



## **A Study on Entrepreneurship among the Weaker Communities in Kokrajhar District of Assam: Motivation, Prospects and Problems**

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### **ABSTRACT**

Entrepreneurs are essential ingredients of economic progress. This study is made to know different entrepreneurial activities the Weaker communities in the district of Kokrajhar are engaged in. It is also attempted to know the different motivational aspects of engaging in different activities. The intensity of the problems faced by the different weaker community entrepreneurs are also being studied.

### **INTRODUCTION**

The economic development of a country is not dependent only on the natural resources of a country, rather it is the availability of the functions of energetic entrepreneurs who contribute effectively to national prosperity. If today, some countries like India have remained as developing one, it is largely because of the dearth of entrepreneurship. Entrepreneurs, the spirit they embody and the bold ventures upon which they embark are essential ingredients of economic progress. Broadly speaking, they engage in any enterprise in the hope of creating wealth, and includes who starts small business such as pan shops, restaurants, and bicycle repairs shops, as well as those who innovates entirely new technologies and products. Entrepreneurs of all types are important to our economic well-being who challenge the conventional vision of what is possible and turn one generation's fantasies into the next generation's necessities. They contribute to the economic progress and well-being by mobilizing resources from less productive to more valuable employment.

Entrepreneurs play an important role in the economic growth and development of a nation. Entrepreneurship is a purposeful activity indulging in initiating, promoting and maintaining economic activities for the production and distribution of wealth and service. It is a critical factor in the economic

development and an integral part of socio-economic transformation.

### **Literature Review:**

(Knight, 2006) has propounded that entrepreneurs are responsible for their own actions. (Hagen, 1962) proposed the theory of Social Change, arguing that historic shifts in the process of social change are brought about by technological progress, that leads to the emergence of entrepreneurial class from different castes and communities. (Schumpeter, 1961) regarded entrepreneur as a creator and a catalyst for change. (Drucker, 1964) responded that entrepreneurs always search changes, respond to it and exploit it as an opportunity. He also stresses the point that entrepreneurs should be innovate and it should not be market driven. (Kirzner, 1978) viewed entrepreneurs as one who restores equilibrium. (McClelland, 1961) has propounded that people with high need for achievement behave in an entrepreneurial way and take moderate and calculated risk, not motivated by money, per se, but, employ money as a method of keeping sure of their achievement. (Kuratko and Hodgetts, 2001) viewed entrepreneurs as a creation of micro and macro factors. (Triveni, 1991) found that, tribals have traveled long; from forest workers to entrepreneurship to earn their livelihood. (Dahiwale, 1988) observed that the general tendency among the Scheduled Caste people is to choose the service jobs rather than self-employed jobs because the opportunities of jobs are created due to the policy of reservation in service sector. However, he warned that reservation has its own limitation as well. (James J. 1960) findings go against the popular belief that caste and tradition play an important role in the emergence of entrepreneurs and suggests that any entrepreneur's performance could be improved if certain help in

