amount and type of resources by the entrepreneurs.

(iv) Management of the resulting enterprises by the entrepreneurs could control the operational and other problems fully.

Theories of Entrepreneurship Development

Many theories of entrepreneurship have been developed in the past and each of these theories emphasises one or the other particular aspect of entrepreneurship. Economic theories defines who an entrepreneur is and the role played by him, psychological theories describe the circumstances in which the quality of entrepreneurship starts and the classical theories considers entrepreneur as an adventurer, undertaker and a projector. These theories help us to understand the complex nature of entrepreneurship.

Richard Cantillon’s Theory of ‘Risk-Bearing’

Richard Cantillon viewed entrepreneurs as risk-bearing agents of production. According to him, an entrepreneur is one who buys factors of production at certain
prices, combines the factors of production into a product and sells the product at an uncertain price. Thus, the entrepreneurs should always be ready to bear risk.

**J.B. Say’s Theory of Co-ordination, Organisation and Supervision**

J.B. Say distinguishes a capitalist from an entrepreneur. According to him, the capitalist plays the role of a financier while the entrepreneur plays the role of a co-ordinator, organiser and superviser. Though he has made a distinction between a capitalist and an entrepreneur, he has not stated in his theory the motive force that induces the entrepreneur to take up the role of co-ordinating, organising and supervising.

**B. R. Knight’s Theory of Uncertainty**

This theory states that the main function of an entrepreneur is to act in anticipation of future events. Knight recognises that an entrepreneur earns profits because he undertakes risks. He classifies risks into two types—insurable risks and non-insurable risks. Insurable risks are risks which can be insured and insurance companies bear the risk in exchange of premium paid by the entrepreneur whereas the burden of non-insurable risks falls on the entrepreneur and as such the entrepreneur is to earn profit for the sake of bearing such risks. These type of non-insurable risks are known as uncertainty. Profit is the reward for bearing uncertainty. He considers this uncertainty bearing quality of the entrepreneur as a factor of production.

**Schumpeter’s Theory of ‘Innovation’**

Innovation is the process of taking a creative idea and turning it into a useful product, service or work method. It implies action, not just conceiving new ideas.
According to Schumpeter, an entrepreneur is an innovator, acts as a catalyst by his innovative ideas and actions and introduces dynamism in the economy, thereby interrupting and altering the stagnant circular flow of the economy and bringing about development. He sees the opportunity for introducing new products, new markets, new source of supply, new forms of industrial organisation or for the development of newly discovered resources. He also makes a distinction between an inventor and an innovator.

**Peter Drucker’s Theory of ‘Opportunity’**

Peter Drucker says that to be entrepreneurial, an enterprise has to have special characteristics over and above being new and small. In reality, entrepreneurship is being practised by large and often old enterprises. This theory lays stress on the changing nature of entrepreneur. Entrepreneurs need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation.

**Kizner’s Theory of ‘Price Adjustment’**

Israel M. Kirzner in his theory laid stress on the forces that keep the market in equilibrium. The market process is inherently competitive as individuals try to make their offers better than every one else’s. There prevails equilibrium in the market when the individuals possess perfect knowledge about the market. But, all the players in the market do not have perfect knowledge about the market and as such there always exist scope for entrepreneurship.
Leibenstein’s X-Efficiency Theory

According to Liebenstein, inefficiency to use the resources within a firm or shortage of some factors of production is the main reason of underdevelopment and is termed as X-efficiency. He also stated that entrepreneurs should be capable to improve the missing inputs to the factors of production and to identify the gaps and holes that exist in the market an to make use of them.

McClelland’s Theory of ‘Achievement’

This theory lays emphasis on the internal factors in the form of human values, motives etc., that helps man to exploit opportunities and to take advantage of the favourable trade conditions. Entrepreneurs with a high need to achieve(n-acheivement) can be described as continually striving to do things better. The n-acheivement is called a desire to do well, not so much for the sake of social recognition but for the sake of an inner feeling of personal accomplishment. According to him, “need for achievement” is the chief motive that induces men to act towards economic growth. There will be rapid economic development in the economy if the entrepreneurs are enthusiastic and energetic.

Hagen’s Theory of ‘Social Change’

This theory states that psychological consequences of social changes are responsible for nurturing entrepreneurship qualities among those subjected to the social changes. According to him, out of the five response patterns viz., retreatism, situationism, innovation, reformation and rebellion, retreatism aids in promoting entrepreneurship.
Hoselitz’s Theory of ‘Marginal Groups’

Hoselitz emphasises the role of culturally marginal groups in entrepreneurship development. According to him, marginal men makes creative adjustment in situations of change and in the course of this adjustment process develops genuine innovations in social behaviour.

