

Entrepreneurship Development in North East India: A study on Initiatives taken by Indian Institute of Entrepreneurship (IIE)

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ABSTRACT

Entrepreneurs are the people who channelize various resources of production and starts new business establishments with their creative ideas. A country may be rich in resources but if it lacks entrepreneurs the resources remains underutilized and in turn the country lags behind in economic development. After the Kakinada experiment on entrepreneurship development training during the mid 1960s, the myth that entrepreneurs are born, no more holds good, rather it is well recognized now that the entrepreneurs can be created and nurtured through appropriate interventions. North Eastern Region of India has long been neglected in terms of both economic and social development. Richness of natural resources in this region displays a huge opportunity for investment and growth of enterprise in the region. For decades, this part of the country has been a black-hole for business and enterprising. Moreover, the region is suffering from ethnic violence for decades resulting in lack of opportunity for people to exercise their entrepreneurial spirit. The Indian Institute of Entrepreneurship (IIE) was established to carry out training, research and consultancy activities in small and micro enterprises focusing on entrepreneurship development. This paper aims to study the trend of the various entrepreneurship training programmes under IIE over last five years and to focus on the role played by IIE to develop awareness for entrepreneurship in North East India. The findings from the study indicates that there have been an increasing trend both in the number of programmes and number of participants under each program of IIE conducted over the years under the study and IIE has taken initiatives in all dimensions to promote entrepreneurship.

Key words: Entrepreneurs, (IIE), North East India.

INTRODUCTION

The term “entrepreneurship” comes from the French verb “entreprendre” and the German word “unternehmen”, both means to “undertake”. Bygrave and Hofer in 1891 defined the entrepreneurial process as, involving all the functions, activities, and actions associated with

perceiving of opportunities and creation of organizations to pursue them. Entrepreneurship is the process undertaken by the entrepreneurs to materialize his/her business interest, involving creativity and innovation that will go towards establishing his/her enterprise. It refers

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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".

The level of economic growth of a region to a larger extent depends on the level of entrepreneurial activities in a region. In the era of liberalisation, privatisation and globalisation along with ongoing IT revolution, capable entrepreneurs are making use of the opportunities emerging from the evolving scenario. However, a large segment of the population, particularly in the industrially backward areas, lags behind in taking advantage of these opportunities. Therefore, there is a need to provide skill development and entrepreneurship development training to such people in order to mainstream them in the ongoing process of economic growth. Entrepreneurship training and its awareness is thus one of the key elements for development of entrepreneurship.

To undertake this task on a structured manner, Government of India has set up three national-level Entrepreneurship Development Institutes (EDIs) which are as follows-

- 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.

In addition to these, Entrepreneurship training programmes are also being conducted and organised by large number of Government and non-government agencies in India like-

- Entrepreneurship Development Institute Of India (EDII),
- Institute for Entrepreneurship Development (IED),
- Science and Technology Entrepreneurship Parks (STEPs),
- The Centre for Entrepreneurship Development (CED),
- Development Banks etc.

Entrepreneurial Development Programmes are meant to inculcate entrepreneurial traits into a person, imparting required knowledge, developing the technical, financial, marketing and managerial skill and building the entrepreneurial attitude.

In order to run the programmes efficiently, people in the societies are divided into different strata which is known as "targeted groups". These groups are composed of technical and qualified persons, ex-servicemen, business executives, students, women entrepreneurs, SC and ST entrepreneurs etc.

The Indian Institute of Entrepreneurship (IIE) was set up at Guwahati in 1993 by the Ministry of Micro, Small and Medium Enterprises (earlier known as Ministry of Small Scale Industries), Government of India as an autonomous national institute. The institute's activities are focused in the areas of stimulating, supporting and sustaining entrepreneurship development with special emphasis on North Eastern Region. The institute is constantly evolving in accordance with the emerging needs of the MSME sector. Since its establishment and up to

March 2014, the Institute has organized 4813 programmes with 1,68,867 participants.