techniques of production and management could be provided. (Borah, 2000) gave a picture of opportunities for developing the handicrafts artisans with the help of local resources, emphasizing on including a lecture on cognitive development of the entrepreneurs in every motivational training programme which will help them in implementing their venture. (Sagar, 1985) revealed that the political process at local levels has remained confined to the traditionally dominant caste groups along with entrepreneurial roles largely coinciding with political leadership. However, there are mild indications of change in the political and economic processes forcing some weakening of such concentration. But the forces of change are so mild and slow that they are almost consequential. They hardly had any promise of tearing off the overburdening situation of dominance and concentration. (Sadhak, 1989) has observed that the first-generation entrepreneurs come with lot of hopes and aspirations but turned into frustration due to several environment forces and lack of support base. He examined the critical issues of the Indian economy and traces the missing link between objectives and achievements under a broader socio-economic perspective. A study done by (Parthasarathi, 2000) found that a majority of tribal entrepreneurs (85.80%) have annual income less than Rs.10,000 and hence poorer status than the non-tribal. (Guha, 2000) reviewed historically the development of Parsi entrepreneurs during 1750 to 1850 that their success was attributed to their greater ability to adjust themselves to European Power and their relative non-involvement in the earlier civil and military administration. (Khanka, 2005) in his study found that the entrepreneurs were primarily motivated by the need for economic achievement (i.e., survival, financial independence and security), personal growth, autonomy and recognition. (McClelland, 1961; Tripathi, 2004) have argued that the change in goal succession results in a change in entrepreneurial motivation. A satiated need remains no more a motivation of human behaviour. It is the need deficiency that motivates one to action. In the light of this, having satisfied economic requirements, it was found that, perceived higher needs like need for status and recognition and having feelings to perform their duty of running the business for the benefit of others has motivated them. This is possible due to the reasons as reported by Saxena (2005) that when business expands and grow in course of time, the entrepreneurs need to play the role of an implementer rather than that of doer. (Keming, 2007) has observed

that the inconsistent and ambiguous institutional rules and their varying enforcement have induced the emergence and development on entrepreneurship in China. Entrepreneurship is everywhere in China's economic life. The high school teacher offers coaching services during weekends, policemen work as estate agents, several University lecturers are partners in consultancy companies, a group of retired factory workers run car servicing shops etc. Entrepreneurs in China come from all walks of life. She/he could be a powerful politician, a garbage collector, a village party secretary or even a military officer. For many people in China, being entrepreneur has become a way of life. (Berna, 1960) Studied on the social origin of entrepreneurs and found that entrepreneurs belong to the forward community. On the contrast (Murthy, 1989) argued that entrepreneurs can emerge from any family background. Caste and tradition do not play an important role in the emergence of enterprises. He also propounded that, hold of caste structure on occupation in India is getting loosened throwing the door of opportunities wide open to people who are willing to take risk. (Bal and S.Judge, 2001) in their study in the most disturbed village in the entire district of Amritsar described the process whereby entrepreneurship among members belonging to a particular caste and religion emerged as a result of terrorism. They found that it was the political instability due to the insurgency and terrorism that have facilitated the emergence of entrepreneurial group which took the advantage of the economic vacuum.

### **Significance of the study:**

As per the 2001 census there were 1,825,949 SCs and 3,308,570 STs population which constituted 6.9% and 12.4% respectively to the total population of 26,655,528 in Assam. In Kokrajhar there were 31,167 SCs and 3,04,985 STs that constitute 3.44% and 33.67% respectively to the total population of 9,05,364. In non-industrialist societies, entrepreneurship has only been considered important recently because the agricultural peasants' societies were oriented towards subsistence production rather than towards unlimited production for the sake of profits, and the values operating in these societies curb any tendency towards accumulation and increase of wealth that may upset the traditional ordering of the society. Despite the active initiative and involvement of governmental and non-governmental organizations in taking up and implementing programmes for the upliftment of these socially and economically backward communities, lack of

permanent income generating employment remains a major disturbing feature in their development. Most of these measures have yielded some results but are not commensurate with the efforts and the needs of the target groups. While exploring the causes of entrepreneurial backwardness of weaker communities, the overall background of the community needs to be examined. So, it is imperative to identify the causes of the backwardness of entrepreneurial behaviour and forward suggestions and recommendations in achieving the stipulated targets by making an intensive scientific enquiry. The study will also find out appropriate measures to inculcate positive entrepreneurial zeal. The findings of the study will provide a base for further study to other researchers to encourage additional research rather than providing an exhaustive review of all themes, worthy of debate into the fields of entrepreneurship.

### **Objectives of the Study:**

The study has been undertaken with the following objectives:

1. To study the socio-economic origin of the weaker community entrepreneurs registered under District Industries & Commerce Centre (DI&CC), Kokrajhar.
2. To make an analysis of inter-community entrepreneurial attributes among the weaker community entrepreneurs.
3. To analyze the problems and prospects of entrepreneurial development in such communities under study.