Role of Entrepreneurship in Economic Development

Entrepreneurship plays a vital role in economic development of a country. The economic history of the presently developed countries like USA, Russia and Japan supports the fact that economic development is the outcome for which entrepreneurship is the cause \(^{(36)}\). It is now widely accepted that by every, big or small country, that well motivated entrepreneurs are must for accelerating the process of economic development. Active and enthusiastic entrepreneurs can explore the potentials of the countries availability of resources such as labour, capital and technology. An entrepreneur is, thus, regarded as the key factor in the entrepreneurship development process besides other factors being labour, technology, capital, natural resources and managerial skill \(^{(37)}\). No doubt, the role of entrepreneurs varies from country to country but it cannot be denied that entrepreneurs act as a catalyst or agent to change the economic scenario of the country. Entrepreneurship helps in the process of economic development in the following ways -

i) Entrepreneurship helps in generating self employment opportunities to the entrepreneurs as well as provides employment (jobs) to millions.

ii) It increases the national income of the country.

iii) It promotes balanced regional development.

iv) It helps in reducing the concentration of economic power.
v) It helps in increasing the standard of living of people.

vi) It increases productivity as well as helps in improvement in the quality of the products.

vii) It promotes capital formation by mobilising the idle saving of the people.

viii) It encourages effective resource mobilisation of capital and skill which might otherwise remain unutilised.

ix) It helps in export promotion and import substitution of the country.

x) It ensures supply of goods and services at reasonable prices to the customers.

**Entrepreneurship Development Programme (EDP)**

EDP means a programme designed to help a person in strengthening his or her entrepreneurial motive and in acquiring skills and capabilities necessary for playing his or her entrepreneurial role effectively. It is not merely a training programme. It is a process of promoting his or her understanding of motives, motivation pattern, their impact on behaviour and entrepreneurial value. Motivation of individuals is the main ingredient of EDP besides providing informational and managerial inputs and assistance in preparation of the project. EDPs have been designed to identify persons with entrepreneurial abilities and to train them to set up small/tiny industries.

The EDP package is the outcome of the realisation that industrial promotion by provision of facilities, technical assistance, management training and consultancy, industrial information and other services are not sufficient to develop entrepreneurs. Rather, the vital issue is to develop entrepreneurial spirit and entrepreneurial characteristics of the people, which can be done only by Motivation. Motivation is “the process that motivates a person into action and induces him to continue the course of action for the achievement of goals”.
Entrepreneurship Development Programme (EDP) plays a vital role in development of entrepreneurship in the sense it opens up avenues for the generation of self-employment; facilitates effective mobilisation and utilisation of resources, human and physical; encourages development of small-scale units and household enterprises; facilitates the maximum utilisation of indigenous resources raising productivity of traditional sector; stimulates faster development and optimum utilisation of financial institutions; creates potential entrepreneurs in various sectors of the economy etc.

Entrepreneurship Development Programmes have become one of the major instruments for the promotion and development of entrepreneurship during the last three to four decades.

The role of Government in organising EDPs holds much significance in a country like ours as it helps in converting the surplus labour force into real entrepreneurs. Besides, no business whether small, medium or big can be started without an adequate amount of finance. Even an existing concern needs finance constantly. Finance is, nodoubt, an important resource but is not only the condition to run an enterprise. In order to start any economic activity, a minimum level of prior built-up of infrastructural facilities is needed. Besides, capability and knowledge of the entrepreneurs are another elements which holds importance in selecting and starting an enterprise. The knowledge base and capacity of the entrepreneurs in starting a business, to a great extent, can be enhanced by providing them proper training under EDPs. In a study on the “Effectiveness and Strength” of training methods for a group consisting of 60 trainees, Paul stated that training methods were considered highly effective by most of the participants. But training itself is not enough to develop entrepreneurship, finance is also required specially by the first
generation entrepreneurs to establish enterprises. According to basic statistics of North Eastern Region, 2002, 1,892 entrepreneurs were trained from April, 1994 to March, 2002 under North Eastern Council, IDBI and SIDBI sponsored training programmes to set up small industries in the North Eastern States. In regard to Assam, 517 entrepreneurs were trained under this training period during the above mentioned period (42).

**Objectives of EDPs**

The important objectives of the EDPs are to help the selected entrepreneurs to-

1. Develop and strengthen their entrepreneurial quality/ motivation.
2. Analyse environmental set up relating to small industry and small business.
3. Select Product/project.
4. Formulate projects.
5. Understand the process and procedure of setting up of small enterprise.
6. Know the sources of help and support available for starting a small-scale enterprise.
7. Acquire the managerial skills required to run a small enterprise.
8. Know the pros and cons in becoming an entrepreneur.
9. Acquaint and appreciate the needed social responsibility/ entrepreneurial discipline.
10. Let him/her set or reset the objectives of the business and strive for their realisation.
11. Prepare him/her to accept the uncertainty involved in running a business.
12. Enable him/her to take strategic decisions.
13. Enable him/her to communicate fast, clearly and effectively.
13. Develop a broad vision about the business and to integrate his/her functions with it.
14. Enable him/her to relate his/her product and industry with the total environment.
15. Enable him to meet all the statutory requirements.
16. Make him/her subscribe to industrial democracy.
17. Enable him/her to build an integrated team equal to the demands of tomorrow.
18. Develop passion for integrity and honesty.
19. Learn to comply with Law.

