

An Empirical Study on the Problems Faced by Tribal Agripreneurs in Hill Districts of Manipur

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Abstract

The study was conducted in five tribal dominated hill districts of Manipur to study the major problems encountered by agripreneurs among the tribes. A sample size of 250 tribal entrepreneurs in the field of agriculture and allied activities were selected as respondent for the study. Data were obtained through personal interview by a well-structured interview questionnaire using five-point Likert scale. The collected data were analyzed and tabulated using percentage. The problems considered for the study were classified as marketing, financial, raw materials, labour and infrastructural problems. The results of the study revealed that the main marketing problem encountered by agripreneurs is competition from other small businesses, with competition from larger enterprises being a secondary concern. With regards to finance, lack of own funds and resources is the main financial problem, followed by a shortage of capital in starting the business. High price of raw materials is the key problem of raw material, followed by its scarcity, transport, and low quality. Scarcity or non-availability of skilled labour is found to be the key labour problem while irregularity of power supply, shortage of machines and equipment and inadequate space and building are the main infrastructural problems faced by tribal agripreneurs.

Key words: Tribes, Entrepreneur, Agriculture, Agripreneurs, Problems, Challenges

The sustenance of tribes is heavily reliant on using land and forests for agricultural purposes. The agriculture and allied sectors are widely recognized as the fundamental pillar of the Indian economy, playing a significant role in the country's economic advancement by providing essential raw materials and creating a substantial demand for various industrial products, including fertilizers, insecticides, agricultural tools, and a diverse range of consumer goods [1]. The concepts of entrepreneurship and agripreneurship are frequently employed within the agricultural sector and in the establishment of small businesses. Dollinger [2] defines agriculture entrepreneurship as "the development of an innovative economic entity with the aim of profit or expansion in the face of risk and uncertainty." According to [3], agripreneurship is a "profitable marriage of agriculture and entrepreneurship- more plainly, turning your farm into a business" (p.xi). Agripreneur is an "entrepreneur whose main business is agriculture or agriculture-related" [4]. Agripreneur, agricultural entrepreneur, agripreneur, and farm entrepreneur are used interchangeably to mean entrepreneur engaged in agriculture or allied activities. Agripreneurship contributes to the growth and development of the national economy through entrepreneurship development, which increases rural and urban income and employment opportunities [5]. Agripreneurship is widely recognized as a significant catalyst for the advancement and well-being of rural households [6]. Agripreneurs identify business opportunities in the agricultural sector and convert them into sustainable and profitable enterprises [7-8]. The agripreneurship development

in the country faces several challenges that hinder its growth and potential. These challenges include inadequate infrastructural facilities, a lack of entrepreneurial culture among the population, the migration of talented and skilled employees from rural to urban areas, insufficient technologies and equipment, difficulties in marketing agricultural products, competition, management problems, and inadequate institutional measures and government policies [9-10]. The present study offers a comprehensive analysis of the problems faced and offer solution.

MATERIALS AND METHODS

The study was conducted in five tribal-dominated hill districts of Manipur. Out of ten hill districts dominated by the tribes, five hill districts, Chandel, Churachandpur, Kangpokpi, Senapati, and Ukhrul, were selected as these districts had the maximum number of tribal entrepreneurs registered in Udyog Aadhar Memorandum for Micro, Small and Medium Enterprises. Using the proportionate random sampling technique, a sample of 250 entrepreneurs engaged in agriculture and allied activities were selected from all five hill districts. Data were obtained through personal interviews by a well-structured and pre-tested interview questionnaire using a five-point Likert scale. The participants were requested to provide feedback regarding the problems concerning finance, marketing, labour, raw materials, and infrastructure. These challenges were assessed on a scale ranging from "not at all

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serious" to "highly serious," with corresponding weights of 1, 2, 3, 4, and 5, respectively. The data was subjected to analysis, tabulation, and presentation as percentages.