### **Research questions:**

The following research questions are being framed for the study:

1. Are there any factor such as family background, rank in the birth, technical skills, gender, experience, government incentives and institutional finances that influence entrepreneurial activities.
2. Do the entrepreneurs face problems in entrepreneurial activities.

### **METHODOLOGY**

Entrepreneurs may be engaged in any field of activity which may be big or small, registered or non-registered. However, this study focuses on the owners of the units belonging to weaker communities i.e. Scheduled Castes (SCs) & Scheduled Tribes (STs) only that are registered with the District Industries and Commerce Centre (DI&CC), Kokrajhar. The owners of the registered units are considered as entrepreneurs for the purpose of the study.

### **Kokrajhar district is selected on the basis of the following rationale:**

(a) Kokrajhar is one of the first six districts in Assam where Entrepreneurial Motivation Training Centre (EMTC) was set up in the first phase of implementation of Systematic Approach to entrepreneurship development. (b) It is the Head Quarter of the newly formed Bodoland Territorial Council (BTC) in 2003 which constitute four districts, namely Kokrajhar, Chirang, Baksa and Udaguri. (c) It is the district where there is fourth highest concentration of the weaker communities after N.C Hills, Karbi Anglong and Dhemaji. Scheduled Castes (SCs) & Scheduled tribes (STs) constitute 37.11 percent to the total district's population. This district forms the sampling unit.

### **Population & Sample:**

For the purpose of study, the total number of 491 registered entrepreneurs from 04-09-1984 to 01-01-2012, DI&CC, belonging to weaker communities, Scheduled Castes (SCs) & Scheduled Tribes (STs) in the district of Kokrajhar constitute the population and the sample size is 246 entrepreneurs, i.e. 50 % of 491. The non-registered entrepreneurs are not taken into consideration in the study due to lack of reliability of data.

### **Sampling method**

The sampling method adopted by the researcher for the study is Stratified Random Sampling. For true representation of the sample to the population, the study has taken 50% of the total 491 registered SC and ST entrepreneurs from the Kokrajhar District. The population of 491 registered entrepreneurs are classified into the two strata namely Scheduled Castes (111) entrepreneurs and Scheduled Tribes (380) entrepreneurs. Again, each of these strata is classified into male and female. Male and Female of Scheduled Caste entrepreneurs are 92 and 19 entrepreneurs respectively, while the Male and Female entrepreneurs of Scheduled Tribes entrepreneurs are 181 and 199 entrepreneurs respectively. Then proportionate allocation of sample to each of the gender in the strata of Scheduled Caste and Scheduled Tribe is made separately. Hence, Scheduled Castes sample entrepreneurs consist of 46 male entrepreneurs (i.e. 50% of 92 male Scheduled Caste entrepreneurs) and 10 female entrepreneurs (i.e. 50% of 19 female Scheduled Caste entrepreneurs). Likewise Scheduled Tribe sample entrepreneurs consist of 91 male entrepreneurs (i.e. 50% of 181 male Scheduled Tribe entrepreneurs) and 99 female entrepreneurs (i.e. 50%

of 199 female Scheduled Tribe entrepreneurs). The samples which were not found due to discontinuance or dropped out or untraceable is ignored and is being replaced by the nearest member of the dropped or discontinued population entrepreneurs from each group (gender) itself from each stratum (community).

### Sampling frame

Total Population (491) Entrepreneurs						Sample grand total Entrepreneurs (Colmn. c+f)	
Scheduled Castes (111) Entrepreneurs			Scheduled Tribes (380) Entrepreneurs				
(a)	(b)	(c)	(d)	(e)	(f)		
Male	Female	Total (a+b)	Male	Female	Total (d+e)		
92 Entrps	19 Entrps	111 Entrps	181 Entrps	199 Entrps	380 Entrps		
46Entrps (50% of 92)	10Entrps (50% of 19)	56Entrps (50%of 111)	91Entrps (50% 181)	99Entrps (50%of 199)	190Entrps (50%of 380)	246 Entrps	

Note 1: Entrps. means entrepreneurs. Note 2. ST means Scheduled Tribe, Note:3 SC means Scheduled Caste.

