

## Entrepreneurship Development in North Eastern Region with Special Reference to IIE, Guwahati



### Commerce

**KEYWORDS :** Creativity, Challenges, Entrepreneurship, Growth, Opportunities

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### ABSTRACT

*Entrepreneurship is the process undertaken by the entrepreneur to materialize his/her business interest, involving creativity and innovation. It is a process of identifying opportunities in the market place, arranging resources required to pursue the opportunities and investing the resources to exploit them for long term gains. With the increasing unemployment, growing student unrest in academic institutions and for harnessing the vigour of the educated youth the significance of entrepreneurship is growing year after year. The present study will throw light on the role of entrepreneurial institutes in the growth of entrepreneurship, the various challenges and opportunities that exist for the entrepreneurs in north eastern region. The future scope of the study can be a comparative analysis of the growth, opportunities and challenges of entrepreneurship in the other parts of the country.*

### Introduction

Entrepreneurs are individuals who recognize opportunities even in frenzied situations. They act as aggressive catalysts of change in the market place, challenging the unknown opportunities and constantly creating the future. An entrepreneur is a multi-talented personality, performing the roles of owner, manager, financier and promoter. They have been the juncture of modernization, creativity and innovation. According to J.B. Say, "An entrepreneur is the economic agent who unites all means of production, land of one, the labor of another and the capital of yet another and thus provides a product. By selling the product in the market he pays rent of land, wages to labor and interest on capital and what remains is his profit."

Entrepreneurship is the process undertaken by the entrepreneur to materialize his/her business interest, involving creativity and innovation that will go towards establishing his/her enterprise. It refers to the process of identifying opportunities in the market place, arranging the vital resources to pursue these opportunities and investing the resources to develop opportunities for long term gains. As said by A.H Cole, "Entrepreneurship is the purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain or organize, a profit oriented business unit for production or distribution of economic goods and service."

### Significance

With the increasing unemployment, growing student unrest in academic institutions and for harnessing the vigour of the educated youth the significance of entrepreneurship is growing year after year. The problems like poverty, low standard of living, low productivity, regional backwardness, economic disparity, etc can be solved with the entrepreneurial activities. Entrepreneurial talent exists in every country which can be nurtured and flourished with the help of favorable environment. Entrepreneurship Development Programmes (EDP) thus emerged due to furthering of this talent. EDP was initiated in 1970 under the sponsorship of State Financial cum Promotion Institution and Gujarat Industrial and Investment Corporation. Later on financial institutions and industrial promotion agencies jointly sponsored a separate centre for entrepreneurship development to administer programmes. The success of this centre convinced the national financial institutions to organize such programmes for other states as well. The Entrepreneurship Development Institute (EDI) of India was set up in 1983 to conduct research, offer consultancy and training to state level agencies in carrying out their programmes. The major role in the entrepreneurship development is played by NEITCO, NECON, NSIC and IIE in the states of the North East.

Entrepreneurship development and training is, thus, one of the key elements for development of micro and small enterprises (MSEs), particularly, the first generation entrepreneurs. To undertake this task on regular basis, the Ministry has set up three

national-level EDIs. These are the National Institute for Micro, Small and Medium Enterprises (NI-MSME), Hyderabad; the Indian Institute of Entrepreneurship (IIE), Guwahati and the National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida. Further, the Ministry has been implementing important schemes, namely, Scheme for Assistance for Strengthening of Training Infrastructure of Existing and New Entrepreneurship Development Institutes (EDIs). The main objectives of the scheme are (i) promoting entrepreneurship for creating self-employment through enterprise creation; (ii) facilitating creation of training infrastructure; and (iii) supporting research on entrepreneurship related issues.