Present Socio-Economic Condition prevailing in North East India

Today's North-East India is composed of eight sister states namely Assam, Arunachal Pradesh, Meghalaya, Manipur, Nagaland, Mizoram, Tripura and Sikkim. It is one of the most backward regions in the whole country. Its socio-economic condition reveals that though India has attained political freedom, yet it has not been able to gain freedom from wants, hunger, unemployment and exploitation. Growing insurgent activities, ethnic clashes, frequent violation of human rights coupled with mal-administration and corruptions are the common events in today's North-East India. Moreover, prevalence of socio taboos, superstitious belief, usage of traditional methods of production etc. are the prominent feature of the socio-economic life in NE India. It is characterized by low per capita income, poor rate of capital formation, heavy population pressure, lack of infrastructure, excessive dependence on agriculture and backward transport and communication system.

Statement of the Problem

Entrepreneurship is considered as backbone for economic development. It has been observed that the major factor which damages spirit of entrepreneurship is "societal pressure" that is respect for service class (Arun Kumar Jha, Director of IIE Guwahati & Director of NIESBUD). The North-eastern region will generate 2.6 million jobs, but the manpower supply will be 16.8 million persons till the year 2022 (Indian chamber of commerce in its report entitled India's North-East Diversifying Growth Opportunities), which itself gives

an impression of unemployment scenario in the region. The region is blessed with flora and fauna and forest resources which provide scope for tourism, bamboo industries, handloom industries, transportation industries etc. The emerging trend of e-commerce which requires technical know-how has added to this predicament, the educated youths of this region even after having academic qualifications could not relate their knowledge with entrepreneurial proficiency. Owing to this circumstance, it was felt necessary to study and analyse the trend of growth of entrepreneurship in the North Eastern part of this country.

Need of the study

Indian Institute of Entrepreneurship, Guwahati is a premier institute in North eastern India which works for promoting entrepreneurship. A necessity is felt to know the training programmes conduct by IIE with its growth. The number of trainees in different programmes indicates the interest of people at large in respective programmes. The particular programmes which are accompanied by larger numbers of trainees must be nurtured more and for others, having lesser number of trainees, measures of improving must be explored. In this context, out of three national-level Entrepreneurship Development Institutes (EDIs), the role played by Indian Institute of Entrepreneurship (IIE), Guwahati is highlighted.

Objectives of the study

- To study the trend of programmes conducted by Indian Institute of Entrepreneurship, Guwahati, over last five years.
- To study the trend of trainees participated in various training programmes

conducted by Indian Institute of Entrepreneurship, Guwahati, over last five years.

- To highlight the various initiatives taken by Indian Institute of Entrepreneurship, Guwahati, in promoting entrepreneurship in north eastern region of India.

METHODOLOGY

This research paper is in the form of a descriptive study. The present study is based on secondary data. The secondary data were collected from various published sources. Relevant data for five years (i.e., from 2009-10 to 2013-14) has been collected. The findings were discussed in the light of published literature. For identifying the trend in number of programmes and growth in number of participants’ percentage is used. To know the various measures undertaken by IIE for promoting entrepreneurship a thorough review of literature is done. Average participants in each programmes is ascertained by dividing the number of trainees with the number of programmes to

grasp the per programme number of trainees.

OBSERVATION

Trend of Entrepreneurship Development Programmes conducted by Indian Institute of Entrepreneurship (IIE), Guwahati

As it is said “Entrepreneurship is catalyst for economic development”, Indian Institute of Entrepreneurship (IIE), Guwahati, has taken such an endeavor to motivate, promote and nurture entrepreneurship so as to help in economic development of the region. The Indian Institute of Entrepreneurship (IIE), Guwahati, since inception, has conducted a good number of training programmes and various other events to perk up the entrepreneurial skill and motivate the youth to start their own business and become successful entrepreneur. In this context, it is noteworthy to study and analyse the growth/decline in the number of programmes conducted by the institute over the study period. Following table (Table 1) reveal the said trend.

