

Socio-Economic Determinants of Growth of Rural Entrepreneurship in Sonitpur Distric of Assam- an Emprical Study

Dipanjan Chakraborty *

Department of Commerce Assam University, Diphu campus

*Corresponding author: rborman62@gmail.com

Received December 01, 2013; Revised March 22, 2014; Accepted April 29, 2014

Abstract India is the fastest growing economy of the world but still there is a large area of darkness in the rural hinterland. Over 70% percent of our population lives in Villages areas and majority of people depend on agriculture for their livelihood. The pace of industrialization in Assam is slow and tardy. Thus, there is need to strengthen employment opportunities in the rural areas by promoting rural entrepreneurship. The present descriptive study is made in the Sonitpur district of Assam based on data collected from 288 rural entrepreneurs through structured schedule. The study analyses the impact of socio-economic background on growth of rural entrepreneurship. It was found that age, gender, qualification; annual income etc of rural entrepreneurs had a direct impact on the growth of rural entrepreneurship. The findings of the study suggest that there is a need for concerted efforts by the government and rural masses to enhance the growth of rural enterprises.

Keywords: *rural entrepreneurship, rural industrialisation, rural entrepreneurs*

Cite This Article: Dipanjan Chakraborty, "Socio-Economic Determinants of Growth of Rural Entrepreneurship in Sonitpur Distric of Assam- an Emprical Study." *Journal of Behavioural Economics, Finance, Entrepreneurship, Accounting and Transport*, vol. 2, no. 1 (2014): 26-34. doi: 10.12691/jbe-2-1-4.

1. Introduction

India lives in her villages'---- this axiom is still true today despite the service sector budding in the urban and semi urban areas. Majority of the population still lives in rural India and the large chunk of population in urban areas still live through the learning of a village life. India may be one of the fastest growing economies of the world today. But there is a large area of darkness in the rural hinterland. About 720 million people live in 6 lakh villages in rural India. Of the total workforce, 60% of workers are engaged in agriculture. The contribution of agriculture to GDP is merely 20% (Singh & Namboodiri, 2006). About 19 crore people living in rural India are below the poverty line. (Singh & Namboodiri, 2006). There also exists a considerable discrepancy in the pace of development between rural and urban areas. For the strength of the country there is a necessity to develop the villages. In India one of the prominent divides has been that between urban and rural areas. The North- East region of the country is poised for a major economic leap along with the rest of the country. The development of rural entrepreneurship is considered to be a panacea for harnessing vast untapped human resources. Rural progress must ultimately depend on industrialization. For development of rural economy, India needs the foundation of industrialization in the rural area; it's ensuring the utilization of existing resources and the exploiting of

various hidden potentialities. It can be said that growth in rural India can only be supported by the growth of rural entrepreneurship, which alone has the unique capacity of creating jobs through the successful emergence of small and micro ventures (Krishnan R and Jegadeesan G 2008).

2. Rural Entrepreneurship

Rural entrepreneurs are those who carry out entrepreneurial activities by establishing industrial and business units in the rural sector of the economy. In other words, establishing industrial and business units in the rural areas refers to rural entrepreneurship. In simple words, rural entrepreneurship implies entrepreneurship emerging in rural areas.

3. Literature Review

The study of Ajit Kanitkar (1994) aims at understands the emergence of successful entrepreneurs and owners of micro-enterprises in rural India. Based on the case studies of 86 village-based entrepreneurs drawn from different regions of India, the article examines that socio-economic profile of the entrepreneurs, their motivation for shifting from an agriculture-based occupation to a non-farm activity, their approach to raising resources for their enterprises and the factors that facilitated entry of the village based entrepreneurs in to a business activity.

Mali (1998) in his study has observed that small and medium enterprises (SMEs) and micro enterprises have to face increasing competition in the present scenario of globalization, they have to specifically improve themselves in the fields of management, Marketing, product diversification, infrastructural development, technological up gradation. Moreover, new small and medium enterprises may have to move from slow growth area to the high growth area and they have to form strategic alliance with entrepreneurs of neighbouring countries. Data bank on industries to guide the prospective entrepreneurs including investors from abroad is also needed.

Srivastava and Syngkon (2008) study makes an in depth analysis of the development of small scale industrial (SSI) sector in the rural areas of the states North Eastern Region of India. The study also focuses specifically on the role and profile of entrepreneurs. The findings reveal that the manufacturing, assembling, processing, activity is the dominant group among the various SSIs activities in the North Eastern states in rural and urban areas. It is observed that in most of the North Eastern states, concentration and growth of SSI activities is higher in rural areas than in urban areas. The study also brings to light the rising number of women and tribal entrepreneurs in the region.

