



Issues and Challenges of Rural Entrepreneurs in Hailakandi District of Assam: A Case Study

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Abstract

No doubt to say India is a country of 6, 49,481 of villages which are still earning its livelihood depends on agriculture and its allied activities. Rural entrepreneurs are also played an important role in the national economic development, particularly in rural area. Rural entrepreneurship is not only means of creating income, generating employment opportunities in the rural areas with low capital cost and raising the rural income of the people, but also its contribution to the development of agriculture and rural industries. Rural development is a way of designed for improving the economy and social life of the rural poor peoples. The valuable thoughts of Mahatma Gandhi on rural entrepreneurs, "The future of India lies in its villages". Rural entrepreneurs are the backbone of the country. Rural entrepreneurship can be considered one of the solutions to reduce poverty, migration, economic disparity, unemployment and to develop rural areas and backward regions. The main aim of the present paper is to find out the several issues faced by the rural entrepreneurs as well as opportunities in the district of Hailakandi of Assam.

Keywords: Economic Development, Generating Employment, Reduce Poverty, Backward Regions, Rural Entrepreneurs .

Introduction

No doubt to say India is a country of 6, 49,481 villages. About seventy-five percent of India's population is living in rural area, which are still earning its livelihood depends on agriculture and its allied activities. Empirical studies have shown that rural entrepreneurs are the real agent for development of an economy through employment creation, income generation, capital formation, innovation and maintain standard of living. Industries in rural areas are mostly micro or tiny in structure and quick yielding. In the simple words the micro and small entrepreneurs in the rural area are the backbone of any economy. Therefore, for a nation like India, which aims to achieve a rapid, all round development through industries, the emergence of large number of rural entrepreneurs running the small, tiny and ancillary units is a vital necessity.

Hailakandi district is one of the 35 districts of Assam state in north-eastern India. It makes up the Barak Valley alongside Cachar and Karimganj. The principal linguistic community in the district is Bengali. The communities other than Bengali are Manipuri, Naga, Khasi, Hmar etc. have been residing in the district. As per, 2011 population census the district was 6, 59,260 and had 331 villages. Agriculture is the main activity of the rural people in the district. The major crops grown in the district are Paddy, Maize, Jute, Pulses and Vegetables. Livestock in Assam is highly livelihood-oriented and is generally owned by small and marginal farmers and landless agricultural laborers who form more than 90% of the households in the district. Key institutions servicing in the district for cause of rural entrepreneurship development are District Industries & Commerce Centre, Extension Training Centre. The DI&CC started functioning in the district from 1996 with an aim to create self-employment opportunities among the unemployed youth through industrial training programmes in the district.

Review of Literature

There are large numbers of research works surveyed by different scholars on various dimensions of rural entrepreneurs.

Khanka. S.S. (2009), studied 50 small entrepreneurs in a backward region of the Kumaun division of Uttar Pradesh regarding

entrepreneurship's emergence, performance, and problems. He stressed the policy implications to provide liberal incentives and concessions to the entrepreneurs to encourage, promote and strengthen the small units in backward areas. **Gupta, Gupta.C.B. and Kanka, S.S. (2000)**, studied the factors hindering development of hilly areas such as lack of infrastructure, mass illiteracy, limited business opportunities, rain-fed agriculture, etc. They suggested for planned dispersal of local raw materials based small & cottage industries and support of agriculture and allied sectors. **Ramalaingam, C. and Gayatri, R. (2006)**, suggested innovation as a strategic tool for developing rural entrepreneurship. Since most Indian populations reside in rural villages, entrepreneurship awareness has to be created. The multidimensional aspects of Rural Entrepreneurship are studied with the help of small sample size. The findings suggest that a small innovation in the rural area would catch up most of the population, leading to improvement of the quality of life of many people in the country. **Kumar, N.V.R.J. (2012)**, mentioned that education, experience, age and family play an essential role in shaping the entrepreneurial ambition of the aspirant in Aizawl district, Mizoram. Their study also found that entrepreneurs were engaged in different business activities ranging from tailoring to food processing etc.

Objectives of the study

The main objectives of the present study are:

1. To identify the problems faced by the rural entrepreneurs.
2. To provide remedial measures to overcome those problems of rural entrepreneurs.