Table 1. Trend of number of training programmes conducted by Indian Institute of Entrepreneurship, Guwahati, over last five years

PROGRAMMES/ FINANCIAL YEARS	2009-10	2010-11	2011-12	2012-13	2013-14
Entrepreneurship Development Programmes (EDP)	114	121	91	17	27
Growth Rate (%)		6.14	-24.79	-81.31	58.82
Entrepreneurship and Skill Development Programmes (ESDP) & Skill Development Programmes (SDP)	11	350	625	1348	312
Growth Rate (%)		3081.81	78.57	115.68	-76.85
Management Development Programmes (MDP)	45	20	10	19	27
Growth Rate (%)		-55.56	-50	90	42.10
Others	127	65	89	77	135
Growth Rate (%)		-48.81	36.92	-13.48	75.32
Total	297	556	815	1461	501
Growth Rate (%)		87.20	46.58	79.26	-65.70

Source: Indian Institute of Entrepreneurship, Annual Reports (For the financial years 2009-10 to 2013-14).

It is observed from the table that initially in the year 2010-11 the no. of EDPs has increased by 6.14 % but then in two subsequent years it shows reducing trend of -24.79 % and -81.31% respectively. Lastly in 2013-14, 58.82% increase in the number of programmes can be seen.

In the case of Entrepreneurship and Skill Development Programmes (ESDP) & Skill Development Programmes (SDP) initially a massive growth of 3081.81 % can be observed. In the subsequent two years 78.57 % and 115.68% growth can be seen. But lastly in the year 2013-2014 there was a decline of -76.85% in such programmes. It is worthy to mention here that these set of programmes are meant for inculcating skill into the participants and its growth shows the interest of the institute to conduct the same.

The analysis of Management Development Programmes (MDP) signifies that there is initial decline of -55.56% and -50% in the years 2010-11 and 2011-12 respectively. But later in the subsequent years, i.e 2012-13 and 2013-14 positive growth is observed in the no. of such programmes.

In the set of other programmes a decline of -48.81% is viewed in the year 2010-11, in 2011-12 these programmes increased to 36.92% again in the year 2012-13, -13.48% reduction is observed. In the year 2013-14, an increase of 75.32% is observed in the pro-

grammes.

Overall impression about the programmes is that the number of programmes is increasing though not in a uniform manner which indicates that the Indian Institute of Entrepreneurship is putting continuous effort in developing entrepreneurship in the region.

After observing the trend of increase/decline in the number of programmes conducted by Indian Institute of Entrepreneurship, (IIE), Guwahati, it is felt necessary to study the trend of participants who participated in such programmes.

Trend of participants under each training programme of Indian Institute of Entrepreneurship (IIE), Guwahati

The programmes conducted by the institute intend to promote entrepreneurship by way of stimulating entrepreneurial education among the mass of the North East Region. Since the success of the programmes conducted by the Indian Institute of Entrepreneurship (IIE), Guwahati depends upon the active participation of trainees, it is of great importance to analyse the growth/decline in the number of trainees participating in the programmes conducted by Indian Institute of Entrepreneurship (IIE), Guwahati. Table 2 highlights the trend of trainees who participated in the programmes conducted by the institute over the past five years.

Table 2: Trend of participants under each program of Indian Institute of Entrepreneurship over last five years

PROGRAMMES/ FINANCIAL YEARS	2009-10	2010-11	2011-12	2012-13	2013-14
Entrepreneurship Development Programmes (EDP)	3045	3246	2839	463	710
Growth Rate (%) -		7.19	-12.53	-83.69	53.34
Entrepreneurship and Skill Development Programmes (ESDP) & Skill Development Programmes (SDP)	284	9393	17983	39575	9235
Growth Rate (%) -		3207.39	91.45	120.06	-76.66
Management Development Programmes (MDP)	1292	568	234	624	943
Growth Rate (%) -		-56.30	-58.80	166.67	51.12
Others	7403	3630	5528	3625	12471
Growth Rate (%) -		-50.97	52.29	-34.42	70.93
Total	12024	16837	26584	44287	23359
Growth Rate (%) -		40.03	57.89	66.59	-47.26

Source: Indian Institute of Entrepreneurship, Annual Reports (For the financial years 2009-10 to 2013-14).

