



# PROMOTION OF ENTREPRENEURS THROUGH ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES (EDPS) AND ITS CHALLENGES IN NAGALAND.

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**Abstract:** Entrepreneurs play an important role as creators of income and employment in an economy. However being an entrepreneur demands for certain sets of skills for which the need for training programmes arises. Keeping this in mind the government through its various agencies designs certain training programmes to help entrepreneurs equipped with the right skills. The object of this paper is to study the various training programmes of the state government.

**Keywords:** *Entrepreneurs, Entrepreneurship and Entrepreneurship Development Programmes (EDPs).*

## Introduction

Entrepreneurs play a key role in generating income and employment in an economy as such they are considered as agents of economic growth (Schumpeter, 1934). Entrepreneurs fosters economic growth by way of creation new employment avenues and enhancing the existing human resource (Thomas and Mueller, 2000; Reynolds, 1987; Shapero, (1981). Entrepreneurship being an art of creating something new into the existing state of affairs, therefore it calls for the need to have entrepreneurial skill, which are normally imparted through various means one of which is thorough entrepreneurial development programmes (EDPs). Entrepreneurial development programmes are programmes initiated to help a person generate entrepreneurial motive, effective entrepreneurial skill and build effective capacity to support potential entrepreneurs.

The State Government with the intention of promoting and developing entrepreneurship and industrial development in the state, has established various institutions to meet the needs and demands of the enterprises with regard to creation, assistance and maintenance of the enterprises. The institution in accordance with the needs applies various means such as training programmes, financial assistance and provision of physical infrastructure. The department of Industry and Commerce is one such industry created by the government with an aim to foster growth of industries and thereby promote entrepreneurship in the state. Keeping in mind the importance of training programmes this paper tries to study the various trainings programmes of the department of Industry and commerce in the state.

## Methodology

For this study both primary and secondary sources of data were used. Questionnaire was used to collect primary data while various issues of government publication on EDPs were used as sources of secondary datas. Data was collected between 2015-2016.

## Major Entrepreneurship Development Programmes under the department.

The Department of Industry and Commerce resorts to the following activities:

### A. Training Programmes:

The department conducts various skill based trainings of different time duration which are classified as - Long-Term and Short-Term programmes. Long term training programme are those trainings that ranges from 9 months to 12 months while short term ranges between 3 months to 6 months. The following are the long term programmes.

| Type of Training     | Districts  | No. of Trainees |           |           |           |
|----------------------|------------|-----------------|-----------|-----------|-----------|
|                      |            | 2013-14         | 2014-15   | 2015-16   | 2016-17   |
| Weaving              | Dimapur    | 15 (17.6)       | 15 (17.6) | 15 (14.3) | 15 (14.3) |
| Weaving              | Mokokchung | 15 (17.6)       | 15 (17.6) | 15 (14.3) | 15 (14.3) |
| Weaving & Handicraft | Tuensang   | 25 (29.4)       | 25 (29.4) | 25 (23.8) | 25 (23.8) |
| Weaving & Handicraft | Mon        | 20 (23.5)       | 20 (23.5) | 20 (19)   | 20 (19)   |
| Handicraft           | Zunheboto  | 0 (0)           | 0 (0)     | 10 (9.5)  | 10 (9.5)  |
| Weaving              | Longleng   | 0 (0)           | 0 (0)     | 10 (9.5)  | 10 (9.5)  |
| Weaving & Handicraft | Aghunato   | 10 (11.8)       | 10 (11.8) | 10 (9.5)  | 10 (9.5)  |
| Total                |            | 85 (100)        | 85 (100)  | 105 (100) | 105 (100) |