Objectives of the Study

More specifically, the study has been undertaken with the following objectives -

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

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

Hypotheses

The following hypotheses has been 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 is confined to PMRY scheme implemented by DICC, Diphu. It may be mentioned here that out of various entrepreneurship development schemes launched by the Government, PMRY has proved to be the most efficient one in developing entrepreneurship in the district.

ii. It covers a period from inception and implementation of the PMRY scheme in the district i.e. from 1993-94 to 2006-07.

iii. The selection of beneficiaries is done on the basis of PMRY trainees who are financially assisted by the bank operating in the study area.

Prime Minister’s Rozgar Yojana (PMRY) - An Overview

Prime Minister Rozgar Yojana was a self-employment generation scheme meant for providing self-Employment to Educated Unemployed. It was announced by the Prime Minister on 15th August, 1993 but was formally launched on 2nd October, 1993.

The scheme discontinued its operation from April, 2008. The scheme is now merged with Rural Employment Generation (REGP) Scheme and is operating as Prime Minister Employment Generation Programme (PMEGP) in the country from 1st October, 2008. At the initial stage, PMRY covered only the urban areas but from the year 1994-95, it extended its operation to both the urban and rural areas. The Scheme was implemented by Directorate of Industries and Commerce, Guwahati, Assam through the District and Commerce Centres (DICCs) of the state, headed by General
Manager, at the district level. The scheme covered all the sectors of economic activities, viz.- Agriculture and Allied, Industries, Business and Services.

1. Objectives

The main objective of the PMRY scheme was to provide easy subsidized financial assistance to educated unemployed youth for starting their own enterprises in manufacturing, business & service and trade sectors. Initially the scheme was aimed at providing self-employment to one million educated unemployed youth in the country by setting up 7 lakhs micro enterprises through inducting service and business ventures over a period of 2 ½ years.

2. Coverage

The scheme intended to cover urban areas only during 1993-94 and whole of the country from 1994-95 onwards. From 1994-95 onwards, the existing Self-Employment Scheme for the Educated Unemployed Youth (SEEUY) were subsumed in PMRY.

Parameters of PMRY

The scheme covered any unemployed educated person living in any part of the country, rural or urban fulfilling the following eligible conditions for assistance.

- Age: The scheme covered any educated unemployed youth within the age group of 18 to 40 years in general with a 10 years relaxation for SC/STs, ex-serviceman, physically handicapped and women.

- Qualification: The applicant should have been minimum VIII th passed or ITI passed or having undergone Govt. sponsored technical course for a minimum duration of 6 months.
• Residency: The applicant should have been a permanent resident of the area for at least 3 years.

• Family Income: The norms of the family income of the applicant i.e., the income of the beneficiary along with the spouse and parents of the beneficiary at the initial stage was Rs.40,000 p.a but the limit of the family income was raised to Rs. 1,00,000 p.a. from the year 2007.

• Defaulter: The applicant should not have been a defaulter to any nationalised bank/financial institution/co-operative bank.

4. Reservation

The scheme gave preference to weaker sections including women. The scheme envisaged 22.5% reservation for SC/ST and 27% for other Backward Classes (OBCs)

5. Project Cost

The scheme provided a composite loan to each entrepreneur as per the nature of the project which is up to Rs.1lakh for business sector( revised to Rs.2lakhs in the year 2007) and Rs.2 lakhs for industry sector( revised to Rs.5lakhs in the year 2007). If two or more eligible persons join together in a partnership, the project with higher costs would also be covered provided share of each person in the project cost is Rs.1lakh or less.

6. Margin Money, Bank Loan and Rate of Interest

The entrepreneur was required to contribute 5 percent of project cost as margin money in cash and the balance 95 percent was sanctioned as composite loan by Bank at the rates of interest applicable to such loans under guidelines of Reserve Bank of India issued from time to time.
7. Collateral guarantee on bank loans

The loans did not require any collateral guarantee. Only assets created under the Scheme were hypothecated/mortgaged/pledged to the Bank.

8. Subsidy

The Government provided subsidy at the rate of 15 percent of the project cost subject to a ceiling of Rs.7, 500/- per entrepreneur (revised to Rs. 12,500 in the year 2007). In case more than one entrepreneur join together and set up a project under partnership, subsidy would be calculated for each partner separately at the rate of 15 percent of his share in the project cost, limited to Rs.7, 500 (per partner).

9. Repayment Schedule

The entrepreneurs have to repay their loan amount along with interest within a period which ranges from 3-7 years after an initial moratorium 6-18 months as decided by the banks.

10. Training

The scheme envisaged compulsory training for entrepreneurs after the loan is sanctioned by the banks.