It is observed from the table that the number of participants in EDPs increased by 7.19% in the year 2010-11, then for the next two subsequent years the growth is negative that are -12.53% and -83.69% respectively and in the year 2013-14 the growth has increased by 53.34%.

In Entrepreneurship and Skill Development Programmes (ESDP) & Skill Development Programmes (SDP) in the year 2010-11 there is a huge increase in the number of participants that is 3207.39% and for the next two year also there is positive growth that are 91.45% and 120.06% respectively but in the year 2013-14 the growth is negative that is -76.66%.

In the case of number of participants in Management Development Programmes (MDP) for the year 2010-11 and 2011-12 there is negative growth of -56.30 and -58.80. In the year

2012-13 and 2013-14 the growth is positive which are 166.67 and 51.12 respectively.

In the others category of programmes, in the year 2010-11 the growth is negative which is -50.97%, in the year 2011-12 the growth is positive which is 52.29%, in the year 2012-13 the number of participants get reduced by -34.42% and in the year 2013-14 the increase is 70.93%.

Behind analyzing the trend of number of training programmes conducted by Indian Institute of Entrepreneurship, Guwahati, and trend of trainees participated in all those programmes. It is important here to ascertain the average trainees in each programmes separately so that a clear picture of the exact number of trainees participation in each of the various programmes could be figured out.

Table 3. Table showing average number of participants in each training programmes

PROGRAMMES/ FINANCIAL YEARS	2009-10	2010-11	2011-12	2012-13	2013-14
Entrepreneurship Development Programmes (EDP)	27	27	31	27	26
Entrepreneurship and Skill Development Programmes (ESDP) & Skill Development Programmes (SDP)	26	27	29	29	30
Management Development Programmes (MDP)	29	29	23	43	35
Others	59	56	62	47	92

Source: Researcher's observation.

It can be observed that in Entrepreneurship Development Programmes (EDPs) the minimum average number of participants in each programme is 26 (2013-14) and the maximum average number of participants is 31 (2011-12).

For the Entrepreneurship and Skill Development Programmes (ESDP) & Skill Development Programmes (SDP) the minimum average number of participants in each programme is 26 (2009-10) and the maximum average number of participants is 30 (2013-14).

For Management Development Programmes (MDP) the minimum average number of participants in each programme is 23 (2011-12) and the maximum average number of participants is 43 (2012-13).

And lastly, for the others category, the minimum average number of participants in each programme is 47(2012-13) and the maximum average number of participants is 92 (2013-14).

It can be seen that more or less around 28 trainees joins in each programmes under Entrepreneurship Development Programmes

(EDPs), Entrepreneurship and Skill Development Programmes (ESDP) & Skill Development Programmes (SDP). And in Management Development Programmes (MDP) 32 trainees joins in each programmes throughout the years and for other category of programmes 63 trainees joined the same.

Initiative taken by Indian Institute of Entrepreneurship, Guwahati, in promoting entrepreneurship in North Eastern Region of India

The promotion of entrepreneurship has been one of the sole focuses of the Institute. In order to promote new entrepreneurs, the Institute organizes buyer-seller meets, exhibitions, orientation program, etc. The Institute has been giving special thrust upon the upliftment of weaker sections of the society. The Institute organizes programmes for SC, ST and women folk of rural and tribal areas to promote livelihoods. The latest programmes undertaken by the Institute for employment generation are:

- The Regional Resource Centre (RRC) of the Indian Institute of Entrepreneurship (IIE), Guwahati has been organizing Buyer- Seller Meets for the cluster

artisans and units implemented by it since 2009. These Buyer- Seller Meets organized are humble attempts at giving a platform to the cluster artisans and household units to reach to a wider market cutting across spatial miles and segregated sectors has been working for Cluster Development with projects sponsored by a number of agencies like DC-MSME, DC-Handloom and KVIC.

