



Role of Development Institutes for Promoting Entrepreneurship- A Study on CMJSY and PMEGP

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Development Institutes, Role, Entrepreneurship

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ABSTRACT *The present Paper makes an attempt to find out the importance of development Institutes in promoting rural entrepreneurship development in the state of Assam. It focuses on functioning of two flagship schemes of two institutes in Assam for rural entrepreneurship development. A through field survey is carried out to know the efficacy of two schemes. The work is based on secondary as well as primary data. For secondary data two development institutes viz. SIRD and KVIC has been selected and from each institutes two flagship schemes i.e. Chief Minister's Jeevan jyoti Swarojgar Yojna (CMJSY) and Prime Minister's Employment Guarantee Programme (PMEGP) has been selected for study purpose. The lists of beneficiaries collected from these two institutes are the sources of primary data. Structured Questionnaire has been framed to collect the data as per the objectives. The data were put in SPSS for analysis and various Cross-tables were framed to get the analysis and findings.*

1. Introduction:

Rural entrepreneurship conjures different meanings to different people. Without going in to semantics, rural entrepreneurship can simply be defined as entrepreneurship emerging in rural areas is rural entrepreneurship. In other words, establishing industrial units in the rural areas refers to rural entrepreneurship or say, rural entrepreneurship implies rural industrialization. Rural industrialization provides the best solution to tackle with the twin problems of unemployment and poverty stalking the rural areas in the country. That is why the government of India has been assigning increasing importance to the development of rural industrialization or entrepreneurship in her subsequent Five-Year Plans. However, the development of rural entrepreneurship is plagued by some major problems in this region, like inadequate flow of credit; use of obsolete technology; machinery and equipment, and inadequate infrastructural facilities. Keeping all these things in mind a large number of Government and Non- Government Organizations/Institutes come forward for developing rural entrepreneurship in this region.

Assam has vast natural and human resources. It has vast cultivable lands with diversified 'agro-climatic' zone and a very large commercial and industrial base. These are supplemented by large pool of intellectual capital of late the Assam masses particularly in rural and semi rural areas have become very conscious of what is happening around them. They are now demanding faster economic and industrial development as well as employment for every one and transparency in matter of governance. The industrialization through entrepreneurship is now considered the most effective means of achieving economic development not only of a State but also of its various regions in a balanced manner. A country is under-developed mainly because of lack of entrepreneurship. The environment of an underdeveloped country is not favorable for the emergence of entrepreneurship. The consequent lack of entrepreneurship results in underutilization of resources leading to low level of industrial output which affects economic progress.

2. Objectives of the Study

The North Eastern region, comprising of the seven states viz. Assam, Arunachal Pradesh Meghalaya Mizoram Nagaland Manipur and Tripura are far lagging behind in the industrialization scene. Though these states accountant for 7.7% of the total land space and 8.7% of the total population of the country (1991 census), Still it only accounts for a mere 1.6% of the total number of industries of the country. According to a survey conducted by the Ministry of Industries, Govt. of India, total number of the industries in the country is 5,82,380

employing about 36,65,810 people while the North East region have 9330 units employing about 68,593 people which are only 1.6% and 1.87% of the country's total respectively.

Industrial backwardness of Assam is reflected in the fact that the contribution of the manufacturing sectors to the state domestic product of the region is much smaller then the contribution of this sector to the national product in the country. Unemployment problem in this region has become a paradox because unemployment is growing not because there is a lack of opportunities for employment but because the unemployed have failed to take advantage of the employment opportunities available through various schemes offered by the development institutes. This has happened mainly for lack of awareness, lack of motivation and failure to get properly equipped for availing the opportunities etc.

Keeping in view the strategic role of finance in the promotion and development of rural entrepreneurship the proposed study has the following objectives:-

1. To assess the extent of utilization of disbursement of some selected schemes provided by the development Institutes for promoting rural entrepreneurship.
2. To identify the problems and prospects of the development institutes as well as the entrepreneurs in providing and availing financing support for rural entrepreneurship in Assam.
3. To formulate strategies for effective utilization of Schemes for providing financing support for development of rural entrepreneurship in Assam.