Identification of the Beneficiaries

DICC was the implementing agency of the PMRY scheme in the district. The task of identifying beneficiaries was entrusted to the PMRY Task Force consisting of DICC General manager as Chairman, Lead District Manager as Secretary and bank and Government officials as members.

The Scheme also provided for constitution of sub-divisional level or block level task force by the States, Union Territories, after consultation with its respective
convenor banks, in order to improve the quality of scrutiny. The applications received by the DICC were to be scrutinised by the subordinate task force. The subordinate task force would then interview the candidates and forward the proposal of the approved cases directly to the bank branches. The subordinate task force was also empowered to specify the jurisdiction of the district task force. All other functions of District Level Task Forces like receipt of applications, reporting process, assistance to beneficiaries etc. continued with the District Level Task Force/ General Manager, DICC office.

**Review of Literature on the Subject**

Entrepreneurship is considered as the most powerful weapon in the hands of one to fight against poverty and unemployment. The development or under-development in any society indicates abundance or scarcity of entrepreneurship. In the words of Parson and Smelser, entrepreneurship is one of the necessary two conditions for economic development, the other being the increased output of capital (44).

In developing countries, where the population has been growing faster and where population of the young has been significant compared to the developed countries, the opportunities will have to be created by promoting entrepreneurship in rural, manufacturing and service sectors (45). America and Japan support the fact that the economy has advanced tremendously due to entrepreneurship. Moreover, the Japan Government laid stress on the education of the entrepreneurs because entrepreneurship, both qualitatively and quantitatively, is essential for all round development of a nation. French and Russia exemplify how the lack of capital for industrial pursuits impeded entrepreneurship and adequate supply of capital promoted it (46). In India, entrepreneurship has been playing a significant role in the
development of business from the days of Indus Valley Civilisation. Today, it is considered as a key variable that establishes a close link between socio-cultural environment and the rate of economic development. Entrepreneurship acts as a positive force in economic growth by serving as a bridge between innovation and the market place.

Ajit Kanitkar (47) in “Grass Roots Entrepreneurship” observed that it is the general belief that farmers and people in rural areas are conservative. So, entrepreneurial initiative and managerial capabilities are not found among them. But as farmers, they have to organize labour and capital in their organization and take decisions as any other industrial manager. So, rural people also possess the characteristics of entrepreneurship but motivation is necessary. But in his book there is no in-depth analysis regarding the role of governmental agencies and banks operating in Karbi Anglong district of Assam. Perhaps, this was beyond the scope of author’s analysis.

G.N. Reddy (48) in a book on “The Rural People”, focused the poverty and the condition of rural people. The author propagates the way of reaching the rural people by participation of people, training and awareness etc. According to him, generating awareness is one of the important components of training for the beneficiaries of rural development programmes.

The findings of a research study conducted by NCAER (49) in 1993 on Small Scale Industry (SSI) revealed that training and finance are the major problems of SSI besides administrative bottlenecks, procedures, infrastructure and counselling.

S.S. Khanka (50) in his book “Entrepreneurial Development” has stated that both SISI and DIC play an important role in developing entrepreneurship by providing services like consultancy, training etc. and support to small entrepreneurs.
According to Mc. Clelland (51), proper training provided to the right kind of person could develop entrepreneurship.

An Evaluation and Analytical Study of Implementation of PRADAN MANTRI ROZGAR YOJANA (PMRY) in Dewas District of Madhya Pradesh (Year 2001-02 to 2003-04) by R.K. Vepat(52), revealed that Dewas district not only achieved the targets of PMRY but performed extraordinarily as per as numerical target was concerned. Overall cases sanctioned was 8966 against a target of 8381 during the year 1993-94 to 2003-04.

A few empirical studies have been conducted to examine the socio-economic origin of entrepreneurship. Many entrepreneurs fail due to several barriers and problems. Vasper (53) has identified some barriers inhibiting the entrepreneurial growth. Among the different barriers lack of seed capital is identified as one of the barriers of entrepreneurship development.

The study on “Some Problems of Small Scale Industries” conducted by R.P. Sinha (54) selecting 85 units of SSI revealed that 85% of the total industrial units face the problem of procuring finance to sustain productivity. Out of 85 units, 68 entrepreneurs i.e., 80% have approached to government agencies as well as commercial banks for securing assistance.

The socio-economic background affects the level of entrepreneurial motivation, access to resources, risk bearing capacity etc. which in turn influence significantly the growth of entrepreneurs. H.Sadhak (55) evaluated the socio-economic origin of first generation entrepreneurs who were defined as those who have taken entrepreneurship for the first time after independence. He used ‘Survey Interview Method’ and his study revealed that most of the first generation entrepreneurs could not start their own project without the financial support from financial institutions.
R. A. Sharma \(^{(56)}\) evaluated the performance of 316 companies incorporated after independence. On analysing the factors affecting the development of entrepreneurship, he found that new and small entrepreneurs were mainly motivated by internal factors such as desire to do something, need for independence etc. He concluded that financial and development institutions have made a significant contribution to the growth of entrepreneurship.