### SCHEMES

The various schemes provide financial assistance to state-level existing or proposed institutions which are meant for supporting entrepreneurship development and self-employment activities. Under the scheme, a grant is given for setting up of new EDI and also for up-gradation and modernization of existing EDIs in the country by the government. Under this scheme, a matching grant of 50 % (subject to a ceiling of Rs.100 lakh) is provided for building, equipment, training aids etc., the balance being contributed by the State/Union Territory Governments and other agencies. The financial assistance provided under the scheme is an aid to the contribution and efforts of the State/Union Territory Governments and other agencies. The scheme does not grant funds meeting the recurring expenditure of the institute. The organizations seeking assistance under the scheme should be registered as not-for-profit organization with entrepreneurship development as its main objective, should hold a clear title of the land required for setting up of the proposed/existing institution, have a separate bank account in a scheduled bank in which all receipts/funds received by the institute should be credited and payments made on the basis of authorization by the Governing Council of the institute. All the proposals under the scheme are required to be forwarded by and routed through the concerned State/UT Government.

### Objectives

- To identify the various entrepreneurial training institutes in NER.
- To study the growth trend & activities of Entrepreneurial institutes in NER.
- To identify the challenges and opportunities involved in NER

### Research methodology

It is a descriptive study based on secondary data collected from various websites, books and annual reports. Out of the few institutes in Guwahati, IIE situated in Guwahati has been selected for the study.

### National Small Industries Corporation Ltd. (NSIC)

NSIC is an ISO 9001 certified company which was established

in 1955. It is working towards achieving its mission of promoting, aiding and fostering the growth of small scale industries and industry-related small scale services/business enterprises in India. Over a period of fifty years of transition, growth and development, NSIC has proved its strength not only within the country but also abroad by promoting modernization, upgradation of technology, quality consciousness, strengthening 144 channels linked with large medium enterprises and enhancing exports -projects and products from small industries. NSIC runs its operations through 9 Zonal Offices, 33 Branch Offices, 14 Sub Offices, 10 NSIC Business Development Extension Offices, 5 Technical services Centres, 3 Extension Centres and 2 Software Technology Parks supported by a team of over 500 professionals widespread in the country. NSIC carries forward its mission to help small enterprises with a set of specially built schemes designed to put them in a competitive and advantageous position. The schemes comprise of facilitating marketing, credit, technology and other support services.

**North Eastern Industrial and Technical Consultancy Organisation Ltd. (NEITCO)**

NEITCO is a premier consultancy organization established in 1973 by the all India financial institutions, Nationalized Banks and State Development Corporations with the support of Industrial Development Bank of India (IDBI) to cater to consultancy needs of the North Eastern Region. The mission of NEITCO is to provide quality, cost effective and timely consultancy service to the clients and sponsors with utmost satisfaction. It has contributed for the development of entrepreneurship spirit among the youth in promoting self employment at grass-root level through numerous vocational and skill development programmes in the Region. The major beneficiaries of these programmes include small and medium scale entrepreneurs, researchers, academicians, state level bodies and Government Departments.

**North-Eastern Industrial Consultants Ltd. (NECON)**

During 1999-2000, NECON completed 28 assignments including 25 feasibility studies/project/reports/profiles, and 1 survey and 2 other assignments. It conducted 19 EDP programmes which imparted training to 480 individuals. It also conducted 598 Entrepreneurship Awareness Programmes including 100 skill upgradation programmes, 488 Entrepreneurship Development Programmes under PMRY and under Jute Diversification, 7 Awareness Workshops and 3 training programmes.

**Indian Institute of Entrepreneurship (IIE)**

It was set up at Guwahati in 1993. It took over NI-MSME's NER Centre w.e.f. 1st April, 1994. Since its establishment the Institute has organized many training programmes / workshops / seminars / meets with a cumulative participation of thousands of persons. It has extended its operational activities not only in terms of geographical coverage but also in terms of diversification into various related areas of the activities leading to socio-economic development. The Institute regularly organizes training programmes and undertakes research and consultancy services in the area of promotion of MSMEs and entrepreneurship. The promotion of new entrepreneurs has been the focal point of training activities organized by IIE and thus it

Type of programmes	No. of programmes		
	2009-10	2010-11	2011-12
Entrepreneurship Development Programmes (EDP)	114	121	91
Entrepreneurship and Skill Development Programmes(ESDP) & Skill Development Programmes (SDP)	11	350	625
Management Development Programmes (MDP)	45	20	10
Others	127	65	89
<b>Total</b>	<b>297</b>	<b>556</b>	<b>815</b>

organizes rural, general and women entrepreneurship development programmes (EDPs) and sector specific EDPs.