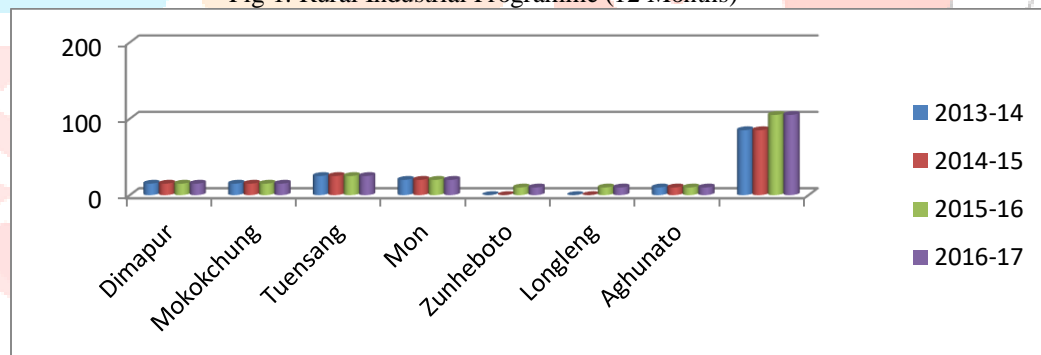
#### A.1. Rural Industrial Programme (12 Months)

The table below shows that under the Rural Industrial Programmes (12 months) the number of trainees is seen to have increased as over the years as 85 trainees in 2013-14 and 2014-15 to 105 trainees to in 2015-16 to 2016-17. The trainings were given in seven districts of Nagaland viz. Dimapur, Mokokchung, Tuensang, Mon, Zunheboto, Longleng and Aghunato.

Table 1: Rural Industrial Programme (12 Months)

Sources: Annual report of Department of Industry and Commerce

Fig 1: Rural Industrial Programme (12 Months)



It is seen that Mon and Tuensang district had the most number of trainees with the highest percentage in all the years. Weaving and Handicraft was seen to have been given more emphasizes.

**A.2. Rural Industrial Programme (9 Months)**

The table above shows the various types of trainings given under the Rural Industrial Programmes (9 months) viz. Electronic, Automobile, Sheet Metal, Welding, Stenography and Cutting & Tailoring.

Table 2: Rural Industrial Programme (9 Months)

| Types of Training   | Districts          | No. of Trainees |                  |                  |                 |
|---------------------|--------------------|-----------------|------------------|------------------|-----------------|
|                     |                    | 2013-14         | 2014-15          | 2015-16          | 2016-17         |
| Electronic          | TD&TC, Dimapur     | 0 (0)           | 10 (9.5)         | 10(9.8)          | 10 (11.5)       |
| Automobile          | TD&TC, Dimapur     | 15 (15.8)       | 15 (14.3)        | 15(14.7)         | 15 (17.2)       |
| Sheet Metal         | TD&TC, Dimapur     | 15 (15.8)       | 15 (14.3)        | 15(14.7)         | 0 (0)           |
| Welding             | DIC, Wokha         | 0 (0)           | 0 (0)            | 12(11.8)         | 12 (13.8)       |
|                     | DIC, Dimapur       | 15 (15.8)       | 15 (14.3)        | 0 (0)            | 0 (0)           |
| Stenography         | DIC, Kohima        | 20 (21.1)       | 20 (19.0)        | 20(19.6)         | 20 (23)         |
| Cutting & Tailoring | DIC, Peren         | 0 (0)           | 0 (0)            | 10(9.8)          | 10 (11.5)       |
| Cutting & Tailoring | DIC, Kiphire       | 0 (0)           | 0 (0)            | 10(9.8)          | 10 (11.5)       |
| Cutting & Tailoring | DIC, Chozuba       | 0 (0)           | 0 (0)            | 10(9.8)          | 10 (11.5)       |
| Cutting & Tailoring | Sub-DIC, Tseminyu  | 10 (10.5)       | 10 (9.5)         | 0 (0)            | 0 (0)           |
| Cutting & Tailoring | Sub-DIC, Pughoboto | 10 (10.5)       | 10 (9.5)         | 0 (0)            | 0 (0)           |
| Cutting & Tailoring | Sub-DIC,Bhandari   | 10 (10.5)       | 10 (9.5)         | 0 (0)            | 0 (0)           |
| <i>Total</i>        |                    | <i>95 (100)</i> | <i>105 (100)</i> | <i>102 (100)</i> | <i>87 (100)</i> |

Sources: Annual report of Department of Industry and Commerce.