Two research studies carried out by R.A.Sharma and P.N.Sharma\(^{(57)}\) to identify the factors that motivate people to start business enterprises, revealed that among the external factors of motivation, assistance from the financial and Government institutions were rated as the strongest motivator.

Ajay Lakhanpal \(^{(58)}\) examined the performance of financial institutions, promotional institutions engaged in entrepreneurial development in Himachal Pradesh. He studied 58 entrepreneurs in Solan district to evaluate the influence of infrastructure facilities on entrepreneurship development. He stressed the need to make certain adjustment in the institutional framework and recommended the creation of a state level single window industrial support system (SWISS).

In regard to the importance of education and training in entrepreneurship development, Dr. S. Arumugam \(^{(59)}\) has stated that education and training are important component of entrepreneur development and in this regard, the educational institutions have contributed a lot.

G.K. Dutta \(^{(60)}\) in a paper on “Entrepreneurship Development among Educated Unemployed Youth in Industrially Backward Areas - An SISI Experience”, has stated that SISI (presently known as MSME) plays an important role in creating awareness of entrepreneurial opportunities and also organizes EDPs. Its experience in stimulating the prospective entrepreneurs is positive and encouraging. His study is
based on Branch SISI (presently known as MSME), Tezpur, covering three district of Assam namely Sonitpur, Darrang and Lakhimpur.

S. P. Baruah \(^{(61)}\) in a research study concluded that entrepreneurship development programmes plays a very important role in generating entrepreneurial spirit among the trainees. Majority of the trainees considered the EDPs helpful in improving their knowledge and skill levels.

An evaluation study of Prime Minister’s Rojgar (PMRY) in Karnataka, R. S. Deshpande, M. J. Bhende, P. Thippaiah and S. Manasi \(^{(62)}\) has stated that majority of the trained entrepreneurs have been successful entrepreneurs. The recovery rate is also good for the beneficiaries here due to effective training, high literacy levels and NRI influence.

S. Mishra \(^{(63)}\) in a paper, “Training Process in Entrepreneurship Development” emphasized that entrepreneurship training is on transformation of people from general to specific i.e., ‘person’ to ‘entrepreneur’.

Lamaan Sami \(^{(64)}\) in a paper has stated that the most important means of introducing an enterprise culture in the long run is no doubt through changes in the education and training systems of a country.

Small scale enterprises contribute a lot to the entrepreneurship development. In this regard, Mr. A. Kulkarni, Y. Bhavsar and D. Suryavanshi \(^{(65)}\) has stated that the small scale enterprises not only caters to the need of lower income groups but also acts as a nursery for development of entrepreneurial and management talents by arousing sense of confidence among large number of entrepreneurs about their viability.

To quote H.G. Rao \(^{(66)}\), education is the better living, fullness of living, more important to be responsiveness to the society. It brings out the best for man and aids
the development of the nation. Man needs resourcefulness. Resourcefulness means initiative and enterprise, enterprise to find new ways and initiative to look for better opportunities and turn them into realities. It is how, education, entrepreneurship and developments are inter-related.

M. Laxmi Narasaiah and B. Devena Margaret (67) stated that area specific micro level studies is useful to understand the problems and prospects of small scale industry pertaining to different regions in the country, particularly backward region.

K.K. Ammannya (68) opines that to solve the problem of poverty, the poorest among the poor should be identified and they should be provided with financial assistance against viable projects. They should also be provided with adequate training for the proper utilisation of loan amount and be informed about the responsibility in repayment of the loan.

The Government has been implementing number of schemes and programmes under various five year plans and economic policies for entrepreneurship development of the country. In this aspect, Jagannath Panda and Punya Prava Pradhan (69) stated that the economic policies of the government and the promotional agencies play an important role for the development and growth of entrepreneurship. The study revealed that out of total entrepreneurs selected for the study 67% of the entrepreneurs agreed that promotion and support of government is essential for establishing and developing any enterprise.

The Institute of Applied Manpower Research (IAMR) (70), New Delhi has also conducted evaluation studies on PMRY in two rounds in the year 1996 -1997 and 2001. These studies brought into light that PMRY scheme has been successful in generating assets by the beneficiaries to whom loan has been disbursed and solving the unemployment problem to a certain extent.
The 6th field study, for the period 1997-98 to 1998-1999, conducted by the RBI(71) on “Performance of the Banks in Implementation of PMRY” during Jan-April revealed that 83%(average) of the total sanctioned cases were disbursed loan, 90%(average) of the disbursed cases created assets but the average recovery rate was only 36.4%. The study brought into light that non-viability of the projects and inability of the applicants to meet up the bank formalities are the main reasons for rejection of the applications by the banks.

