



প্রতিধ্বনি the Echo

**Pratidhwani the Echo**

A Peer-Reviewed Indexed International Journal of Humanities & Social Science

Published by: Dept. of Bengali

Karimganj College, Karimganj, Assam, India

Website: <https://www.thecho.in>

ISSN: 2278-5264 (Online) 2321-9319 (Print)

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## **Problems and Prospects of Entrepreneurship: A Study on Kamrup District of Assam**

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### **Abstract**

*North east India, the seven sisters, the sunrise states, have long been unable to keep pace with the development happening in rest of the country. North east India is endowed with vast number of resources which, if put into use judiciously by encouraging micro level rural entrepreneurship and integrating it with local as well as international markets. Development of rural areas is closely related to entrepreneurship. Entrepreneurship is a strategic development intervention that can well accelerate the development process of the backward and under developed areas. A staggering 75% of the world population lives in the rural areas. Since most of the resources and policies continue to be biased in favor of the urban areas, entrepreneurship has become a key to induce balanced development in the rural areas. Utilizing the potential productivity of rural people by using locally available resources is indispensable to achieve resilient economic growth that will help people rise above the poverty line. The study brought to light the capacity of people who came forward with the ability to use the unutilized resource. Entrepreneurs play extremely significant role of the global expedition for economic development in India. Need of entrepreneurship has highly lightened in the industrial policy of India. Empowerment through developing entrepreneurial skills in them is the right approach. This is perhaps the need of the hour.*

**Keywords:** *Balanced development, potential productivity, constant competition and empowerment.*

**Introduction:** Assam is a northeastern state of India surrounded by seven states viz. Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and West Bengal. Assam also shares international borders with Bhutan and Bangladesh. Assam provides shelter to 2.2 per cent population of the country. The State of Assam comprises 27 districts (including 4 new districts of BTAD) with an area of 78,438 km<sup>2</sup>. The state of Assam comprises the Brahmaputra and the Barak river valleys along with the Karbi Anglong and the North Cachar Hills. A significant geographical aspect of Assam is that it contains three of six physiographic divisions of India - The Northern Himalayas (Eastern Hills), The Northern Plains (Brahmaputra plain) and Deccan Plateau (Karbi Anglong). The Assam economy represents a unique example of poverty amidst plenty. In spite of being richly endowed with natural resources, the state lags behind the rest of India in many aspects. For this very reason, it is high time for us now to find out ways in which we can develop our state. The state will

be developed only if all the districts, each and every small region gets balanced opportunities for growth. Nothing can be a better option than to impart entrepreneurial skills in the people of these rural areas.

There is no dearth of opportunities when it comes to setting up rural enterprise in north-east. There are huge species of ornamental fishes and scope for expansion of floriculture, rubber plantation, mushroom cultivation and handloom industries etc. In 1973 Assam started a novel experiment on entrepreneurship development by setting up district level agencies known as entrepreneurial motivational training centers to identify, select and train prospective entrepreneurs and provide them all support services to start and run their enterprise. Rural microenterprises ensure value addition to rural resources in rural areas engaging largely rural human resources. The basic rationale of developing microenterprise is that they provide additional employment opportunities. By an entrepreneur we usually mean a person who initiates a business idea, organizes the resources needed in business and operates the same. Entrepreneurs are individuals who have ideas for products and or services that they turn into a working business. For the purpose of the study Kamrup district is taken into consideration.

**Objectives of the study:**

To fulfill the following objectives has been our endeavor through the study:

1. To increase awareness on entrepreneurship.
2. To try and provide a solution to the intricate problems that they might face.

**Methodology:** The data required for the present study are collected both from primary and secondary sources. Primary data have been collected through personal interview method. The Secondary data are collected from various published sources such i.e. magazines, newspapers, journals, books, and various other publications. Moreover, some important information is also collect from relevant websites. The present study is descriptive in nature. The study was conducted in the Kamrup district of Assam.

**Importance of the study:** Entrepreneurs are taking great advantage of the plethora of resources and opportunities available and glass ceilings are being shattered by entrepreneurs today. But it is not a uniform process. It is confined to a particular class or section of the society who had some kind of financial resources or the fortitude to pave their own way.

Optimum development of a family and the society as a whole is possible when the people of the rural areas are allowed to achieve their dreams. There are many who have excellent ideas for business, or are keen in displaying their creativity and ability. Such men or women should definitely be given the chance to come to the forefront and start on their business venture. This will also ensure the effective utilization of human resources.

When an entrepreneur starts up their venture, he or she not only ensures self employment, but also generates employment for the people of that society or say locality. This further helps in raising the income level of the families. When the income level of the family increases, the standard of living of the families develops.

Finally, entrepreneurship increases the confidence among the people who make a small start and gradually succeed in touching the heights of success. It ensures empowerment which is the key to a nation's full development. One entrepreneur is an example to hundreds of people of the society who too have the desire to achieve their dreams. What is required now is just a little motivation and support so that they can display their entrepreneurial skills.