The highest number of trainees produced was in the year 2014-15 with 105 numbers of trainees, which is followed by 102 in 2015-16, 95 in 2013-14 and 87 in 2016-17. In all the years, the type of training that received the highest percentage of training was Stenography followed by Automobile, Sheet Metal and Welding.

**A.3. Short - Term Training (3 months to 6 months)**

The short-term training programmes ranges from 3 months to 6 months period. The various types of trainings offered are viz. Cutting & Tailoring, Hair, Skin & Beauty Care, Beauty and Hairstyling, Basket Making and Computer Fundamentals. In 2013-14 the total number of trainees was 105. Out of which the maximum number of training was focused on Computer Fundamentals with was about 38 percent which was followed by Basket Making with 19 percent. In 2014-15 a total of 65 trainees was produced in Cutting and Tailoring, Hair, Skin and Beauty Care and Basket Making constituting 30.8 percent each. In 2015-16, the majority of the trainees took up Hair, Skin and Beauty care training under the sponsorship of DONER which was about 55.2 percent of the 145 trainees. While in 2016-17 about 80 trainees under took training in Cutting and Tailoring and Hair, Skin and Beauty Care.

Table 3: Short - Term Training (3 months to 6 months)

| Types of Training                | Districts  | No. of Trainees |                |                 |                |
|----------------------------------|------------|-----------------|----------------|-----------------|----------------|
|                                  |            | 2013-14         | 2014-15        | 2015-16         | 2016-17        |
| Cutting & Tailoring              | Mokokchung | 0 (0)           | 20(30.8)       | 20(13.8)        | 20(25)         |
| Cutting & Tailoring              | Kohima     | 0(0)            | 0(0)           | 20(13.8)        | 20(25)         |
| Hair, Skin & Beauty Care         | Dimapur    | 0(0)            | 25(38.4)       | 25(17.2)        | 40(50)         |
| Cutting & Tailoring              | Mokokchung | 15(14.3)        | 0(0)           | 0 (0)           | 0 (0)          |
| Beauty And Hairstyling           | Dimapur    | 15(14.3)        | 0(0)           | 0(0)            | 0(0)           |
| Basket Making                    | Dimapur    | 20 (19)         | 20(30.8)       | 0(0)            | 0(0)           |
| Computer Fundamentals            | Kohima     | 40(38)          | 0(0)           | 0(0)            | 0(0)           |
| Cutting And Tailoring            | Kohima     | 15(14.3)        | 0(0)           | 0(0)            | 0(0)           |
| Hair, Skin & Beauty Care (DONER) |            | 0(0)            | 0 (0)          | 80(55.2)        | 0(0)           |
| <i>Total</i>                     |            | <i>105(100)</i> | <i>65(100)</i> | <i>145(100)</i> | <i>80(100)</i> |

Sources: Annual report of Department of Industry and Commerce

#### A.4. Training outside of state

The department also provided training outside of the state which are mentioned in the table below.

Table 4: Training outside of state

| Types of Training   | Districts        | No. of Trainees |          |         |         |
|---|------------------|-----------------|----------|---------|---------|
|   |                  | 2013-14         | 2014-15  | 2015-16 | 2016-17 |
| Indian Institute of Handloom and textiles technology,     | Guwahati         | 15(4.6)         | 5(20.8)  | 7(100)  | 0       |
| Advance Training in Fine cane and Bamboo Technology       | Agartala         | 15(4.6)         | 0        | 0       | 0       |
| National Institute of Fashion Technology                  | Kolkata          | 20(6.2)         | 19(79.2) | 0       | 0       |
| Hairstyling and beauty care                               | NEITCO, Guwahati | 40(12.3)        | 0        | 0       | 0       |
| Banana Fiber and Extraction                               | NEITCO, Guwahati | 15(4.6)         | 0        | 0       | 0       |
| Industrial Exposure Tour for Entrepreneur/Educated youths | -                | 220(67.7)       | 0        | 0       | 0       |
| Total   |                  | 325(100)        | 24(100)  | 7(100)  | 0       |

