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A Study on Rural Youth Entrepreneurship in Wokha District Nagaland

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Abstract

Rural entrepreneurship is an act of starting business at village level which can take place in a variety of fields such as industry, agriculture, business units and acts as a potent factor of economic development. The need for empowerment of India's villages by enhancing the innovations of entrepreneurship has assumed much importance for the economic growth. Rural entrepreneurship has a huge impact on social, cultural and economic progress of the society. Youth in millennial era has significant role in overcoming social problems and challenges, such as unemployment which is systematically dominated by the youth. Thus, the study seeks to understand the concept of rural youth entrepreneurship in Nagaland and its role towards the betterment of the Naga society. The paper also highlights the problems and challenges faced by the youth entrepreneurs.

Keywords: Rural youth entrepreneurship, youth empowerment, development, problems/challenges.

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1. Introduction

Village and rural industries play a vibrant role in constructing the economy of a nation and it nurtures economic development in the rural areas and also improves the standard living of rural masses. Development and progress which does not fulfill the needs of rural people and specifically rural youth cannot be appealed as development of one's nation. Need for empowerment of rural areas/ villages by enhancing the welfare of the society and unleashing the innovations of entrepreneurship that in turn will make a giant leap forward. Entrepreneurship has assumed much importance for economic growth both in developed and developing countries. It promotes capital formation and creates wealth in the country and it is a pathway to prosperity. If entrepreneurship is encouraged in rural area, it would be an instrument in changing the face of rural areas by solving many problems like unemployment, poverty, economic disparity, improper utilization of rural workforce, low-slung standard of living, etc.

Almost 75 per cent of world's population settled in rural areas and nearly 25 per cent in urban areas. But more attention and policies are framed to develop urban areas which is the main problem why a region is called as rural area. The attention given to the urban areas not only affects the rural areas but also affects the urban areas such as over population, growth of more slum areas, pollutions, unemployment, etc. Likewise, entrepreneurs in rural areas also face many problems due to unavailability of primary amenities in the developing country like India. Lack of infrastructural facilities, lack of education and knowledge, scarcity of industrial avenues, financial problems, insufficient technical and conceptual ability, lack of transportation facilities are some points where rural entrepreneurs finds difficult to establish industries in the rural regions.

1.1. Youth

Webster's Dictionary (2005) defines youth as the period from childhood

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to maturity. Youth in every region form a significant part that cannot be ignored. They are regarded as the most active and energetic group of society in whose hand lies the destiny of a region. Youth are well-thought-out as the future leaders and also the bedrock to development.

1.2. Rural entrepreneurship

Rural entrepreneurship is the way of converting a developing region into developed region; it involves transformation of overall social livings and economic betterment of the people in the rural areas. Rural Entrepreneurship can be considered as a driver of national and local economic development and as a contributor to increase the standard of living.

1.3. Rural youth entrepreneurship

The undertaking of entrepreneurial activities in the rural areas by the most active and energetic group of the society (youth) can be considered as rural youth entrepreneurship. These young minds work tirelessly for the development and plays an important role in ensuring the development of rural areas through the accrual of intrinsic and extrinsic benefits to the region.

2. Objectives

The main objectives of the study are to examine the scenario of rural youth entrepreneurship and to identify the problems/challenges faced by rural youths in Wokha district, Nagaland.

3. Methodology

The present study is based on both primary and secondary data. Primary data are drawn from the sample size of 50 rural youth entrepreneurs from Wokha district of Nagaland. The data were collected through questionnaires. The secondary data were collected from published journals, books, magazines and newspapers, reports and internet sources. To condense the data, tabulation is done and simple percentage analysis and mean score has been administered.

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4. Analysis and Interpretation

4.1. Personal details

An attempt has been made to study the personal profile of rural entrepreneurs in Wokha District of Nagaland by taking variables like age, gender, marital status and educational qualification. Table 1 shows the distribution of 50 respondents across the variables studied.

