

1 Entrepreneurship Development

Entrepreneurship development is the key to the evolution of an ecosystem for creation of livelihoods opportunities. It is generally said that entrepreneurial ability of people needs to be developed for faster growth in areas which are economically underdeveloped. In a way, the economy of regions like Bastar runs on entrepreneurship, as self-employment is the only option to most people due to the limited availability of jobs especially in the formal sector. All the persons, rather families, which are engaged in agricultural cultivation on their own lands can be termed as entrepreneurs in their own way. They carry out the operations on their own, sell their produce in the market and assume risk. The collectors of forest produce who sell their produce in the weekly haats are similarly entrepreneurs who sell in the market and assume risk. Likewise, hawkers and street vendors, providers of various personal services carry out entrepreneurial activity.

The entrepreneurial trait, therefore, exists in the rural and semi-urban society, though the forms of enterprise continue to be rudimentary, traditional and seldom undergoing any substantive change. It is also true that the entrepreneurial spirit is seen to be lacking and that there is little adoption of the modern modes of commerce. However, the fact that operations in markets are not new to villagers and forest dwellers could be used as a starting point for developing their entrepreneurial capabilities.

In Bastar, it would not be adequate to develop the entrepreneurial abilities of individuals alone. What is needed is developing the capabilities of people to carry out business activities in groups, such as in Self Help Groups, or Co-operative Societies or Producer Organisations. Thus, development of collective entrepreneurship is as important as development of individual entrepreneurship in Bastar.

1.1 Potential and possibilities

The wealth of natural resources of Bastar, on the one hand, and the scope due to relative underdevelopment of commerce, on the other hand, provide a fertile ground for promoting entrepreneurial activities. Whether it is the forests, forest produce, agricultural produce or mineral resources of Bastar, the potential offered by these resources stands underutilised as of now. This also provides an opportunity to plan for promoting economic activity in a manner that nourishes all types of capital sustainably.

If promoting entrepreneurship is one of the essential ingredients for spurring economic development, it would be an enormous task to train many individuals in a short period of time. An option would be to promote groups of producers and train the groups to undertake economic activity in a professional manner. Encouraging groups would even otherwise be advisable for aggregation of produce to achieve a scale of operations which is economically viable. For example, groups of farmers undertaking organic farming and / or cultivating indigenous varieties could pool their produce and market collectively. Similarly, forest dwellers gathering forest produce could aggregate their produce to get better terms in sales or even undertake processing of the produce in some form or the other and sell collectively.

A fillip to entrepreneurship in areas other than agriculture or forest produce would be provided by the upcoming steel plant at Nagarnar being commissioned by a joint venture of NMDC and Chhattisgarh Mineral Development Corporation. Besides leading to a number of ancillary industries, the 3 MTPA integrated steel plant is expected to spur the local economy by the enormous demand it would create for various kinds of products and services, either directly or as a result of the

employment generated and the inflow of people who would be employees or its suppliers. The plant could generate demand in various sectors and services such as i) real estate ii) transport agencies (plus estimate of opportunities for employment for drivers - directly in the plant or for officials, suppliers etc.) iii) security agencies (including number of semi-skilled and unskilled security guards iv) hospitality – mess and restaurants, catering services, lodges, hotels etc. v) retail trade and personal services - kirana shops, personal care, dairy units, mobile phone services, entertainment etc. v) schools, medical services etc.

There would thus be a great demand for many small and medium enterprises on the commissioning of the steel plant. Given the low level of entrepreneurial abilities in the industrial and services sector within the district, this may result in large scale inflow of residents in the district, besides the inflow due to the direct employment to be provided. There is a need, therefore, to take immediate steps to provide training for setting up small enterprises to the local youth, especially from Jagdalpur town and other places.

1.2 Existing Arrangements and Schemes

The state government has been providing skill education under the various schemes of the government to the youth. District Livelihood College, Adawal has also been set up for training in skills and entrepreneurship. The state government has also set up an incubating centre called 36 INC for encouraging start-ups. 36 INC has signed an MoU with Government Engineering College, Jagdalpur to create a start-up ecosystem by playing the role of pre-incubator to facilitate support system to entrepreneurial students and faculties to convert their ideas to tech solutions with a feasible business model stage.

However, there is a need to develop training modules customised to train entrepreneurs, individually and in groups, to take up activities suited for Bastar.