**Sources:** Annual report of Department of Industry and Commerce

Majority of activities were seen to have been conducted in the year 2013-14. In 2013-14, around 220 entrepreneur and educated youths (67.7 percent) underwent an Industrial Exposure Tour out of the state, 40 trainees (12.3 percent) underwent a training at National Institute of Fashion Technology of Kolkata, 15 trainees (4.6 percent) each to Indian Institute of Handloom and textiles technology, Guwahati, Advance Training in Fine cane and Bamboo Technology, Agartala. In 2014-15, 19 trainees (79.2 percent) were sent to National Institute of Fashion Technology of Kolkata and 5(20.8 percent) to Indian Institute of Handloom and textiles technology. In 2015-16 with only 7 trainees were send to Indian Institute of Handloom and textiles technology, Guwahati.

#### B. Year of Entrepreneurship:

One of most important accomplishment of the department was the implementation of the 'Year of Entrepreneurship 2010'. As per the approval of the Cabinet directives, the following number of entrepreneurs were selected and financed as mentioned below through the mentioned programme:

Table 5: Entrepreneurs financed through the Year of Entrepreneurship

| Promoting Institutions     | Number of Entrepreneurs |
|----------------------------|-------------------------|
| Industries (PMEGP)         | 342 (44.6)              |
| NHHDC                      | 85 (11.1)               |
| NIDC                       | 49 (6.4)                |
| Directly Financed by Banks | 168 (21.9)              |
| Other Allied Departments   | 122 (15.9)              |
| Total                      | 766 (100)               |

**Sources:** Annual report of Department of Industry and Commerce

The table above shows that majority of the finance to the entrepreneurs were provided by Districts Industries Center through PMEPG scheme (44.6 percent). While 21.9 percent was directly funded by banks. Other Allied Department constitute about 15.9 percent, NHHDC funded about 11.1 percent and NIDC funded about 6.4 percent.

#### C. Schemes and Programmes:

Schemes and Programmes are an important instrument of the Department for the promotion of entrepreneurship in the state. One of the major schemes under the department is the Prime Minister Employment Guarantee Programme (PMEGP).

##### C.1 Prime Minister's Employment Generation Programme (PMEGP):

Prime Minister's Employment Generation Programme (PMEGP) is a centrally sponsored scheme administered by the Ministry of Micro, Small and Medium Enterprise (MoMSME). The Scheme is implemented by Khadi and Village Industries Commission (KVIC) as the Nodal Agency at the National Level. At the State level, the Scheme is implemented through the state KVIC directorates, State Khadi and Village Industries Board (KVIBs), District Industries Centers (DICs) and banks as per the Guidelines of the programme.

Table 6: Allocation of PMEGP to DICs

| Year    | Units allotted under DICs | Employment generation |
|---------|---------------------------|-----------------------|
| 2016-17 | 400                       | 3200                  |
| 2015-16 | 330                       | 2640                  |
| 2014-15 | 606                       | -                     |
| 2013-14 | 329                       | 2632                  |

Sources: Annual report of Department of Industry and Commerce

The table above shows the allocation of units to District Industrial Centers for assistance through the PMEGP programme. In 2013-14, around 329 units were allocated for assistance through PMEGP and through it generated 2632 number of employment. In 2014-15, the allocation increased to about 606 units, while in 2015-16, 330 units were allocated for assistance and generated employment of about 2640. Further in it was found to be about 2016-17 about 400 units generating employment of about 3200.