RESULTS AND DISCUSSION

Marketing problems

Many businesses struggle to establish effective distribution channels, communicate product features, price products and services attractively, implement sales and marketing efforts to win and retain customers and develop new products to maintain sales [11]. Entrepreneurs face numerous marketing obstacles, including low demand, inferior quality and design, weak bargaining power, and poor customer service [12]. Rural entrepreneurs encountered relentless competition from their counterparts [13]. The descriptive

analysis in (Table 2) displays the mean scores of agripreneurs concerning marketing problems. The main marketing problem encountered by agripreneurs is competition from other small businesses, with competition from larger enterprises being a secondary concern. The additional marketing challenges include inadequate advertisement efforts, slackness of demand, and transport of raw materials. Among the array of marketing problems, transport is considered the least problematic. The findings presented in (Table 2) illustrate the perspectives of agripreneurs regarding the diverse challenges encountered in marketing. The impact of competition from other small enterprises is perceived as moderate by 22.4 percent of respondents, serious by 45.6 percent, and highly serious by 16 percent. In contrast, competition from large enterprises is viewed as moderate by 22.4 percent, serious by 37.6 percent, and highly serious by 19.6 percent of the agripreneurs.

Table 1 Descriptive statistics

	Problems	Mean	S.D.
Marketing problems	Competition from other small enterprises	3.6000	0.97355
	Competition from big enterprises	3.5400	1.07191
	Slackness/irregularity in demand	3.1120	1.00773
	Lack of advertising efforts	3.2240	1.08190
	Transport problems	3.0600	1.13027
Financial problems	Shortage of capital in starting the business	3.8400	1.01317
	Lack of own fund and resources	3.8440	0.92471
	Delay in sanctioning of loan	3.1920	1.13503
	High rate of interest	3.1920	1.16644
	Lack of / inadequate government assistance	3.3520	1.21408
Raw material problems	Scarcity of raw material	3.5200	1.11290
	High price of raw material	3.6920	1.07413
	Low quality of raw material	2.9960	1.11758
	Transport of raw materials	3.1600	1.19167
Labour problems	Scarcity / non availability of skilled labour	3.1960	1.17093
	High labour cost	3.0120	1.08839
	Labour turnover	2.8360	1.04185
	Labour absenteeism	2.8240	1.04181
Infrastructural problems	Inadequate space and building	3.4360	1.22471
	Inadequate communication facility	2.8560	1.10642
	Shortage of equipment or machines	3.5360	1.09796
	Inadequate / irregular power supply	3.5600	1.15400
	Inadequate / irregular water supply	3.0320	1.18854

Table 2 Marketing problems

Marketing problems	Not at all serious	Not serious	Moderate	Serious	Highly serious
Competition from other small enterprises	4 (1.6%)	36 (14.4%)	56 (22.4%)	114 (45.6)	40 (16.0)
Competition from big enterprises	6 (2.4%)	45 (18.0%)	56 (22.4%)	94 (37.6%)	49 (19.6%)
Slackness / irregularity in demand	12 (4.8%)	65 (26.0%)	69 (27.6%)	91 (36.4%)	13 (5.2%)
Lack of advertising efforts	14 (5.6%)	61 (24.4%)	51 (20.4%)	103 (41.2%)	21 (8.4%)
Transport problems	18 (7.2%)	75 (30.0%)	54 (21.6%)	80 (32.0%)	23 (9.2%)

Table 3 Financial problems

Financial problems	Not at all serious	Not serious	Moderate	Serious	Highly serious
Shortage of capital in starting the business	4 (1.6%)	31 (12.4%)	34 (13.6%)	113 (45.2%)	68 (27.2%)
Lack of own fund and resources	3 (1.2%)	27 (10.8%)	30 (12.0%)	136 (54.4%)	54 (21.6%)
Delay in sanctioning of loan	15 (6.0%)	60 (24.0%)	73 (29.2%)	66 (26.4%)	36 (14.4%)
High rate of interest	15 (6.0%)	68 (27.2%)	58 (23.2%)	12 (28.8%)	37 (14.8%)
Lack of inadequate government assistance	16 (6.4%)	56 (22.4%)	53 (21.2%)	74 (29.6%)	51 (20.4%)