**Problems of entrepreneurship:** The entrepreneurs are facing a number of problems in day to day work. There is also constant competition from their other counterparts of the society that makes things more difficult for them. In the report on the third All India Census of Small

Scale Industrial Units, prepared by the Director of Industries and Commerce, Government of Assam it is observed that the main reason for the closer of registered small scale industries were “Marketing Problems, Finance Problems and Could not Survive Competition”. The entrepreneurs of Assam as well as of Kamrup District also facing these problems along with others, such as:-

- **Lack of confidence:** The first thing that stands as a barrier in the path of prospective entrepreneurs is the lack of confidence. This is mainly because of the prevalent competition from the other part of the country.
- **Fear of failure:** In our society, to invest in a business and incur loss in it is a part of business cycle. But the same thing in case of a entrepreneurs is regarded as an unproductive investment. Their ability is doubted at every stage. This degrades the morale of the entrepreneur.
- **Finance:** Lack of funds is the major issue that stands in the way of emerging entrepreneurs. Financial institutions are reluctant to provide funds easily to the entrepreneurs. They are not confident on these entrepreneurs for return of the funds they would lend.
- **Lack of knowledge:** To have the interest to start something new and innovative is the most important requirement for an entrepreneur. But to impart proper training to them is equally important. Lack of such awareness and initiatives on the part of the people and government and semi government agencies is a hindrance towards the full development of entrepreneurs.
- **Lack of recognition and appreciation:** Most of the times, the entrepreneurs fail to continue as they fail to get the platform and opportunity. The appreciation that they deserve is not given to them. This may be due to lack of finance, publicity and marketing.
- **Lack of adequate skill:** To be a successful entrepreneur, a person needs to have the interest and urge to achieve. Persons nowadays have the urge to be independent and stand on their own feet. But due to lack of formal entrepreneurial skills, their urge to achieve is left unutilized.
- **Lack of opportunity of entrepreneurship training:** Entrepreneurs having the desire to achieve something on their own might not possess the required skills. It is not necessary that every entrepreneur will possess entrepreneurial skills. These skills are to be developed by proper training. But lack of initiative by NGOs and government for imparting training stands largely in the way of developing the aspiring entrepreneurs.
- **Non existence of organized markets:** There is not yet any organized market to sell the product produced by the entrepreneurs, so that they unable to secure remunerative price for their products. This is also one of the great problems faced by the entrepreneurs of Kamrup District.
- **Middlemen Share the cream:** Since most of the entrepreneurs have to depend upon the agents who collect the products from them, a handsome amount of commission pocketed by these agents or middlemen. As a result of this the entrepreneurs have been deprived of their real dues.

**New challenges:** The globalization of Indian economy has brought a number of new challenges that are being encountered by the entrepreneurs of Assam as well as Kamrup District. Some of these are:

- ▶ Increased cost of fertilizers, fuel, power and chemicals.
- ▶ Stiff competition from other producers of the country.
- ▶ Product development and diversification.
- ▶ Excess production sharp in the real price.
- ▶ Lack of proper management, accounting, congenial industrial relations, updated knowledge about the global market etc.
- ▶ The absence of mechanism to ensure redistribution of the benefits of trade to workers and entrepreneurs.

**Prospects of Entrepreneurship in Kamrup District:** The development of a society requires full participation by all section of the population. Involvement in entrepreneurial activities would ensure effective utilization of labour, generation of income and hence improvement in quality of life. Therefore, empowering entrepreneurs is essential for achieving the goals of a sustainable development.

Assam has been the pioneer in the field of developing entrepreneurship in the north east. It has abundant resources, both in the form of natural and human resources. If utilized properly and to the full, development of the region will go leaps and bounds.

Kamrup, one of the administrative districts of Assam, mostly has an agrarian culture with a few small and medium industries growing up and developing in recent times. It has sufficient resources that can make the district self sufficient. It has plentiful of rivulets and canals, land resource, industries like brass and bell metal industry, fire cracker making industry, etc. Some of the other areas other than small scale industries include handloom and handicrafts, fisheries, poultry framing, piggery, dairy farming, etc. Let us get an overview of these in brief.

**Poultry farming:** It is such a kind of business that can easily be started from the home itself. Since most areas in the district are located in rural areas, the best and foremost business that the people can start up with is poultry farming. Rearing poultry like hen, duck, pigeons doesn't require a huge much funds nor thus it require a lot of maintenance cost. Poultry business can be a flourishing business for the people folk in which they can start up from the premises of their homes.

**Food processing industry:** Kamrup district is famous in agricultural produce. Its rich fertile land resource is one of the greatest assets of the district. The district produces more than enough of agricultural produce mainly vegetables, mustard plants and fruits. But many a times a huge portion of the production goes waste due to lack of preserving facilities. This is due to the fact that there are no such proper food processing industries in Kamrup. So therefore, it is an opportunity for the entrepreneurs to turn the disadvantage into advantage. They can start up food processing industries in a small level with minimum initial investment.