Nicola Mecchari, and Gianluigi Pelloni (2006) presents and analyses the results emerging from a questionnaire submitted to a sample of 123 rural entrepreneurs and business in a mountainous area of central Italy. In particular, they test for six hypotheses concerning the correlation between different factors, reflecting entrepreneur and business specific characteristics, and the adoption of instruments of institutional assistance. Their study also examines and proposes potential policies for fostering entrepreneurship and the development of the rural region under study.

Barua and Mali (2011), in their study, found that the micro, small and medium enterprises in Assam had registered an average growth of 20.63% per annum from 1987-88 to 2006-07. This was accompanied by an average annual growth of 45.3% in investment and 89.5% in output. However, there was an element of upward bias in estimates of growth in investment and output as price rise over the years had significantly inflated their values. The whole study was based on secondary data. It can be concluded from the study that entrepreneurial performance indicated by the output is largely affected by the quantum of investment rather than the level of employment.

Govindappa and Geetha (2011), in their study on Socio-economic Background and problems of entrepreneurs in Industrial estate, A case study of Industrial estate in Davangere District of Karnataka studied 30 entrepreneurs selected randomly from manufacturing units and found that participation of women in entrepreneurial activities was nil, Majority of entrepreneurs were from nuclear family and were below 40 years of age. Main motivating factors were family environment, practical experience gained in the field and 53.3 percent participated in Entrepreneurship Development Programme (EDP). Entrepreneurs faced different kinds of problems like, problem of raw materials, problem of marketing, problem of power, problem of labour, problem of finance, problem

of technical and management assistance in operating their units.

Laxman and Ambana (2011), in their study on Implementation and impact of Prime Minister Employment generated programme (PMEGP) scheme in Hyderabad Karnataka Region found that the success of the Government sponsored schemes depends to a great extent on the socio-economic conditions in which the beneficiaries live and perform their economic activities. The survey was conducted among the 150 PMEGP beneficiaries to know about their social like, sex, age, education and the economic factors like loan, income, repayment, employment generation, problems they encountered and impact of the bank loan. The scientific evaluation of PMEGP indicates that the scheme is economically viable. In the backward districts of the Hyderabad-Karnataka region, the scheme has yielded positive results. Its performance may be still better in economically advanced regions. In view of the growing unemployment in the country, such viable schemes are the need of the time.

Jyoti kumar and Lalhunthara (2012), in their study on socio-economic background of Micro entrepreneurs in Aizawl district, Mizoram found that Education, experience, age and family play an important role in shaping the entrepreneurial ambition of the aspirant. It was found that nearly one-fourth of entrepreneurs were females. Their study also reveals that entrepreneurs were engaged in different lines of business activities ranging from tailoring to food processing, involving complex technologies and different skills sets.

4. Need of the Study

The review of literature discussed above that there were many studies conducted on rural entrepreneurship. But no study till now conducted in Assam in general and Sonitpur district in particular on rural entrepreneurship. There is a need for many more micro studies because of variations in geographic, social, cultural, political and economic conditions from state to state and from region to region within the state. Further there is a need to throw light on impact of socio-economic factors on the growth of rural entrepreneurship in Sonitpur District of Assam. This study attempts to sketch the role of rural enterprises in transforming the lives of the rural folks in the Sonitpur district of Assam.

5. Brief Profile of the Study Area

The Sonitpur district is an administrative district of Assam. The district headquarters are located at Tezpur. According to the 2011 census, Sonitpur district is the third most populous district of Assam (out of 27) and has a population of 1,925,975 with a population density of 365 inhabitants per sq. km. Its population growth rate over the decade 2001- 2011 was 15.67%. There are 1876 villages in the district with a rural population of 1754835. Agriculture is the prime occupation of the people of the district, Traditional dependence on agriculture is one of the reasons for lack of entrepreneurship among the educated youths. They are mostly concentrated on white

collared jobs. Absence of major industries in the district is also partly responsible for lack of entrepreneurial activities (NIC, Sonitpur district).

6. Objective and Hypothesis

The main objective of this study is to examine the socio-economic characteristics of rural entrepreneurs in the sonitpur district of Assam.

Hypothesis of the study:

H0: The main hypothesis of the study is that Socio-economic factors are not supportive towards the growth of rural entrepreneurship.

7. Methodology

This section describes the methodology adopted which includes the sampling technique, the collection of data, the period of study and the tools of analysis.

7.1. Sampling Technique

Keeping the above objective in mind, size of sample was determined by applying Krejcie and Morgan's formula of "Determining Sample Size for Research Activities" from a total population (N=1150). The formula is

$$S = \frac{X^2 NP (1-P)}{d^2 (N-1) + X^2 P (1-P)}$$

S = required sample size.

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion (assumed to be .50 since this would provide the maximum Sample size).

d = the degree of accuracy expressed as a proportion (.05). Accordingly the number of sample size was found to be 288. These 288 samples were drawn considering 14 blocks as a whole population by the simple random sampling method applying the random number table. The sample has been selected on the basis of Tippet's random number table and fortunately from all blocks more or less equal number of sample has generated.