The Institute under the sponsorship of the Ministry of MSME, Government of India has initiated a unique programme of Comprehensive Entrepreneurship Development (CEDP) on gemstones processing and hosiery & woolen garment manufacturing. Under CEDP, the Institute organized many entrepreneurship development programme of three months duration for hosiery and woolen garment manufacturing at Itanagar in Arunachal Pradesh, which was attended by 8 entrepreneurs and many other places of North East. The Institute has also set up two training centres, one at Guwahati and the other at Aizawl, in association with Directorate of Industries, Government of Mizoram, for gemstone processing. For hosiery & woolen garment manufacturing, two centres were set up in Sikkim and Arunachal Pradesh, in collaboration with the Khadi and Village Industries Boards of respective State Governments. The project, which is the first of its kind in North East, imparts skill development training to prospective entrepreneurs and artisans along with incubation facilities and technical support/ guidance for market linkages.

IIE has also launched the Post Graduate Diploma Course in Management and Entrepreneurship (PGDME), which aims at providing comprehensive inputs on entrepreneurial as well as managerial aspects of running a business. Considering the importance of creating environment for entrepreneurship development, the Institute organizes programmes for unemployed youth and orientation of support officials, awareness programmes and faculty development programme on entrepreneurship for students and college and university teachers. The Institute has also been involved in setting up of Information & Career Guidance Cell (ICGC) in a number of colleges through its Teachers' Training Programmes.

**Analysis and Findings**

The IIE has a number of programmes and has performed many activities for the development of entrepreneurship in the NE Region.

**Table 1: Category wise break up of programmes for 2009-10, 2010-11 and 2011-12**

The fall in the number of EDPs and MDPs indicate the lack of participation by population which shows a fall in demand and also decline in the success rate of EDPs. While the ESDPs/SDPs are on a rising trend, reflecting the ability of these programmes to satiate present economic requirements of entrepreneurial growth. The focus on entrepreneurship has shifted from simply development of entrepreneurial business and management of the same to development of skills along with entrepreneurship. While other programmes conducted by IIE showed a downfall but again pictured a surge in the year 2011-12 indicating a rise in demand for such programmes which aid flourishing of entrepreneurial development.

Type of programmes	No. of participants		
	2009-10	2010-11	2011-12
Entrepreneurship Development Programmes(EDP)	3045	3246	2839
Entrepreneurship and Skill Development Programmes(ESDP) & Skill Development Programmes (SDP)	284	9393	17983
Management Development Programmes (MDP)	1292	568	234
Others	7403	3630	5528
<b>Total</b>	<b>12024</b>	<b>16837</b>	<b>26584</b>

**Table 2: Category wise break up of participants for 2009-10, 2010-11 and 2011-12**

The EDPs and MDPs have registered a downward trend in the enrollment of participants while the ESDPs/SDPs encompassed a high participation rate reflecting the awareness of the population for not only the need of programmes for entrepreneurial development but also development of skills for supporting the entrepreneurs. The other programmes registered an upward trend in 2011-12 indicating that the changes in the perception and mindset of the populace were taken into account and programmes were tailored accordingly, in tandem with the overall changes taking place in the economy. The participative trend is supportive of the trend showed in Table no. 1.

States	No. of training programmes organized
Assam	227
Meghalaya	49
Manipur	42
Nagaland	40
Tripura	39
Arunachal Pradesh	31
Sikkim	31
Mizoram	23

**Table 3: State wise training programmes held in 2011-12**

The number of programmes organized is the highest in Assam and there lies a huge difference in the number of programmes organized in the other states which shows that equal treatment is to be meted out to all the states if an all round development is expected in the region in the field of entrepreneurship development.