Methodology

The present study is mainly based on primary data. Stratified random sampling was used to select a sample of 70 rural entrepreneurs in Hailakandi district. The secondary data were collected from the website, published reports, journals etc. Due to unavailability of all registered entrepreneurs only 35 entrepreneurs are considered for the purpose of the study.

Problems of Rural Entrepreneurship in the district

Rural entrepreneurs are playing an important role in economic development. But in Hailakandi district of Assam, rural entrepreneurship is not much developed like Gujarat, Karnataka and Maharashtra. The government of Assam is also encourages and invest in Assam through various programmes like 'Advantage Assam'. Some of the major problems faced by rural entrepreneurs in the Hailakandi are as under:

1. Financial problems

Finance is said to be the life blood of every business. Financial problem is a major problem faced by all rural entrepreneurs. Most of the rural entrepreneurs are facing financial problems at the time of starting as well as during the operation of their business. These problems can be seen in Table – 1.

Table – 1: Financial problems

Types of problems	No of entrepreneurs	Percentage
Getting loan and subsidy	29	41
Time taken to process loan	21	30
Tight repayment schedule	20	29
Total	70	100

Source: Surveyed by author.

Table 1, reveals that 29 rural entrepreneurs are facing problem of getting loans and subsidy, 21 are facing problems like time taken to process the loan and 20 are facing tight repayment schedule.

2. Marketing Problems:

This is the main problem faced by the rural entrepreneurs. There is no marketing organization which can ensure and prompt marketing of goods produced by the rural entrepreneurs. Marketing is the backbone of rural entrepreneurs. These problems are shown in Table – 2

Table – 2: Marketing problems

Types of problems	No of entrepreneurs	Percentage
How to market the product and whom to contact.	25	36

Exploitation by middlemen	21	30
Inadequate sales promotion avenues.	14	20
Heavy competition	10	14
Total	70	100

Source: Surveyed by author.

Table no. 2 reveals that 25 rural entrepreneurs are facing the problems of how to market their product and whom to contact, 21 are facing exploitation by middlemen, 14 are facing inadequate sales promotion avenues and remaining 21 are facing heavy competition at market.

3. Raw materials

The timely supply of raw material ensures growth of all enterprises, but 21 entrepreneurs faced transportation problems and 14 were natural havocs.

Table – 3: Raw materials

Types of problems	No of entrepreneurs	Percentage
Transportation	49	70
Strikes / Bandhs	08	11
Natural havocs	13	19
Total	70	100

Source: Surveyed by author.

From Table 3 shows that maximum 49 rural entrepreneurs are facing transportation problems, 13 are strikes or bandhs and 08 are facing natural havocs.

4. Lack of Training

Lack of training is very difficult to maintain a business. Out of 70 rural entrepreneurs 11 entrepreneurs are found uncompleted their training due to poor education.

5. Lack of communication

Language is also another big problem faced by the rural entrepreneurs. 13 entrepreneurs those who are belongs to non-

Bengali they are very difficult to speak Bengali, Hindi except their mother tongue.

6. Heavy competition.

Increasing day by day competition in market place from various enterprises is big challenges for rural entrepreneurs. All the 70 rural entrepreneurs agreed to face these problems at the market.

On the basis of observations made in the study, certain suggestions have been offered to strengthen the rural entrepreneurs for promoting their business. These suggestions as follows:

1. MSME, DICC and NGOs should provide proper types of training to the rural educated un-employed persons.
 - i. Banks and financial institutions should provide financial assistance to rural educated trainers.
 - ii. Government should provide knowledge on government schemes.
 - iii. Related agencies should be developed for supplying raw materials regularly to the rural industries at convenient time and rates.
 - iv. Government should arrange Mela, Exhibition for promoting the rural entrepreneurs.
 - v. Proper marketing arrangements should be developed in different parts of the state as well as in district for the smooth sale of the product of these industries.

Conclusions

Rural entrepreneurs are the backbone of any economy. They play an important role to removing poverty and generating employment. For a district like Hailakandi rural entrepreneur is a key figure in economic growth. Rural entrepreneurship is the answer to removal of rural poverty, unemployment in the state as well as country. At the same time, it must be able to discover the prospects of the development of the economy with the available resource base of the state. Government should also join hands with other financials to conduct entrepreneurship development programmes in rural areas. There should be efficient regulated market and government also lends its helping hand in this context.

Not only government as well as NGOs also needs to provide trainings and financial assistance to the rural entrepreneurs.

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