Collection of data: The present study is based on Primary as well as secondary data.

7.2. Primary Data

Primary data has been collected through interview schedule after considering all the relevant aspects which were gleaned out by the researcher on the basis of review of literature. Further, the researcher had preliminary discussion with the officials of the District industries centre and few entrepreneurs registered in District Industries Centre, Sonitpur District.

7.3. Secondary Data

The secondary data were collected from published, unpublished reports, handbooks, action plan, pamphlets of Director of Industries and commerce, Assam, District Industries centre, Sonitpur District, Khadi and Village Industries Board, Sonitpur, district, Indian Institute of Entrepreneurship, North Eastern development Corporation, Assam Financial Corporation, Journals, books, magazines and newspapers. For this purpose, researcher visited many libraries. Some important information/knowledge was also gathered from internet. All the respondents were personally visited by the researcher and requested to provide needed information.

7.4. Period of Study

The study was carried out from April 2000 to march 2010 for primary data collection. The reference period of survey was 2000-2010

7.5. Tools of Analysis

Simple percentage analysis has been administered to find out the demographic profile of rural entrepreneurs and to draw inferences. Chi-square with cross tab technique by SPSS has been used to test the hypothesis

8. Results and Analysis

8.1. Social Position

The present social status of rural entrepreneur includes age group, marital status, family structure, number of family members, educational qualification, annual income, household condition etc were analysed and presented below.

Table 1. age group of rural entrepreneur

Age group in years	Manufacturing		Service		Total	
	No	Percentage	No	Percentage	No	Percentage
20-30	43	22.1	13	14.0	56	19.4
31-40	75	38.5	43	46.2	118	41.0
41-50	57	29.2	28	30.1	85	29.5
50 & above	20	10.2	9	9.7	29	10.1
	195	100.00	88	100.00	288	100.00
Value of chi-square		7.110				
Table value at 0.05 percent level		7.81				

Source: Filed survey

8.2. Age of Rural Entrepreneurs

It was considered desirable to have an insight in to the age of rural entrepreneurs. The capabilities of a person in doing various jobs vary at different stages as the confidence level, physical endurance, perceptions at a particular time will vary with the growing of age and with the passage of time, The respondents were classified on

the basis of their age at the time of survey to know which age group had participated more vigorously in rural entrepreneurial activities. Table 1 depicts the present age of rural entrepreneurs surveyed in sonitpur District of Assam. It was found that 41 percent of rural entrepreneurs were in the age group of 31-40 years. This was followed by 29.5 percent of the rural entrepreneurs in the age group of 41-50 years. The percentage of rural entrepreneurs in

the age group of 20-30 was 19.4 percent and 10.1 percent in the age group of above 50 years.

A sub-hypothesis formed to show the association between age and type of activities. Since the value of chi-square (7.110) at 3 degrees of freedom is less than table value (7.81), it can be concluded that there is no association between age and activities of the rural entrepreneurs. It indicates that by and large entrepreneurs of different age group have different activities.

8.3. Gender of The Rural Entrepreneur

Table 2. gender of the rural entrepreneur

Gender	Manufacturing		Service		Total	
	No	Percentage	No	Percentage	No	Percentage
Male	153	78.5	58	62.4	211	73.3
Female	42	21.5	35	37.6	77	26.7
Total	195	100.00	93	100.00	288	100.00

Source: filed survey

The formal education not only helps in gaining the required knowledge for a job which demands non-traditional skills but also imparts knowledge about the different occupational opportunities. The communication skills, technological innovations, production efficiency and marketing capability of an entrepreneur mainly depend on his/her educational level (Meher and Sahoo 2008). If one rejects the notion that investment in education must be productive, then they should also be prepared to reject the goal of rapid economic progress

Information about the gender of the respondents was collected to know the proportions of male and female entrepreneurs participate in entrepreneurial activities in the district. The data is shown in Table 2. 73.3 percent of the rural entrepreneur were males, while 26.7 percent of the rural entrepreneurs were females. Sector wise analysis revealed that 78.5 percent of rural entrepreneurs in manufacturing sector were males followed by 62.4 percent in service Sector.

(Frederic and Myers 1968).The lack of education has proved an inhibitor to the progress of entrepreneurs and has compounded their problems (Ramswamy and Jyoti Kumar 2010).The information about the educational qualification of respondent's was collected and the responses were presented in Table-3. In the survey, 30.9 percent of the rural entrepreneur possessed Matric level education, 28.5 percent possessed below Matric level education. 27.1 percent respondents were higher secondary level education, 13.5 percent have graduates.