Table 7: Entrepreneurs availing PMEGP

| Districts  | Entrepreneurs availing PMEGP | Percentage to total enterprises |
|------------|------------------------------|---------------------------------|
| Wokha      | 7 (38.9)                     | 9.9                             |
| Kohima     | 5 (27.8)                     | 7.6                             |
| Mokokchung | 6 (33.3)                     | 9.5                             |
| Total      | 18 (100)                     | 9.0                             |

Source: field survey (2015-16)

The table above shows that very few availed assistance from the government in the form of PMEGP. In Wokha districts it was found to be 7 which is about 9.9 percent of the total enterprises in the study. In Kohima it was found to be 5 which is 7.6 percent while in Mokokchung it was about 6 entrepreneurs which is about 9.5 percent of the total entrepreneurs in the study. One of the main reasons is found to be lack of awareness of the programme.

#### D. Challenges faced in promotion of entrepreneurs through EDPs

##### ➤ In adequate execution of the programmes:

One of the primary challenges of EDPs in the state is the inadequacy of the programmes under EDPs. EDPs comprises of comprehensive programmes with an aim to stimulate, support and sustain entrepreneurial intentions. Though primary trainings are rendered to the trainees to stimulate their entrepreneurial intentions, however, there are no proper follow up means to enable them to materialize their entrepreneurial intentions. As such there is a need for an effort to build proper stage-wise programmes to enhance the execution of the EDPs.

##### ➤ Lack of adequate business incubation center:

Another pertaining issue is lack of adequate business incubations centers to nurture and cultivate mind towards entrepreneurship. However, lately, the government have launched the Nagaland startup policy 2019 to create entrepreneurial ecosystem with suitable incubation and mentoring facilities, to develop human capital, to provide the needed legal support and facilitate easy access to the funding agencies (Bhumika Khatri, 2019). Also other private stakeholders like Entrepreneurs Associate (EA) have started providing services such as incubation and mentoring to budding entrepreneurs.

##### ➤ Low start-up rates post training

In spite of having attended training programmes, trainees have the tendency to wait for placement from the government instead of starting up their own enterprise. This is mainly due low motivational level and lack of planning on the part of the trainees. This is further related to lack of proper technical and financial support system from the stakeholders.

##### ➤ Lack of awareness of EDPs

One of the common challenges is the lack of awareness of EDPs and its benefits by the entrepreneurs in terms of the types of training programmes and their applications, financial packages, procedure and norms of availing the benefits etc.

##### ➤ External interference in the issues of the benefits:

It is an unsounded fact that there are political interferences in the issues of the benefits under EDPs. References from higher authorities are normally considered against those that are coming through the proper channels. This practice undermines the purpose of the programmes and also the eligibility of the prospective entrepreneurs.

➤ **Existence of bureaucratic burden and red tape**

Existence of bureaucratic burden and red tape are other hindrances towards the smooth functioning of the programmes. Indian SMEs go through about 12 procedures taking an average of 27 days to start a business (“The red tape challenge for SMEs”, 2012). Hindrances are normally experienced in the forms of excess procedures, inactivity within the department and poor network between the department and the funding agencies.

**Conclusion**

Entrepreneurship development programmes significantly impacts entrepreneurs and their activities (Kolvereid and Meon 1997). The government of India under the Ministry of MSME have designated the various Nodal Agencies for the promotion of the local artisans and entrepreneurs through various schemes, of which EDPs is an important schemes. The study shows that state government through the department of Industry and Commerce have been trying to boost the entrepreneurs by way of rendering training programmes. However, there is still a need to widen the scope of entrepreneurship developments programmes (EDPs) in the state by including other aspect apart from technical trainings such as risk and human resource management programmes in order to facilitate the entrepreneurs in fully realizing the dynamics of entrepreneurship. Furthermore, providing awareness on the appropriate programmes sanctioned by the government can be crucial for developing entrepreneurship. Thus, effective entrepreneurship development programmes (EDPs) can serve as an impetus for the growth of entrepreneurship in the state.

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