**Dairy farming:** The dairy produce of Kamrup district is very famous which requires no special introduction. A few villages in the district has gained fame for its tasty and healthy milk products like curd, butter milk, milk and sweets made from milk and milk products. The entrepreneurs there can start up a dairy business of their own through investment and market the products themselves in different parts of the state. The investment required will be minimum as no high tech machineries are needed to produce the items from milk in the traditional way. The investments made will mainly be required for preserving, storing and marketing the produce.

**Sericulture/ ericulture:** Sericulture and endi-entrepreneurship has an important role to play in the economy of Assam. Sericulture in Kamrup district is mostly a household affair where

people rear worms for household consumption mainly. It has the potential to provide employment to a large number of families. Official figures show that the contribution of ericulture to the state income is less than one percent during 2004-05. It requires simple and traditional tools so investment to be done is also much less compared to other sectors. However with a little more amount of investment they can generate a good income that would help in improving their standard of living.

**Jewellery:** Entrepreneurs from Kamrup can come up with newer ideas and designs using their creativity and enthusiasm. They can start up a jewellery showroom and also engage in supplying the locally made knack to other parts of the country.

**Bell-metal work:** Bell-metal work is a traditional cottage industry of Assam. The products made of bell-metal are traditional plates, cups, tumblers, pitchers, bowls, sarai (a tray with a stand), dwarf pitchers, pots, hookahs and musical instruments like taal, bel, doba, borkah, etc. Brass-work is also an important traditional handicraft of Assam. Brass articles are produced not only for day-to-day use, but also for interior decoration. The total production of marketable finished goods annually is about 300 tonnes.

Sarthebari nearby the Kamrup district is one of the important centres of this industry. The products of bell and brass metal are considered as an important part and parcel of Assamese culture. The demand for such products is very huge in national as well as in international market.

**Fisheries:** More than 70% of the rural population in the district is comprised of agriculturists. Fishery is a flourishing business in the district. Huge supply of fisheries is done to the other parts of the state. The climate and demographic conditions are suitable for this business.

The district has many rivulets, and almost all the villagers have a pond in their own backyard. So the people can add to this business by starting up fisheries of their own. They can further increase the prospects of this business by involving themselves in supplying dried and roasted fish which has huge demand in the neighbouring state like Manipur, Arunachal Pradesh, West Bengal, etc.

**Factors motivating to become entrepreneurs:** There are various reasons for thinking innovatively in an underdeveloped economy like Assam and selecting entrepreneurship as the profession. It has been observed that the main objective of our entrepreneurs in selecting their professions is to earn money. The other reasons behind selecting this profession by the entrepreneurs are:

- To continue family business.
- To be self-dependent
- To fulfill the ambitions of self/parents/spouse.
- To utilize the one's capacity.
- To secure self employment.
- To improve status.
- Creation of employment opportunities.
- To utilize the locally available resources.
- Financial help to the family.

So what is required is the boosting of their morale and motivating them through financial and non financial help.

**Measures for promotion of entrepreneurship:** The following measures or suggestions can be offered to solve the inner problems as well as development of entrepreneurship in Kamrup District and the state as a whole:

- The financial institutions can play an important role in lending money to the entrepreneurs. Banks, government agencies should create awareness and publicity campaigns about the schemes available for rural areas.
- The financial reforms are considered as an important instrument to improve entrepreneurship. Rural industrial credit facilities must be making available at a cheaper rate so that interested persons can move forward.
- Frequent training programs for entrepreneurship are of a big importance to develop their skill and abilities. Again the trainings should be regular for short duration, which will be more preferable for entrepreneurs.
- The transportation system in rural area should be developed so that the entrepreneurs can cheaply carry their required materials for smooth development of their projects.
- The marketing system should be developed. The Government can help the entrepreneurs in marketing their products through its outlets. The entrepreneurs should give the facility to concentrate only on production not for sale.
- The government must take steps to ensure the remunerative price for the products produced by the rural entrepreneurs.

**Conclusion:** The finding of the study helped to conclude that people of the society are increasingly taking up entrepreneurial carrier for improving their economic status and also fulfilling their creative urge. The government and the non-governmental organizations are playing important roles in mobilizing people to become entrepreneurs through different programs. Developing entrepreneurship will be the right approach for empowerment of the society. The number of entrepreneurs in Kamrup district has been increasing over the years. Right efforts from all areas are required in the development of entrepreneurs and their greater participation in the entrepreneurial activities. Government should extend better educational facilities, suitable financial schemes, training on technical and management skills and professional competence to the people of the society. On the part of the society, incessant support and recognition is equally essential. Though the current situation in the region is not extraordinarily brilliant, the paradigm shift is visible and we can definitely expect the best in the near future. It is expected that more and more persons will be taking up entrepreneurial career in future. In this regard the very important requirement for the society is to respect the entrepreneurial creativity.

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