Table 3. educational level of the rural entrepreneur

Education Level	Manufacturing		Service		Total	
	No	Percentage	No	Percentage	No	Percentage
Below Matric	50	25.6	32	34.4	82	28.5
Matric	63	32.3	26	28.0	89	30.9
Higher Secondary	50	25.6	28	30.1	78	27.1
Graduate and others	32	16.4	7	7.5	39	13.5
Total	195	100.00	93	100.00	288	100.00

Source: filed survey

8.4. Marital Status of the Rural Entrepreneur

The marital status of the rural entrepreneurs in different line of activities in Sonitpur district was ascertained and is presented in Table 4. A large majority of the respondents constituting 90.6 percent were married and the remaining 9.4 percent were unmarried (5.6 percent). During the course of field visit some of the women rural entrepreneur opined to the researcher that an unmarried women rural

entrepreneur faces lot of difficulty in finding a prospective groom for marriage. As a result getting the daughter married becomes the first priority for the parents. Moreover, the parent prefers spending money on the marriage of their daughter instead of investing on the establishment of their enterprise. It is clear that majority of the respondents were carrying out the entrepreneurial activity as a means of their livelihood.

Table 4. maritus status of the rural entrepreneur

Marital status	Manufacturing		Service		Total	
	No	Percentage	No	Percentage	No	Percentage
Married	184	94.4	77	82.8	261	90.6
Unmarried	11	5.6	16	17.2	27	9.4
Total	195	100.00	93	100.00	288	100.00

Source: Field survey

8.5. Caste of the Rural Entrepreneur

Caste wise classification of sample entrepreneurs is given in Table 5. The table reveals that 32.6 percent entrepreneurs belonged to the general category, followed by 31.6 percent belonging to other backward class, 19.8 percent scheduled caste, 16 percent schedule tribe.

The table emphasizes that the majority of the rural entrepreneur were from general category and other backward category. This could be due to the financial soundness of the general and other backward caste and the better Soico-economic development of these two types of community. The weaker section and depressed class people are less involved in business.

Table 5. caste wise classification of the respondents

Caste	Manufacturing		Service		Total	
	No.	percentage	No	percentage	No	percentage
ST	34	17.4	12	12.9	46	16.0
SC	39	20.0	18	19.4	57	19.8
OBC	57	29.2	34	36.6	91	31.6
General	65	33.3	29	31.2	94	32.6
Total	195	100.00	93	100.00	288	100.00

Source: Filed survey

8.6. Family Structure

One of the important factors influencing the success of an entrepreneur is the support from his family, which in turn depends upon the structure and economic status of the family. Membership of a resourceful family belonging to a resourceful community facilitates entrepreneurship. But industrialisation and modernization has slowly disintegrated the joint family system giving way to the independent family system. The increase in needs, aspirations, ambitions, expectations made the people to

live independently to achieve their own needs. Another interesting parameter was, whether the entrepreneurs belonged to nuclear or joint family. The data in this connection has been collected and shown in Table 6. It was found that 69.1. Percent of the rural entrepreneur belonged to nuclear family system and the remaining 30.9 percent belonged to joint families. It is evident from the Table 6 that the value of chi-square was found to be insignificant at 0.05 levels. This shows that there is no association between the family structure and nature of the firm.

Table 6. family structure of the rural entrepreneur

Type	Manufacturing		Service		Total	
	No	Percentage	No	Percentage	No	Percentage
Joint	58	29.7	31	33.3	89	30.9
Nuclear	137	70.3	62	66.7	199	69.1
Total	195	100.00	93	100.00	288	100.00
Chi-square value					0.380	
Table value at 0.05 level					5.99	

Source-Field survey

8.7. Ethnic Origins

The religion of rural entrepreneurs is not considered to have any bearing on his/her entrepreneurial abilities, but religious customs might influence his/her performance in pursuing entrepreneurial activities. Religions of the rural entrepreneur were shown in Table 7. Gupta highlights in

his studies that religion and culture play a major role in the lives of many Indian businessmen. When an entrepreneur undertakes an enterprise, he is more often influenced by some religious thoughts and a person loyal to particular religious feelings not ready to comprise the religion with the enterprise.

Table 7. religions of rural entrepreneur

Religion	Manufacturing		Service		Total	
	No.	percentage	No	percentage	No	percentage
Hindu	168	86.2	88	94.2	256	88.9
Muslim	17	8.7	3	3.2	20	6.9
Christian	2	1	-	-	2	0.7
Others	8	4.1	2	2.2	10	3.5
Totals	195	100.00	93	100.00	288	100.00

Source: Field survey

The analysis shows that Hindus were 88.9 percent followed by 6.9 percent muslims and 3.5 percent others (includes Sikh, Jain etc.).It clearly showed that Hindu entrepreneurs are more in number because they are a majority community and they are socially more acceptable socially as entrepreneurs in Sonitpur.