The samples of entrepreneurs for the study have been identified on the basis of the following parameters:

1. Entrepreneurs having weaker community origin (Scheduled Caste and Scheduled Tribe only)
2. Entrepreneurs registered from 04.09.1984 to 01.01.2012.

The conclusion and recommendations is based on the findings and analysis of the data collected for the study.

**Sources of data:** The study consists of both the primary and the secondary data.

**Primary Source:** Primary data is collected with the help of schedule through personal interaction and interview with the sample entrepreneurs.

**Secondary Sources:** Secondary data was collected from books, journals, newspaper articles, Kokrajhar DI&CC report, Statistical Handbook, Statistical Hand book Kokrajhar, etc. Some online journals were also consulted for reference.

### Limitations:

- The study is limited to only 246 samples of weaker community entrepreneurs registered with DI&CC, Kokrajhar district of Assam. Behaviour was depicted and results were drawn only on the basis of responses collected from such 246 weaker community sample entrepreneurs.
- The study is limited to the time period from June 2008 to December 2012.
- The nature of study is also psychological and behavioural. Many a times, the entrepreneurs might not have expressed their exact feelings and attitude or partially have revealed the responses being required.

- Lack of active cooperation from the entrepreneurs while collection of data with the help of schedules was felt because of their busy time schedule.

### Data Analysis, findings and discussions:

The major findings of the study are enumerated below-

- 1. It has been found that 77.40 % (380) sample entrepreneurs of the total registered (491) weaker community entrepreneurs under the study are STs. It consists of 52.36% (199) Female and 47.64% (181) of Male entrepreneurs to the total 380 ST entrepreneurs. Here, there are more ST Female entrepreneurs than ST Male entrepreneur which means women are more interested in entrepreneurship than the men which is a very rare case. Schedule Caste consists of 22.60% (111) of the total registered (491) weaker community entrepreneur. Male SC entrepreneurs constitute 82.90% (92) whereas female SC entrepreneur constitute only 19 (17.10%) to the total SC entrepreneur. This shows that men are more interested than entrepreneurship than women.
- 2. The single maximum number of activity of registered entrepreneurs are weaving/handloom comprising 41.05% (101) to the total (246) registered weaker community entrepreneurs and were found to be from ST community. This may be because of the tendency they have towards weaving where the Tribal community weave their own cloths. In Tribal community, once women who do not know how to weave their own dress were not considered to be eligible for marriage which is why women are still going for weaving. This may be also because of the Governmental efforts through schemes available to them. The second and the third highest concentration of entrepreneurial activity were found to be wood/cane/bamboo furniture consisting of 10.16% (25) and rice, atta and wheat mill of 8.94% (22)

respectively. SC community were found to be mostly engaged in furniture/bamboo/wood/cane activity which is also a community-based activity.