1.3 Reasons for under-utilisation of potential

An article in the European Journal of Business and Management, (Vol.3, No.6, 2011), describes six different theories of entrepreneurship. These are: (1) Economic entrepreneurship theory (2) Psychological entrepreneurship theory (3) Sociological entrepreneurship theory (4) Anthropological entrepreneurship theory (5) Opportunity-Based entrepreneurship theory and (6) Resource-Based entrepreneurship theory. The Resource-based entrepreneurship theory, inter alia, stresses the importance of financial, human and social capital in which human capital consists of factors such as education and experience while social capital relates to social networks and connections. The Psychological entrepreneurship theory enumerates the psychological traits commonly found in entrepreneurs such as risk taking, innovativeness, ambiguity tolerance as also the motivation for achievement. Anthropological entrepreneurship theory emphasises the importance of the influences of one's culture, while the sociological entrepreneurship theory talks of social networks, social background etc.

1.3.1 Pattern of control

Traditionally, the opportunities for entrepreneurship were available only to few sections of society. While it has been mentioned above that even agriculturists and sellers of various produce in weekly markets etc. are entrepreneurs, their enterprises are in the traditional sectors where they do not have a control over the markets in terms of prices, delivery terms, creation of demand, processing of products etc. The middlemen control the market as regards prices, quantity to be purchased and also terms of the delivery etc. Thus, scope for innovation, one of

the basic characteristics of entrepreneurship, is not open for the sellers of agricultural and forest produce. While the scope for such innovation does exist theoretically to anyone offering her products or services, in practice the sellers of such produce lack the wherewithal in terms of social networks, knowledge and experience, exposure to wider markets etc.

Efforts at developing entrepreneurial skills would need to take these factors into account and design the framework of training accordingly, if entrepreneurial culture is to be spread on a large scale.

1.3.2 Institutional capabilities

The apparatus for training created by the government appears to be focussed more on skill building rather than nurturing entrepreneurship. There is a need to design customised modules of training in entrepreneurship based on the background and needs of the various segments of trainees.

Moreover, development of entrepreneurship cannot be attempted in a vacuum. Entrepreneurship can be promoted only when the ecosystem provides the requisite opportunities for setting up new enterprises and the economy as a whole has the dynamism to sustain such enterprises. Therefore, entrepreneurial training would have to be imparted almost as a practical training in running an enterprise. It should also include the component of working as an apprentice in the chosen sector, wherever feasible. Priority could also be given, while selecting trainees, to those who have prior work experience in the sector.

In developing entrepreneurship, hand-holding in running the enterprise is as important, if not more, than the formal training. Ideally, hand-holding for a limited period should be considered as an essential component of training.

The institutional framework for developing entrepreneurship at present does not cover these aspects adequately.

1.3.3 Adequacy of financial provision

As mentioned earlier, the component of skill development assumes greater importance in the government schemes. Therefore, entrepreneurship training - which would also be costlier and demanding greater time to be devoted than that for skill building – does not get adequate attention in the design of the schemes. As such, the finance for such training would also not be budgeted adequately. The method of entrepreneurship training suggested above would demand even greater funds, time and attention.

1.4 Steps suggested

As described earlier, entrepreneurship needs to be developed in Bastar not just for grooming individual entrepreneurs but also for groups such as SHGs, producer organisations etc. The training needed to be given to groups taking up an enterprise would be different in some ways from the training to be given to individuals.

Similarly, the training has to be customised based on the sectoral needs. Bastar offers scope for training in enterprises for processing and / or selling of agricultural as well as forest produce. This training could be given to individuals as well as to producer groups. The modules for groups under this may also need to include some of the technical aspects of processing, packaging etc. (ideally the technical component could also be for individuals).

At the same time, the growing opportunities for entrepreneurship in the SME sector in industries and services and micro-enterprises, especially due to the upcoming steel plant, underline the need for training in entrepreneurship in these sectors. While most of the training under these sectors would be designed for individual entrepreneurs, there are also possibilities of groups being organised. For example, SHGs of women could take up running of food joints or catering services which would see a growing demand due to the inflow of migrant employees and vendors. Transport services could be provided by co-operatives of men.

The training needs could be categorised in the following four categories:

Traditional sectors Industrial / services sectors

Individual entrepreneurs	Individual entrepreneurs
SHGs, Producer groups	SHGs, Co-operatives

The training needs of each of the categories would be different and the modules would have to be customised accordingly. In trainings for groups, aspects such as group meetings, records of meetings, selection of office bearers, responsibilities of office bearers and members, participation, decision making through discussions etc. would also need to be included besides details of statutory compliances, wherever required.

A specialised set-up for such training would have to be established in view of the comprehensive nature of training required, the need for hand-holding and the inclusion of technical aspects, wherever required. This training establishment would need to work with close co-ordination with the organisations suggested for identifying opportunities and forming groups of producers or collectors.