The study conducted by I.K. Nath (72) on ‘Implementation of PMRY in Kamrup District’ revealed that PMRY Scheme could promote first generation entrepreneurs if the implementing agencies and the beneficiaries work sincerely. The study concludes that PMRY is an important scheme for promotion of self-employment.

K. Subramanium (73) in a paper on ‘Micro Enterprises Development’ pointed out that micro enterprises play an important role in promotion of self-employment and entrepreneurship as well as raising the income level and standard of living of the people especially the rural poor and the weaker sections. These enterprises cover the activities in industry, service and business and also allied activities. They can also contribute to disperse growth of enterprises, utilisation of local resources and nurse new entrepreneurs. The importance of micro-credit has increased due to implementation of income generation and self-employment schemes by the Government.

S. Z. Ahmed (74) points that the educated unemployed youth are not in a position to undertake projects with huge investment due to lack of credit worthiness. In this regard, self-employment through the PMRY Scheme is an ideal and dynamic
channel which provides financial assistance in the form of loan to the Industry, Service and Business ventures.

In a study conducted on 90 entrepreneurs from Marathwada regions of Maharashtra, M. Deshpande (75) found that emergence of entrepreneurship is conditioned by the political system and Government policies. He also found that, people with little industrial background immersed into entrepreneurship when suitable conditions were created. However, institutional agencies created by the Government to help prospective entrepreneurs were not successful in developing entrepreneurs from all castes in the region.

A micro level study on Prime Minister’s Rozgar Yojana conducted by Varghese K. John and C.V Jayamani (76) reveals that the procedures and formalities in sanctioning the loans are too lengthy and time consuming. The procedures are almost duplication and causes unnecessary delay in sanctioning the loan. To eliminate the duplication of work, they suggest that the feasibility of the unit and capability and eligibility of the applicants must be scrutinised by only one agency, either the bank or the District Industries Centre. They also suggest that the PMRY Scheme must be operated for the benefit of the deserving people.

Manmohan Singh Gill (77) conducted a study on the problems of the borrowers in obtaining bank loans and its impact on their economic status. The study reveals that most of the loans under the sponsored schemes are sanctioned on the recommendations of the political leaders and officials and that the beneficiaries have given bribe to these leaders and officials for obtaining loans. The study also reveals that though there is no much progress in the social status but the loans have helped the beneficiaries to improve their income status.
B.K. Sarkar in a paper on “Banks marketing for the Target Groups in the Priority Sector” stated that success of a marketing drive for the target group in the priority sector depends on a careful study of each segment of the society. The need and capacity of the borrowers and their willingness to take activities etc. should be thoroughly analysed. The desired result can be achieved only if the borrowers utilise the borrowed amount for the purpose for which it was borrowed.

From the above review of literature, it is clear that there are studies which include the problems of entrepreneur, role of DICC, SISI (presently known as MSME), importance of training etc., but these studies could not cover the tribal area of Karbi Anglong in a micro level. Hence, the present study on “Role of Government in Developing Entrepreneurship in Assam—A Case Study of Karbi Anglong District” is an attempt to fill this gap.

**Significance of the Study**

The human resource is a dynamic resource with great potential for development and growth. All the five year plans in our country has emphasized on generation of sufficient employment for the people. The thought process of creating jobs started before independence is still continuing today. But the facts and figures show that unemployment has taken a disproportionate shape. It is an accepted fact that neither it is possible for any government to provide employment to all the educated unemployed nor it is desirable to create employment opportunities in the Government sector alone, because economic development is the result of the concerted efforts of both the public and private sectors.

Entrepreneurship and economic development of a country are closely related. Japan’s economic development is the result of entrepreneurship. In India, entrepreneurship development has been accepted as a strategy to achieve the twin
objectives of promotion of entrepreneurship particularly among the educated unemployed and also for rapid industrialization (80). The study of entrepreneurship has relevance today not only because it helps entrepreneurs to fulfil their personal needs but because of the economic contribution of the new ventures and the existing ventures. Besides, it helps in creating new jobs and thus, increases the national income of the country.

A study conducted by UNESCO reveals that infrastructure, education and entrepreneurship provides impetus for around 50% of economic development (81). The image of the country in respect of entrepreneurship has changed with the help of concerted efforts of the Government. The efforts of the Government for entrepreneurial development and motivation have focussed a good impact in the field of small business and industry.

The Karbi Anglong district possesses huge natural resources and high potential markets and export opportunities. Inspite of this, it is industrially and economically backward. The burning problem of unemployment has given space to different social problems. Growing insurgency is the outcome of the unutilized energy of the frustrated unemployed, which has undermined the economic development of the entire region. There is not a single large scale industry in the district. Moreover, the growth of small scale industry is also very low. There is lack of entrepreneurs in the district. The region still depends on a large number of mass consumption goods imported from the rest of the country. The main reason for economic backwardness of the region is the inadequate growth of highly motivated entrepreneurs. It is, therefore, imperative that in any strategy for industrial development in the region, emphasis is to be given on the development of entrepreneurship among the people.
Realizing the burning problem of development of the N.E. region, Kamal Jaori, secretary of NEC has recently stated “A whole lot of resources remain untapped in our villages due to lack of initiatives and entrepreneurship. Optimum utilization of these resources through bankable projects with cent percent security can usher in a new dawn of progress”(82).