8.8. Nature of Business Organisation

Table 8 shows the different forms of business organisation chosen by the respondents. Sole proprietorship was the preferred for of business

organisation in the district under reference. 87.8 percent of the respondents opted for it followed by partnership that constituted 12.8 percent. Together these two types accounted for 100 percent. The types of organisations set up for micro and small enterprises were mostly proprietary and partnership accounted for few. In proprietary type of organisations, the owner-manager was the sole proprietor. Therefore the owner-manager in such organisation usually had to attend to the entire managerial and routine operational tasks single handedly.

Table 8. nature of business organisation

Nature	Manufacturing		Service		Total	
	No.	percentage	No	percentage	No	percentage
Sole proprietorship	170	87.2	83	89.2	253	87.8
Partnership	25	12.8	10	10.8	35	12.2
Totals	195	100.00	93	100.00	288	100.00

Source: Field survey

8.9. Economic Status

Finance is the life giving element in the process of economic growth. Financial soundness of the rural entrepreneurs and their elders is supposed to stimulate the

growth of entrepreneurship. The financial strength creates a sense of security against fear of failure. In the present study, it was intended to enquire in to the financial strength of past generation. While financial strength of the past generation stimulated the desire for entrepreneurship, the financial soundness of the present generation encourages the velocity of the entrepreneurship. The magnitude of entrepreneurs' activity also depends on the father's economic status. A study in this regard reveals the economic background inherited by the rural entrepreneurs. Some of them may show initiative in consolidating and

building up on the base provided by their fathers and some may start from scratch and thus become self made entrepreneurs.

As shown in Table 9a that 31.9 percent of the entrepreneur's whose father's had an annual income below Rs.25000 while 42 percent had an annual income between Rs.25000 to Rs 50000. 17.4 percent had an annual income between 50000 to 75000. 4.9 percent had an annual income between Rs 75000 to 100000. Only 3.8 percent had an annual income above Rs.100000.

Table 9a. Annual income of the rural entrepreneur's father

Annual Income	Manufacturing		Service		Total	
	No.	percentage	No	percentage	No	percentage
Less than 25000	53	27.2	39	41.9	92	31.9
25001-50000	84	43.1	37	39.8	121	42.0
50001-75000	40	20.5	10	10.8	50	17.4
.75001-100000	11	5.6	3	3.2	14	4.9
More than Rs.100001	7	3.6	4	4.3	11	3.8
Total	195	100.00	95	100.00	288	100.00

Source: Field survey

The Economic background of the rural entrepreneurs is viewed on the basis of annual earnings of the entrepreneurs from various sources. The Table 9b indicates that 92 rural entrepreneurs (31.9 percent) had an annual income in between Rs.1,00,000-1,50,000 forming the highest group followed by 76 entrepreneurs (26.4 percent) with annual income in between Rs.1,50,001-Rs.2,00,000. 42 rural entrepreneurs (14.6 percent) had an annual income in between Rs.2,00,001-2,50,000. 38 rural

entrepreneurs (13.2 percent) had an annual income in between Rs.50,001-Rs.1,00,000. 23 rural entrepreneurs (8 percent) had an annual income up to Rs.50,000. 17 rural entrepreneurs (5.9 percent) had an annual income above Rs.2,50,000. The above trend exhibits that economic status has been rising from generation to generation. This rise leads to increased rural entrepreneurial activity breeding new class of entrepreneurs.

Table 9b. annual income of the rural entrepreneur

Annual Income	Manufacturing		Service		Total	
	No.	percentage	No	percentage	No	percentage
Up to Rs.50,000	15	7.7	8	8.6	23	8.0
Rs.50,000-Rs.1,00,000	20	10.3	18	19.4	38	13.2
Rs.1,00,000-Rs.1,50,000	62	31.8	30	32.3	92	31.9
Rs 1,50,000-Rs.2,00,000	55	28.2	21	22.6	76	26.4
Rs.2,00,000 –Rs.2,50,000	31	15.9	11	11.8	42	14.6
Above 2,50,000	12	6.2	5	5.4	17	5.9
Total	195	100.00	93	100.00	288	100.00

Source: Field survey

8.10. Educational Qualification of Entrepreneurs Father

Besides education of rural entrepreneurs, it is also necessary for the members of rural entrepreneur's family to be educated for the growth of the enterprise. Though the questionnaire collected data on the educational background of all the family members, the most significant contribution for promoting rural people as

entrepreneurs would necessarily have to be with the active encouragement of father. In this regard the data was recorded and analyzed in Table 3. It was observed that 11.8 percent were illiterates, 59.7 percent were below matriculation, 26.8 percent with higher secondary and Matric whereas only 1.7 percent was graduates. It could be seen from the above table that educational level of respondents and their fathers' literacy level have been increasing over the generation.