- 3. That 34.1% (84) sample entrepreneurs of the total sample of 246 are born as the first child into the family. It may be because of the family burden or the responsibility placed upon them that they account for the highest percentage to earn bread and butter and to further the studies of the younger siblings. This is followed by last child born to the family comprising of 26.8% (66) to the total sample entrepreneurs.
- 4. Different communities are motivated differently for taking up the entrepreneurial activity. (a) SCs female entrepreneurs: "by the encouragement provided by the government (incentives) and financial institution" topped the rank. Rank-I (weighted score= 35, Rating % = 35%) of 10 female entrepreneurs, followed by reason "for self-employment as an alternative to my unemployed conditions" as rank-II (weighted score=28, Rating %= 28%). (b) SCs male entrepreneurs: "for using my technical competence in a specialized area" ranked-I. (weighted score=65, Rating %=23.6%) of 46 SC male entrepreneurs, followed by the reason "by the encouragement provided by the government incentives and financial institution" as ranked-II. (weighted score=52, rating %=18.8%). It may be because of the caste-based activities at which the entrepreneurs are comfortable with, who can carry their age-old activities with the help of the incentives provided by the government. (c) ST female entrepreneurs: "for using my technical competence in a specialized area" is accorded the rank-I(weighted score=134, rating %=22.6%) of 99 female entrepreneurs. This may be because of the tendency and inclination they have towards weaving where once women who do not know how to weave their own dress were not considered to be eligible for marriage. This is followed by the reason "by the encouragement provided by the government incentives and financial institution" as rank-II (Weighted score=125, rating%21%). Thus, the second reason has reinforced the first reason. (d) ST male entrepreneurs: The reason "by the encouragement provided by the government (incentives) and financial institution ranked the top list which accounts for rank-I(weighted score=114 and rating%20.9%) of 91 male entrepreneurs. The reason " for self-employment

as an alternative to my unemployed condition " ranked the second most important reason. Rank-II (weighted score=110, rating%20.1%). There is only a slight difference between the score of rank-I and the rank-II reason. Here the rank- I reason is considered as a pull factor and the rank-II is considered the push factor for entering into entrepreneurship.

- 5.The problems faced by different strata of sample entrepreneurs during the start-up process are found to be different to different strata. (a) SC female entrepreneurs: Rank-I, arrangement of seed capital (Weighted score=28, rating%46%). Rank-II, cumbersome procedure (weighted score=13, rating%21.5%). (b)SC male entrepreneurs: Rank-I, arrangement of seed capital (weighted score=70, rating%25.4%). Rank-II, cumbersome procedure (weighted score=66, rating %23.9%) (c)ST female entrepreneurs: Rank-I, arrangement of seed capital(weighted score=211, rating%35.5%). Rank-II, cumbersome procedure (weighted score=114, rating%19.2%) ST male entrepreneurs: Rank-I, red tapeism/favouritism (weighted score=158, rating%29%). Rank-II, arrangement of seed capital (weighted score=128, rating%23.5%).

#### Suggestions:

1. There should be a training facilities for the entrepreneurs in the areas of their technical issues relating to new methods of production, marketing and problem handling so that they can compete with their counterparts in the present cut throat and fluctuating market position.
2. There should also be hand holding support from the leading entrepreneurs in the concerned areas/activities to keep them motivated and engaged.
3. There should be incentives from the government in the areas of finance as per their genuine needs.
4. There should be healthy competition and prize distributions from amongst the local entrepreneurs in the exhibitions or trade fairs entrepreneurs arranged by the government or the NGOs.
5. There should also be a programme for developing Visions, Mission, Objectives, Strategies and Action plans (VMOSA) amongst the entrepreneurs to sustain in the hard times as because it is in this hard-times they fail to sustain. Helping developing Vision will helps or assist in sustaining because it is not what they can see with

their physical eyes but what they can see with their mind that helps them standing in the tough times

**Conclusion:** Energetic entrepreneurs contribute effectively to national prosperity. Weaker communities today is lacking behind because of the dearth of entrepreneurship. Weaker community entrepreneurs can embark the economic progress. Broadly speaking, Weaker communities can create wealth through starting small business such as pan shops, restaurants, and bicycle repairs shops, as well as innovates entirely new technologies and products. They are important to our economic well-being who could challenge the conventional vision of what is possible and turn one generation's fantasies into the next generation's necessities. They contribute to the economic progress and well-being by mobilizing their unutilized or less utilized resources or less productive to more valuable employment. Weaker Community Entrepreneurs play an important role in the economic growth and development of a nation because they form a large portion the population. It goes well with the saying, *"Without Weaker community entrepreneurs we are poorer and with Weaker community entrepreneurs we are richer"*

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