In order to solve the grave problem of unemployment, the Assam Government has started the entrepreneurship development programme in the seventies, to promote self-employment opportunities and to develop mass entrepreneurship among the educated unemployed of the state. In the year 1973, the Government of Assam for the first time started a district level agency called as “Entrepreneurial Motivation Training Centre” (EMTC) to identify, select and train prospective entrepreneurs and later on in September, 2002, it was merged with District Industries and Commerce Centre (DICC). At present, District Industries and Commerce Centre (DICC), Branch Micro, Small and Medium Enterprises (MSME) Institute, District Rural Development Agency (DRDA), Khadi and Village Industries Board (KVIB), Khadi and Village Industries Commission (KVIC) and different Town Committee Offices are the main Government Institutions imparting training and other support facilities to the entrepreneurs under various Entrepreneurship Development Schemes in the Karbi Anglong District.

Researcher observed that entrepreneurial activities in Karbi Anglong District are not satisfactory and there is lack of adequate research on entrepreneurship development in the district. Moreover, it is also essential to undertake an in-depth study on entrepreneurship to generate knowledge about the process of entrepreneurship development through the assistance of Government in the district.
Methodology

The present research work has been done involving both descriptive and analytical types of work. Both primary and secondary data were collected from different sources.

In order to measure problems and performance of the beneficiaries, two-stage sampling method was applied. There are three sub-divisions in the district and from each sub-division a development block is selected on the basis of maximum number of persons trained by DICC under the PMRY scheme. Accordingly, three blocks namely Lumbajong Development Block (Diphu Sub-Division), Bokajan Development Block (Bokajan Sub-Division) and Chinthong Development Block (Hamren Sub-Division) were selected for the study. In the next stage, the names of the beneficiaries who were trained and received loans under the Scheme during the period 2002-03 to 2006-07 were collected from the banks. These beneficiaries were stratified into three groups on the basis of the activities undertaken by them in the three sector, namely-i) Agriculture and Allied Sector ii) Industry Sector and iii) Trade and Service Sector. The Block-wise and Activity-wise number of Entrepreneurs granted loans during the period 2002-2003 to 2006-2007 is shown in Table-1. The Table -1 reveals that 554 numbers of trainees were granted loan in these three blocks. Out of 554 beneficiaries, 127 were engaged in agriculture and allied activities, 80 in industrial sector and 347 in the trade and service sector. Again, out of 554 beneficiaries, 365 belong to Lumbajong block, 148 to Bokajan block and 41 to Chinthong block. Thereafter, 30% of the total beneficiaries from each sector were selected by applying simple random sampling (lottery method) (Table-2). Thus, 166 numbers of beneficiaries were finally selected for sample survey. Out of 166 sampled
entrepreneurs, 38 belong to agriculture and allied activities, 24 to industrial activities and 104 to trade and service activities.

A Schedule was prepared for collection of data from the selected entrepreneurs. But before canvassing the Schedule on wide scale, a pilot test was conducted and after necessary modifications of the same, it was finally used for data collection.

Besides, data were also collected from the Officials of the Government Institutions/Departments implementing various Entrepreneurship Development Schemes and Officials of different Banks financing the entrepreneurs under the PMRY Scheme in the three blocks covered under the study by administering Schedules and Questionnaires.

**Table. No. 1.1**  
*Block-wise and Activity-wise Number of Entrepreneurs Granted Loan (2002-03 to 2006-07)*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Name of the Development Blocks</th>
<th>Lumbajong</th>
<th>Bokajan</th>
<th>Chinthong</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Allied</td>
<td></td>
<td>92</td>
<td>26</td>
<td>09</td>
<td>127</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td>46</td>
<td>31</td>
<td>03</td>
<td>80</td>
</tr>
<tr>
<td>Trade and Service</td>
<td></td>
<td>227</td>
<td>91</td>
<td>29</td>
<td>347</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>365</strong></td>
<td><strong>148</strong></td>
<td><strong>41</strong></td>
<td><strong>554</strong></td>
</tr>
</tbody>
</table>

*Source: District Industries and Commerce Centre, Karbi Anglong, Diphu.*
Table No. 1.2
Block-wise and Activity-wise Sample Entrepreneurs Granted Loan
(2002-03 to 2006-07)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Name of the Development Blocks</th>
<th>Lumbajong</th>
<th>Bokajan</th>
<th>Chinthong</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Allied</td>
<td></td>
<td>27</td>
<td>08</td>
<td>03</td>
<td>38</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td>14</td>
<td>09</td>
<td>01</td>
<td>24</td>
</tr>
<tr>
<td>Trade and Service</td>
<td></td>
<td>68</td>
<td>27</td>
<td>09</td>
<td>104</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>109</strong></td>
<td><strong>44</strong></td>
<td><strong>13</strong></td>
<td><strong>166</strong></td>
</tr>
</tbody>
</table>

Various statistical techniques like Measures of Central Tendency, Chi-square Test etc. are applied on the basis of availability of data. The performance of entrepreneurs is measured by taking some important parameters like production, turnover, profit, net profit ratio, employment generation and changes introduced in the enterprises after establishment. The attitude of the entrepreneurs is measured by using Likert Method. Besides, diagrams and graphs are also used in order to make the data attractive and vivid.