- Cluster Conclave 2013 - Exhibition of Cluster products: In an effort to showcase the various products developed by cluster artisans so far and also to provide forward linkages for the same, the RRC on Cluster Development has organized one Exhibition of Cluster Products from North East India. The 10 days long Cluster Conclave and Exhibition was jointly organized by IIE and District Industries and Commerce Centre (DICC), Kamrup at Maniram Dewan Trade Centre, Guwahati from 27th December to 5th January, 2014. The programme was divided into two main parts; the physical part (look, touch, feel) and the business part (products, brand, packaging, target customers). But both the parts were blended together with the all encompassing concept of social touch to every ones lives. The initiative aimed to provide platform to the various clusters to understand the market needs and have a direct interaction with the buyers. A wide range of products from the clusters were displayed. It includes exquisite products of silk, various corporate gift items, jewellery, handicrafts, home furnishing items and textiles, food & fruits, etc.
- The Training Programme on Gemstone Cutting and Polishing, Design Diversification, Branding and Packaging was held at IIE, Guwahati from 2nd to 6th of September, 2013 for the artisans of Ranthali Jewellery Cluster, Nagaon. The main objectives of the programme was to provide basic knowledge about identification of Gemstones, training on Gemstone cutting & polishing, design diversification, branding & packaging of products.
- Science and Technology Entrepreneurship Development (STED) Project taken up by Indian Institute of Entrepreneurship in April, 2010 was completed in March, 2014. During the year 2013-14, the Institute trained 323 beneficiaries in Kamrup district of Assam and provided handholding support to them. Out of 323 beneficiaries, 55 have launched their units and generated jobs for 184 individuals.
- Orientation on Self-employment Group & Individual Enterprises: A concerted effort by all development agencies, departments and other bodies can result in generating self-employment avenues in the urban pockets. It would help in value addition of local resources fulfilling the service requirements of the urban households. Thus, promotion of self-employment in urban areas would not only aid in employment generation but also contribute to the economic growth and development of the region. It is in this direction that the Indian Institute of Entrepreneurship (IIE), under the aegis

of the Ministry of Housing and Urban Poverty Alleviation, Govt. of India, organized State level Training Programme on Orientation on Self employment Group & Individual Enterprises in four States of the Region. The training was conducted at Itanagar (Arunachal Pradesh); Agartala (Tripura); Shillong (Meghalaya) and Dimapur (Nagaland). A total number of 184 participants attended the programmes.

- Orientation Course for NSS Programme Officers: The Ministry of Youth Affairs & Sports, Govt. of India has granted “Empanelled Training Institute (ETI)” status to Indian Institute of Entrepreneurship (IIE), Guwahati for imparting regular training to NSS Programme Officers (PO) of North East India. In this context, Indian Institute of Entrepreneurship (IIE) Guwahati, organized 3 Orientation Courses for Programme Officers, National Service Scheme during the month of March, 2014. The programmes were sponsored by Ministry of Youth Affairs & Sports, Govt. of India. The rationale behind conducting these Orientation Courses for Programme Officers is to provide them necessary knowledge, skills and attitude required for effective implementation of NSS Programme.
- Rajiv Gandhi Udyami Mitra Yojana (RGUMY): Providing consultancy services to entrepreneurs is a part of IIE’s initiative for Self Employment. Handholding support for Enterprise Creation is provided to all those who approach the institute for support. The entire process of support in this direc-

tion has been generated through the Rajiv Gandhi Udyami Mitra Yojana (RGUMY). IIE along with its associates Udyami Mitras, has identified more than 35000 prospective Udyamis out of which 17700 were enrolled as Udyamis for providing handholding support. Out of them 8800 Udyamis could start their own Enterprises. IIE has also been organizing workshops on RGUMY at different locations of North Eastern Region to create awareness about the schemes available so that they can take the benefit of these schemes.