Table 10. Educational qualification of entrepreneurs father

Educational Level	Father	
	No.	Percentage
Illiterate	34	11.8
Below Matric	172	59.7
Matric	59	20.5
Higher Secondary	18	6.3
Graduate	5	1.7
Total	288	100.00

Source: Field survey

8.11. House Hold Condition of the Rural Entrepreneur

Housing pattern is one of the most important indicators used to assess the economic well being of any community. It is one of the barometers to judge the Socio-economic

condition of the society. Table 11 reveals that majority of the surveyed rural entrepreneurs i.e., 48 percent lived in pucca houses while 21 percent stayed in semi-pucca houses and 31 percent lived in kutcha houses. Regarding electricity 82 percent have electricity in their houses and

63 percent have TV Radios. Regarding Phone/Mobile, 76 Percent possess phone/ mobile. As more than 82 percent avail electricity and 69 percent rural entrepreneurs are

living in pucca/semi-pucca houses, their economic condition may be considered as above average in the district.

Table 11. house hold condition of the rural entrepreneur

Category	No.	Percentage
Pucca House	48	48
Semi-Pucca House	21	21
Kutch House	31	31
Electricity	82	82
TV/Radio	63	63
Phone/Mobile	76	76

Source: Field survey

8.12. Feeling of Insecurity of the Rural Entrepreneurs

Rural entrepreneurs are also asked to express their feeling of insecurity with their entrepreneurial activities. Table 12 reveals that 63 percent of surveyed rural entrepreneurs comprising of manufacturing and service enterprises feel that they are insecure with their entrepreneurial activity. 31 percent entrepreneurs never feel that their enterprise is insecure and 6 percent entrepreneurs are unable to give proper answers. The reason of insecurity as stated by entrepreneurs is as follows.

Table 12. feeling of insecurity

Is there a feeling of insecurity	Response
Yes	63.00
No	31.00
No response	6.00

Source: filed survey.

Majority of entrepreneurs feel insecurity due to competition with urban enterprise.

Manufacturing enterprise had to depend on the skill of their employees. Enterprise situated on government land may be vacated by Government at any time.

Owners of Diary unit, poultry unit and piggery unit feel due to non-existence of upgraded veterinary services in rural areas.

Lack of sufficient power is another reason for manufacturing unit such as craft paper mill, stone crushing unit etc.

Low saving bad debt and age factor is another reason for manufacturing unit.

Entrepreneurs feel insecure due to "Bandh Call" by various organizations. And lack of common problem to discuss various problems in rural areas.

8.13. Land Holding of the Rural Entrepreneurs in the Surveyed Population

The ownership of the agricultural land in a village is a crucial factor in economic dominance. The concentration of land in the hand of a group or a particular caste creates a considerable amount of power over the rest of the village community. It is evident from Table 13 that 63.88 percent of the rural entrepreneurs have agricultural land and rests 36.12 percent have non-agricultural land. Socio-economic inequalities can be reflected through land holding of entrepreneurs. As near about 2/3rd of the rural entrepreneur possess agricultural land, definitely their economic condition is better due to their agricultural income than other entrepreneurs who have only non-agricultural land. The reasons for non-agricultural land may be due to their absence of ancestral property, family poverty and increase in their family size.

Table 13. land holding of rural entrepreneurs

category	Manufacturing		Service		Total	
	No	Percentage	No	Percentage	No	Percentage
Agricultural	126	64.62	58	62.36	184	63.88
Non-agricultural	69	35.38	35	37.64	104	36.12
Total	195	100.00	93	100.00	288	100.00

Source: filed survey

Table 14. profile of rural entrepreneurs by income vs. Family structure

Annual Income (in Rs)	Frequency		Percentage		Total	
	NF	JF	NF	JF	No	Percentage
Up to Rs.50,000	9	14	4.9	13.2	23	8.0
Rs.50000-Rs.100000	27	11	14.8	10.4	38	13.2
Rs.100000-Rs.150000	66	26	36.3	24.5	92	31.9
Rs.150000-Rs.200000	51	25	28.0	23.6	76	26.4
Rs.200000 -Rs.250000	20	22	11.0	20.8	42	14.6
Above 250000	9	8	4.9	7.5	17	5.9
Total	182	106	100.0	100.0	288	100.0

Source: filed survey

8.14. Profile of Rural Entrepreneurs by Income Vs. Family Structure

Table 14 reveals that being a member of Nuclear family only 2.7 percent entrepreneurs belong to income group of up to Rs.50000, 15.9 percent belong to Rs.50,000-Rs.100000, 37.4 percent belong to Rs.150000- Rs.200000, 25 percent belong to Rs.200000-250000 followed by 8 percent above Rs.250000. In case of joint family 11.3 percent entrepreneurs earns up to Rs.50000, Income of 12.3 percent entrepreneurs, are between Rs.50,000-

Rs.100000, 24.5 percent in between Rs.150000-Rs.200000, 23.6 are between Rs.200000-250000, 20.8 percent are between Rs.200000-250000 and 7.5 percent above Rs.250000. 83 percent of nuclear family and 77 percent of joint families annual income is more than Rs.100000. It leads to conclusion that rural entrepreneurs belongs to joint family though less in number earns equally with nuclear family. Joint family is equally competent with nuclear family in respect to earnings.