States	No. of trainees
Assam	7227
Meghalaya	935
Manipur	1498
Nagaland	1459
Tripura	676
Arunachal Pradesh	1247
Sikkim	1573
Mizoram	931

**Table 4: State wise trainees for the year 2011-12**

A very high enrollment of trainees can be seen in the state of Assam followed by Manipur and Nagaland. The above table indicates that IIEs strength for conducting programmes in NE and also the participation is centered in Assam, implicating the lack of awareness and participation amongst the population in the other states of NE. The institute has been giving special thrust on the upliftment of the downtrodden and weaker section of the society. Apart from concentrating on women beneficiaries, the IIE takes particular care to organize programmes for SC, ST and minorities.

**Challenges and opportunities**

- The role of an entrepreneur is very essential for the socio economic development of a country. Because entrepreneurs help to generate employment, increase standard of living, maintain a balanced regional development. But in the North Eastern region of the country there is a dearth of growth of the entrepreneurial profession. The reasons being many, some of which are highlighted below:

- Lack of entrepreneurial tradition in the state.
- Lack of awareness or information on various opportunities that exist for entrepreneurs.
- Lack of proper motivation and support from family, friends and society
- Entrepreneurs are considered as having low prestige and value in the society
- Entrepreneurs of NE region by and large do not want to take risk and want to follow the footprints of successful entrepreneurs and thus end up to be called as businessman and not entrepreneur.
- Lack of adequate financial, technical, marketing and research and development activities or expertise support in the region.

The above are only a few challenges which are possessed by the people of the region apart from having several other problems like

**Less number of training institutes:** IIE being the prime training institute in the region catering to the needs of all the eight states of NE region which are highly populated and thus is greatly insufficient to promote entrepreneurship in a large scale.

**Geographic terrain:** The location of the state also makes it difficult for the entrepreneurs to achieve success. Because of its extreme location the supporting, stimulating and consultancy services are difficult to access. Apart from these the transportation and communication of raw materials and finished products also makes it difficult for the entrepreneurs to survive.

The opportunities are still very large in the region. There are huge numbers of unexplored business ideas still floating in this region. The natural resources being the greatest strength, one can think of doing something in the travel and tourism business, hotel business, making fruit and vegetable processed items. There are some specific fruits which grow in abundant in the region like Kiwi fruit, papaya, banana, betel nut, coconut, oranges, amla and pineapples. These fruits can be processed to be transformed into pickles, jams, juices etc. There are other business opportunities like animal husbandry, bee keeping etc which can also be harnessed apart from it a traditional line of business of making bamboo and cane products.

There exists another challenge which is the existence of only a single government marketing department called NERAMAC which has its office in Guwahati is catering to the entire region. There should be some more offices with increase number of resource persons so as to help the localities in the manufacturing process of making standardized items.

The growth rate of population in Assam is not proportionate to the number of awareness and training programmes organized and the number of training institutes available in Assam. With the increasing ratio of population there should also be a rise in the number of entrepreneurs then only can a state be called a developed state as it will witness an all round development of the region. The capacity and skill of an entrepreneur is not binded only inside the four walls of her/his factory premises rather the light of ideas extends to the whole region. The initiator of an entrepreneurial act is single but the beneficiaries of it are many. Thus, there is also an immediate need in the growth of number of entrepreneurs in the state.

**Conclusion:**

The present study is limited only in the state of Assam and its adjacent regions, a future study can be taken up in the other parts of the country so as to know the rate of growth and development of entrepreneurs and entrepreneurial activities and add up valuable suggestions for the development of the region. The present study successfully highlights the contribution of the entrepreneurial institutes in development of entrepreneurship in the NE economy, the various challenges which are required to be overcome and the opportunities which are required to be explored.

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