3. About State Institute of Rural Development (SIRD)

The State Institute of Rural Development (SIRD), Assam is the Apex Institute for Training & Research in Rural Development. It is an Autonomous Institute under the Govt. of Assam registered under Society Registered Act 1860. The Institute has diversified its activities in the recent years and emphasis has been attached on transfer of technology and development of required skilled for taking up self-employment oriented activities in primary, secondary and tertiary sectors. Production of diversified value added handloom items is one of the selected economic activities taken up by SIRD for enlargement of scope for income generation. The Institute has been running 9 Common Facility Centers/ Growth centers besides 8 local level training centers for transfer of technology relating to handloom, particularly Eri and Muga and providing support services like improved training on production of diversified Muga & Eri items, techniques for blending, making different textures, calendaring, design making etc. The Institute has

developed 484 Self Help Groups at village level and setup 484 handloom production cum yarn processing units by assisting around 5000 weavers for production of diversified Eri & Muga products besides cotton items.

4. About Chief Minister's Jeevanjyoti Swanojan Yojana (CMJSY)

Rural Development is the prioritized objective of development planning for every state in India. In Assam, 87 per cent of the total population lives in rural areas of the state and most of them are economically backward. The Government of Assam has been giving special thrust for elimination of rural poverty as well as for upliftment of economic condition of people in rural areas. To achieve the objectives, State Government has been implementing various poverty alleviation programmes/schemes undertaken by the Government of India. The objective of CMJSY is to provide financial assistance to educated unemployed youth by providing institutional credit supported by Government subsidy to enable them to undertake productive income generation activities for self employment. The State Government entrusted the responsibility to the State Institute of Rural Development (SIRD) for implementation of the project in July 2005 to make an experiments in the name of Chief Minister's Jeevan Jyoti Swanojan Yojana. From 2008 - 09, State Government has decided to implement the project vigorously with a target of assisting 10000 youth annually.

5. About Khadi and Village Industries Commission (KVIC)

The Khadi and Village Industries Commission (KVIC) is a statutory body created by an Act of Parliament (No.61 of 1956). It came into existence in April, 1957. The KVIC took over the work of erstwhile All India Khadi and Village Industries Board. The original Act of 1956 has been subsequently amended during the years 1987, 1989 and 1994. The administrative Ministry of the KVIC is Ministry of Agro & Rural Industry, Government of India. The functions of the Commission shall generally be to plan, promote, organize and assist in the establishment and development of khadi and village industries in the rural area in coordination with other agencies engaged in rural development wherever necessary. The Central Government, may, after due appropriation made by Parliament by Law in this behalf, pay to KVIC in each financial year such sums as may be considered necessary for the performance of the functions of the Commission under this Act.

6. About Prime Minister's Employment Generation Programme (PMEGP)

Government of India has approved the introduction of a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008 namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. PMEGP is a central sector scheme to be administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). The Scheme is implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The Government subsidy under the Scheme is routed by KVIC through the identified Banks for eventual distribution to the beneficiaries / entrepreneurs in their Bank accounts. The Implementing Agencies are namely KVIC, KVIBs and DICs with association of reputed Non Government Organization (NGOs)/reputed autonomous institutions/Self Help Groups (SHGs)/ National Small Industries Corporation (NSIC) / Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Panchayati Raj institutions and other relevant bodies in the implementation of the Scheme, especially in the area of identification of beneficiaries, of area specific viable projects, and providing training in entrepreneurship development.

7. Conclusion:

Both the schemes are quite effective in promotion of rural entrepreneurship in the State of Assam. The implementing organizations viz. SIRD and KVIC are doing their best in disseminating the benefits to the masses for creating entrepreneurship. However, a strict vigil on the utilization of released amount and its continuous monitoring will definitely help in achieving the desired objectives.

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