The secondary data were collected from various published or unpublished documents of the Government offices, books, periodicals, journals, websites etc. Some of the sources of secondary data are -

1. Reports of DICC, Karbi Anglong, Diphu.
2. Reports of DRDA, Karbi Anglong, Diphu.
3. Annual reports of NABARD and Lead Bank.
4. Annual reports of Commercial Banks operating in the district.
5. Annual reports of Langpi Dehangi Rural Bank.
6. Research findings of Universities.
7. Universities and IIE libraries.
8. Libraries of Institutes of Rural Development.


On the basis of activities stratified in the methodology, entrepreneurs are classified as Agriculture Entrepreneurs, Industrial Entrepreneurs and Service Entrepreneurs.

**Agricultural Entrepreneurs:** Agricultural Entrepreneurs are those entrepreneurs who are engaged in the agricultural activities related to raising and marketing of crops, fertilisers and other inputs of agriculture through mechanisation, irrigation and by application of technologies. Along with agricultural activities, they also cover agriculture and allied sector.

**Industrial Entrepreneurs:** Industrial entrepreneurs are the entrepreneurs who are basically involved in manufacturing works. They identify the potential needs of the customer and tailor products and services to meet the market demand. They are the producers of new products. They have the potential to convert economic resources into a considerably profitable venture.

**Trade and Service Entrepreneurs:** These types of entrepreneurs undertake trading activities. They are not concerned with the manufacturing work. They are involved in both domestic and overseas trade. They identify potential markets and have the ability to create demand for their products and induce people to go for their products (83).

**Limitations of the Study**

As the research work mainly depends on collection of data, limitation of the study must be conceded here. There were some entrepreneurs who hesitated to give correct information. Majority of the entrepreneurs did not maintain proper records of their production, turnover, income, savings etc. Hence, the study was made on the
basis of facts provided by them out of their memory. Problems were also there in
regard to non-availability of data, up to date address of the entrepreneurs, non-
disclosure of facts and figures by the Government departments, banking institutions
assisting entrepreneurs etc. In regard to secondary data, a number of discrepancies
arose due to lack of coordination among the different government organizations
maintaining comparable and co-relating records. However, the study exposed many
issues of practical significance which are sure to help the society as well as the policy
makers of the society.

Chapter Planning

Chapter-1: Introduction: This chapter covers statement of the problem, conceptual
framework of the study- entrepreneur, entrepreneurship, entrepreneurship
development, process of entrepreneurship development, theories of entrepreneurship
development, entrepreneurship and development programmes, role of
entrepreneurship in economic development. It also includes objectives of the study,
hypotheses, scope, an overview of the PMRY Scheme, review of literature relevant to
the present study, significance of the study, methodology of the study, limitations of
the study and layout of the study.

Chapter-2: Profile of Karbi Anglong District: This chapter provides an overview of
the area of study. It covers geographical location, climatic condition, administrative
setup, population characteristics, education, labour and employment scenario, man
power supply and demand, employment in the organised sector, forest resources and
mineral resources. It also highlights the agriculture pattern followed in the district,
irrigation facilities available, plantation of crops like tea, coffee, rubber, bamboo etc.
status of animal husbandry and veterinary facilities available in the district. This
chapter also focus on the industrial scenario, trade and services, infrastructure
facilities available in the district viz., transport and communication, power and electricity, postal and tele-communication, health services, water supply, tourism, banking institutions and life insurance corporation.

**Chapter-3: Role of Government Institutions in Developing Entrepreneurship:**
This chapter analyses the role of Government institutions in implementing various entrepreneurship development programmes in the country with special reference to the Karbi Anglong district.

**Chapter-4: Problems of Developing Entrepreneurship in Karbi Anglong District:**
This chapter examines nature and magnitude of problems faced by the Government institutions, banks and entrepreneurs in the district.

**Chapter-5: Performance of the Entrepreneurs under Study:** This chapter lays emphasis on the activities of the trainees/beneficiaries who have been trained and granted loan by the banks in different years covered under the study and selected for interview purpose.

**Chapter-6: Summary Conclusion and Suggestions:** This chapter covers summary of the findings and conclusion of the entire research work and puts forward necessary suggestions.

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