8.15. Profile of Rural Entrepreneurs by Income Vs. Gender

The Table 15 given below shows the distribution of the respondents on the basis of their annual income and gender. It could be observed from the Table 12 that 7.6 percent of male entrepreneurs earnings above Rs.50000; similarly 13.3 percent of male entrepreneurs were earnings between Rs 50000-100000 per annum, 33.6 percent of male entrepreneurs earning between Rs.100000-Rs.150000. 26.1 male entrepreneurs earning between Rs.150000-Rs.200000. 13.3 percent of male entrepreneurs earnings were between Rs 200000-250000 followed by 6.2 percent of male entrepreneurs were earnings above Rs.250000. On the other hand 9.1 female entrepreneurs

earnings above Rs.50000,13.0 female entrepreneurs were earnings between Rs 50000-Rs100000 per annum, 27.3 percent of female entrepreneurs earning between Rs.100000-Rs.150000.27.3 percent of female male entrepreneurs earning between Rs.150000-Rs.200000. 18.2 percent of female entrepreneurs' earnings were between Rs 200000-250000 followed by only 5.2 percent of female entrepreneurs were earning above Rs.250000. It leads to conclusion that female entrepreneurs were also equally competent with male entrepreneurs in regard to earnings.

Table 15. profile of rural entrepreneurs by income vs. Gender

Annual Income (in Rs)	Frequency		Percentage		Total	
	Male	Female	Male	Female	No	Percentage
Up to Rs.50,000	16	7	7.6	9.1	23	8.0
Rs.50000-Rs.100000	28	10	13.3	13.0	38	13.2
Rs.100000-Rs.150000	71	21	33.6	27.3	92	31.9
Rs.150000-Rs.200000	55	21	26.1	27.3	76	26.4
Rs.200000 -Rs.250000	28	14	13.3	18.2	42	14.6
Above 250000	13	4	6.2	5.2	17	5.9
Total	211	77	100.0	100.0	288	100.0

Source: filed survey

8.16. Profile of Rural Entrepreneur by Caste and Gender

The following table shows the distribution of respondents on the basis of caste and gender of the rural entrepreneurs. From the tabulated data, it is evident that large proportions (34.6) of respondents having other backward class and General class were males, while 27.3

percent and 23.3 percent of female respondents belonged to the general class. And 26. percent of female respondents were from SC community followed by 23.3 percent were from ST community. It is heartening to note that good numbers of women from less privileged class were motivated to start the enterprise of their own along with men.

Table 16. caste and gender of the entrepreneur

Caste	Frequency		Percentage		Total	
	Male	Female	Male	Female	No	percentage
ST	28	18	13.3	23.4	46	15.98
SC	37	20	17.5	26.0	57	19.79
OBC	73	18	34.6	23.3	91	31.59
General	73	21	34.6	27.3	94	32.64
Total	211	77	100.0	100.0	288	100.00

9. Conclusion

The above socio- economic profile of the sample entrepreneurs indicates that a large number of factors contribute towards making a successful rural entrepreneur. Education, age and family significantly influence the entrepreneurial ambition of the aspirant. The analysis of socio-economic factors reveals that the process of entrepreneurship formation in rural areas is not restricted to any particular age group, caste group or sex group, i.e. both men and women entrepreneurs comprising different age and different caste are found during survey It is found in the study that a high percent of rural entrepreneur had taken up the initiative to start enterprise creation in the age group of 31-40 years. The inclination towards entrepreneurship in the middle age group is more mainly because no other alternative career option is available once they cross this age. 73.3 percent of the rural entrepreneurs were males, while 26.7 percent of the rural entrepreneurs were females. As per the Quick Results of Fourth Census of Micro, Small and Medium Enterprises (2006-07), women enterprises comprised 7.37 percent Compared to the national average, the high participation rate of women in the present study proves that rural entrepreneurs of Sonitpur District of Assam today are

becoming more competent, ambitious, and confident to exploit their entrepreneurial talents and opportunities. A large majority of the respondents constituting 90.6 percent were married. It is clear that majority of the respondents were carrying out the entrepreneurial activity as a means of their livelihood. As regards entrepreneur's family education, it is found that 79% of the rural entrepreneur's fathers have some education and these acts as a stimulating factor for their sons and daughters to enter into entrepreneurship. The average annual income of 73.9 percent of respondent's fathers was up to Rs.100,000 per annum. Sole proprietorship was the most preferred form of business organization as 87.8% of the entrepreneurs opted for it. As regards the caste, it is found that the majority of the rural entrepreneurs were from general and other backward category. Entrepreneurs belong to joint family though less in number earns equally with nuclear family. Joint family is equally competent with nuclear family in respect to earnings. Almost all the entrepreneurs have, by and large some formal education. 68 percent of rural entrepreneurs have Matric and Higher secondary level of education & 43.6 percent of graduates were below 30 years. It can be said that rural entrepreneurs have enough education to pursue entrepreneurship as career. Female entrepreneurs though less in number were also equally competent with male entrepreneurs in regard to