Table 1: Personal Details of rural youth entrepreneurs

Age	Respondent	Percentage (%)
Less than 18	-	-
19 – 25	5	10
26 – 35	15	30
36 - 45	22	44
45 and above	8	16
Total	***50***	***100***
Gender		
Male	32	64
Female	18	36
Total	***50***	***100***
Educational Qualification		
HSLC	8	16
HSSLC	12	24
Graduate	21	42
Post Graduate	9	18
Other	-	-
Total	***50***	***100***

Source: Field Survey, 2022

Table 1 clearly shows that majority of the rural youth entrepreneurs in Wokha District of Nagaland falls under the age category of 36-45 years of age which is 44 percent followed by 26-35 years with 30 percent. A negligible 10 percent falls below the age group of 25 years. It can be understood that rural entrepreneurs below 25 years of age are mostly studying or undecided in their career. Majority of the rural youth entrepreneurs in Wokha are male (i.e., 64 percent) and only 36 percent are female.

From the Table 1 it is also clear that 16% of youth entrepreneurs

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in Wokha District had studied till their HSLC. It is interesting to note that most of the youth entrepreneurs in the district are educationally qualified i.e., 42 percent are graduate and 18 percent are post graduate. So, it is no wrong to assume that there is scope for development of rural entrepreneurship in the district as the youth with such educational qualification will try to apply their knowledge and skills in their business.

4.2. Business Details

Table 2 shows the distribution of business details of the youth entrepreneurs in Wokha District of Nagaland such as nature of business, form of business, initial investment and annual income/profit.

Table 2: Business Details

Nature of Business	**Respondents**	**Percentage (%)**
Agriculture	18	36
Manufacturing	6	12
Trading	16	32
Service	10	20
Total	***50***	***100***
Form of Business		
Sole Proprietorship	42	84
Partnership	8	16
Total	***50***	***100***
Initial Investment		
Less than 50000	4	8
50000 – 1 Lakh	19	38
1 Lakh – 3 Lakhs	15	30
3 Lakhs – 5 Lakhs	8	16
5 Lakhs and Above	4	8
Total	***50***	***100***
Annual income/ Profit		
Up to 50000	4	8
50000 – 100000	8	16
100000 – 200000	20	40
200000 - 300000	10	20
Above 300000	8	16
Total	***50***	***100***

Source: Field Survey, 2022

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Table 2 depicts the nature of rural youth entrepreneurs in Wokha District of Nagaland. It is clear that the majority i.e., 36 percent of youth entrepreneurs take part in agricultural undertakings and 16 percent in trading. Those engaged in manufacturing and services sector accounts for only 6% and 10% respectively. Most of the youth entrepreneurs in Wokha are sole proprietors with 84 percent and 16% are under partnership.

It is also clear from the table 2 that majority of the youth entrepreneurs have initial investment of ₹50000 - 1 Lakh. And only 8% of the entrepreneurs have 5 Lakhs and above initial investment. The annual income or the profit earned by the rural entrepreneurs in Wokha District can also be seen from table 2. 40 percent of the youth entrepreneurs have an annual income of ₹1 Lakh - 2 Lakhs, and only 16 percent of the rural entrepreneurs have annual income above ₹3 Lakhs.

4.3. Problems/Challenges faced by Youth Entrepreneurs in Wokha District

Entrepreneurship activities in Wokha District are never at ease to operate because the region is surrounded by limitations and problems, such as financial, manufacturing, marketing, personal and other problems and such hurdles is mostly faced by the rural entrepreneurs. Nagaland is also one such state, where its majority of the population lives in villages, and the operation of entrepreneurial activities are also mostly from the rural

Table 3: Problems faced by rural youth entrepreneurs

Sl. No.	Problems	Respondent	Percentage
1	Fear of taking financial risk	7	14%
2	Problem in debt collection from the customer	4	8%
3	Lack of trained and technical staff	8	16%
4	Non availability of market information	9	18%
5	High cost of production	10	20%
6	Lack of quality packaging and storage facilities	6	12%
7	Fear of taking risk in expansion of business	6	12%
	TOTAL	**50**	**100**

Source: Field Survey, 2022

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or village areas. So, it becomes a very challenging task for the rural entrepreneurs in Nagaland to tackle the various hardship.

From the above table 3, it is evident that majority of the rural youth entrepreneurs (i.e., 20%) face problems related to high cost of production, 18% face problems related to non-availability of market information for promotion of their entrepreneurial venture. 16% of the entrepreneurs face problems in getting trained and technical staff. Rural youth entrepreneurs also face problems relating to fear of taking financial risk (i.e., 14%). 12 percent of rural youth entrepreneurs also face problems related to lack of quality packaging, storage facilities and fear of taking risk in expansion of business. And an exception percent of entrepreneurs i.e., 8% face problems related to debt collection from the customer.