- New Initiatives: Sustainable Livelihood Promotion: Under the Centre for Sustainable Livelihood Promotion’s Corporate Social Responsibility Project, a Memorandum of Understanding was signed between Indian Institute of Entrepreneurship and Oil India Limited, Duliajan, Assam. As per the MOU, Oil India as a part of its Corporate Social Responsibility (CSR) has agreed to extend financial assistance for various activities viz. Entrepreneurship Education, Skill Development Training Programme, Livelihood clusters and Solar Solution Initiative for a period of 5 years in the Oil India operational areas. IIE, Guwahati has agreed to implement the above activities under the umbrella of a distinct entity named Centre for Sustainable Livelihood Promotion (CSLP). The Institute organized four Skill Development Programmes, two on Housekeeping and Hospitality Management and two on Gems Cutting and Jewellery Designing, for un-employed youths of Oil India operational districts

of Assam. One Orientation Programme for College Teachers was also organized so that the Teachers can motivate and guide the students for self employment. The Institute also organized two Entrepreneurship Awareness Programmes for College and School students in the Oil India operational areas. The Institute also started Baseline Survey to ascertain the scope and opportunities of socio-economic activities for sustainable growth in the ten identified Blocks of Tinsukia and Dibrugarh districts.

- **Nokrek (Chandigre) Honey Processing Cluster:** The state of Meghalaya, particularly Garo Hills is famous for honey. People have been hunting for bees and making honey in the traditional way and selling them as and when available. However the market is totally un-organized and there is hardly any physical data as to the total quantum of honey produced and sold. Till now the industry is cottage based without scientific extraction, proper bottling, labeling etc. A Diagnostic Study has been carried out by the Institute in 13 villages of West Garo Hills district in and around Nokrek Hills in Rongram Block of Meghalaya.
- **Wooden Furniture Cluster, Mairang, WestKhasi Hills:** The timber industry developed significantly during the 1960's with the establishment of mills. In order to fill the growing gap between domestic demand and supply, it has been importing increasing quantities of timber and timber products in recent years. Pyndengmiong is the village

located in Mairang Sub Division which has the Carpentry Cluster. Carpentry is the major occupation of the village which has been practiced from generation to generation. There are about 50 carpentry units in Mairang spread within 15 kms radius. However majority of them are located in Mairang town. All the carpentry units produce same type of products viz. wooden sofa set (without covers), dining table sets, almirahs, door and window frames, boxes etc. The institute carried out the Diagnostic Study of the Cluster.

CONCLUSION

The present study is an attempt to know the activities of the Indian Institute of Entrepreneurship, Guwahati, over the past five years. On the basis of number of programmes conducted under it and the number of participants who attended such programmes helps to examine how IIE, Guwahati have helped in generating employment through their various programmes. From the study it could be observed that although there is an increasing trend both in the number of programmes conducted and number of participants who attended such programmes still there remains a lacuna in some of the programmes where there is observed a fall in the number of programmes as well as number of participants under such programmes. Therefore, initiative must be taken to improve the number of programmes and lure more number of participants' especially job-seeking youths.

Suggestions:

From the present study the following measures can be undertaken to lure more people in general and especially job-seeking youths to

attain entrepreneurial training programmes-

- More number of 'Awareness programme' or 'People's education programme' may be planned for districts which are far away from state head quarter.
- The training programmes should lay hold of the benefits of new age media.
- Arrangement of finance to start new ventures for trainees.
- Entrepreneurship, as a subject should be incorporated in high school studies so that the students could be made passionate to start their own business without waiting for white collar jobs.

Scope for future study

- Study can be conducted to know the difference in pattern of training imparted for developing entrepreneurship in North-eastern states and other parts of the country.
- Study can be conducted to know the after training views of the participant to know whether their expectation is fulfilled by the Institute or not.
- Study to know different business opportunities, in the North-eastern states along with its training needs to develop requisite skills, can be done.

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