earnings. It indicates that financial soundness of the rural entrepreneurs is supposed to stimulate the growth of entrepreneurship. Though partnership organisations are few in number but they are also earnings equally at par with proprietorship form of business. It is heartening to note that good numbers of women (35.77 percent) from less privileged castes were motivated to start the enterprises of their own along with men. The entrepreneurs irrespective of different age group were earnings very good. 79% of rural entrepreneur's annual income above Rs.100000. 80.2 percent of nuclear family and 76.4 percent of joint family's annual income is more than Rs 100000. Regarding agricultural land, 64 percent have agricultural land and electricity is available more than 80 percent surveyed entrepreneurs. More than 70% of rural entrepreneur's stayed in pucca/ semi- pucca house, 63% have television in their houses, while 86% possess phone/ cell phones etc. It clearly showed that Hindu entrepreneurs are more in number because they are a majority community and they are socially more acceptable socially as entrepreneurs in Sonitpur.

The overall analysis of these variables established that socio-economic conditions of rural surveyed entrepreneurs in the district is above average and this is an indication of healthy foundation of business enterprises with a high prospect of growth. Hence on the basis of the above discussions and findings, we can conclude, the hypothesis set for the above analysis, that socio-economic factors are not supportive towards the growth of rural entrepreneurship, could not be accepted and hence the said hypothesis is rejected. Keeping this view, much more stimulating environment must be created for the speedier dispersal of entrepreneurship even among all the remote segments of society.

References

- [1] Barua A Nissar and Mali Archana (2011), "Entrepreneurship and Its Role in the Growth of Micro and Small Enterprises: A Case Study of Assam", *Small Enterprise Development, Management & Extension Journal*, Vol. 38, No. 2, pp. 69-83.
- [2] Desai Vasant (2010), "Entrepreneurship and small business management", Himalaya Publishing House, New Delhi, 2004.
- [3] Economic Survey, Assam, 2011-12, available at http://ecocstatassam.nic.in/ads_economic%20survey.pdf. Accessed on May 25, 2012.
- [4] Geetha and Govindappa (2011), "Socio-economic background and problems of entrepreneurs in Industrial estate: A case study of Industrial Estate in Davangere, SEDME, and vol. 38. No. 3. september, pp 1-41.
- [5] Kanitkar Ajit (1994), "Entrepreneurs and Micro-Enterprises in Rural India", *Economic and Political Weekly*, Vol. 29, No. 9, pp. 25-30.
- [6] KumarJyoti and Lalhunthara (2012). "Socio-economic background of micro Entrepreneurs in Aizawal District, Mizoram." *SEDME*, vol. 39. No. 2. June, pp-1-17.
- [7] Krejcie and Morgan's formula of "Determining Sample Size for Research Activities". Available at <http://people.usd.edu/~mbaron/edad810/Krejcie.pdf> (accessed on 20th June, 2012).
- [8] Mohanty Sangram Keshari (2006). "Fundamentals of Entrepreneurship", Prentice Hall of India, New Delhi.
- [9] Malkappa Ambala and Laxman Rajnalkar (2011), "Implementation and Impact of PMEGP scheme in Hyderabad Karnataka Region: A study, *SEDME*, vol. 38, no. 2. June, pp 53-67.
- [10] MSMED Act 2006, Ministry of Small Scale Industries, Notification, July 18, 2006, Government of India.
- [11] Mali, D.D. (1998), 'Development of Micro, Small and Medium Enterprises of India: Current Scenario and Challenges', *SEDME* Vol. 25, No. 4, December.
- [12] Nath Dwaraka H.D. (2013). "Strategies for employment generation in Rural India- a critical evaluation." *kurukshetra*, vol. 61, no. 4, pp. 27-31.
- [13] Namboodiri K V N & Singh B M (2006), 'Unleashing rural entrepreneurship' Icfai university press, Hyderabad, p. 4.
- [14] Santana Krishnan R and Jegadeesan G (2008), *Entrepreneurship and Rural Development in India*, IUP, Hyderabad.
- [15] Sinha Harendra (2010), "Block administration without panchayat raj institutions: An Assessment in to the lunglei district of Mizoram," *kurukshetra*, vol. 58, no. 12, pp. 44-47.
- [16] Srivastava Nirankar & Syngkon Rickey A. J (2008), "Emergence of Small Scale Industries and Entrepreneurship in the Rural Areas of Northeastern States of India: An Analytical." *The Icfai University Journal of Entrepreneurship Development*, Vol. V, No. 2, pp. 6-22.