4.4. EDP Programmes undertaken by Rural Entrepreneurs

Venturing a business organisation for an entrepreneur particularly in the rural region requires a lot of knowledge, skills and techniques, which can be only acquired with proper training. Developmental training is one of the key elements for developing entrepreneurship in any region. The main objectives and aims of training is to acquire development and change through proper guidance or planned efforts, continuous changes in information technology and need for more emphasis on skill development and training. Thus, training/programmes become the need of the hour for the business organisations and for the entrepreneurs, especially for the rural entrepreneurs.

Table 4: EDP programmes undertaken by rural entrepreneurs

Training Undertaken	Respondents	Percentage
Yes	8	16%
No	42	84%
Total	**50**	**100**

Source: Field Survey, 2022

Table 4 shows the status of rural entrepreneurs who underwent EDP trainings and programmes. The rural entrepreneurs in Wokha district were asked to indicate whether they had participated/undergone in

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any EDP/training programmes sponsored by Government and Non-government organisations for the development of entrepreneurship. It is depicted from table 4 that only 16% of the rural youth entrepreneurs had undergone EDP programmes and 84% haven't gone for any training provided by the government and non-government organisations.

4.5. Reasons for not attending the training programmes

It is evident from the table that 72% of the rural youth entrepreneurs in Wokha district completely agree and 24% agree that they were not aware of the training programmes organized by the government and non-government organisations, the mean score of the same parameter is obtained and is high level at M=4.64. Rural entrepreneurs in Wokha district who could not attend any courses because of inconvenient place is 58% (M=4.46). And 52% of the rural youth entrepreneurs completely agreed that they did not attend the training due to time factor (M=4.16).

Table 5: Reasons for not attending the training programmes

Reasons	CA	A	N	D	CD	Total	Mean score
1. Not aware of the training programmes	36 (72)	12 (24)	-	2 (4)	-	50	4.64
2. Did not find time to take the training	26 (52)	15 (30)	2 (4)	5 (10)	2 (4)	50	4.16
3. Duration not convenient	29 (58)	16 (32)	-	5 (10)	-	50	4.38
4. Inconvenient place	29 (58)	17 (34)	2 (4)	2 (4)	-	50	4.46
5. Felt not necessary	32 (64)	14 (28)	2 (4)	2 (4)	-	50	4.52
6. Course not relevant	27 (54)	18 (36)	-	3 (6)	2 (4)	50	4.3

Source: Field survey, 2022
Note: Figure within parenthesis show percentage of the respondents.

It is also clear that a mean score at 4.52, which is 64% of the entrepreneurs did not attend any training conducted by the government and NGOs because they felt not necessary. Whereas, 54% completely agreed and 36% agreed to course not relevant, the mean score at 4.3.

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5. Major Findings

- The youth entrepreneurs in Wokha districts of Nagaland are in the age group of 26-45 and are mostly graduate and running the business organisation as sole proprietorship.
- Most of the rural entrepreneurs in Nagaland are male and are mostly married. Whereas, an exceptional percentage of rural entrepreneurs i.e., 34% are female.
- Most of the rural entrepreneurs were running the business for more than 2-5 years and has an initial investment of ₹50000 - ₹3 Lakhs.
- Majority of the entrepreneurs are engaged in Agricultural (i.e., 36%) and trading sector (i.e., 32%) and earns profit up to ₹2 Lakhs annually.
- Majority of the rural youth entrepreneurs in Wokha face problems related to high cost of production, non-availability of market information, lack of trained and technical staff and fear of taking risk financially and expansion of business.
- Most of the entrepreneurs have not undergone EDP training/ programmes because they were not aware of the training programmes, felt not necessary to undergo the training and did not find convenient training place and duration.

6. Conclusion

Empowerment of rural youth by enhancing entrepreneurship in the rural regions have become the urgent need for development of the state. Rural entrepreneurship is significant for economic growth and promotion of capital formation, it also solves problems related to unemployment, poverty, economic disparity and so on. The study reveals that most of the youth entrepreneurs are venturing either in Agri-allied activities or trading sector, and neglect manufacturing and services sector. Therefore, focus can be made to enhance skill development training in the service and manufacturing sectors. Keeping this in view, the youths should be encouraged to establish MSME in agri-allied sector, trading sector and specially in services and manufacturing sectors, with which numerous problems can be tackled, thereby strengthening our economy.

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