Financial problems

One of the primary barriers hindering the growth and survival of business is access to finance [14]. Insufficient capital or lack of personal resources is the main roadblock to establishing a business [15] and affects the business performance [16]. Due to insufficient collateral, high transaction costs, and an inability to navigate the complexities

of formal financial institutions, small businesses have difficulty expanding [17-18]. The mean scores of various financial problems resulting from descriptive analysis shown in (Table 3) revealed that lack of own funds and resources is the critical financial problem faced by agripreneurs, followed by a shortage of capital in starting the business. Lack of inadequate government assistance, delay in sanctioning of loans, and high

rates of interest are the other financial problems. Financial problems are shown in (Table 3). Lack of own funds and resources is considered to be a serious problem by 54.4 percent and highly serious by 21.6 percent of the agripreneurs while the

shortage of capital in starting the business is considered to be a serious problem by 45.2 percent and highly serious by 27.2 percent of the respondents.

Table 4 Raw material problems

Raw material problems	Not at all serious	Not serious	Moderate	Serious	Highly serious
Scarcity of raw material	16 (6.4%)	38 (15.2%)	33 (13.2%)	126 (50.4%)	37 (14.8%)
High price of raw material	16 (6.4%)	23 (9.2%)	29 (11.6%)	136 (54.4%)	46 (18.4%)
Low quality of raw material	22 (8.8%)	71 (28.8%)	62 (24.8%)	76 (30.4%)	19 (7.6%)
Transport of raw materials	21 (8.4%)	65 (26.0%)	49 (19.6%)	83 (33.2%)	32 (12.8%)

Raw material problems

The availability and sufficiency of essential raw materials are critical variables that substantially impact the operational outcomes of business [19]. Raw material problems reflect a significant scarcity, substandard quality, and exorbitant costs [20]. According to Lalhunthara [21], the problems encompassed shortage, elevated pricing, poor quality, and transportation challenges. The descriptive analysis of raw material problems, as shown in (Table 4) revealed that the high price of raw materials has the highest scores, followed by the scarcity of raw materials, transport of raw materials, and low quality of raw materials. From (Table 4), it can be observed that the high price of raw materials is perceived as a serious problem by 54.4 percent and highly serious by 18.4 percent, while scarcity of raw materials is considered a serious problem by 50.4 percent and highly serious by 14.8 percent of the agripreneurs. Low quality of raw materials is considered a serious problem by 30.4 percent, and only 7.6 percent consider it a highly serious problem of raw materials.

Labour problems

Entrepreneurs encounter several significant labour problems, including labour scarcity, elevated labour costs, labour turnover, and labour absenteeism [21]. Skilled and efficient employees also tend to neglect work without prior notification [22]. Lack of skilled labour hinders the growth of enterprises [15]. Labour retention is difficult in micro and small enterprises since they are not bound by contracts [23]. Scarcity or non-availability of skilled labour is found to be the key labour problem faced by the tribal agripreneurs, as the mean score in the descriptive analysis is the highest (Table 5), followed by high labour cost, labour turnover, and labour absenteeism. Labour absenteeism is observed as the least problematic among the discussed labour problems. Scarcity of skilled labour is considered a serious problem by 32 percent and highly serious by 13.6 percent of the respondent in the study area, while high labour cost is considered serious by 32.4 percent and a highly serious problem by 6.8 percent of the tribal agripreneurs.

Table 5 Labour problems

Labour problems	Not at all serious	Not serious	Moderate	Serious	Highly serious
Scarcity / non availability of skilled labour	18 (7.2%)	63 (25.2%)	55 (22.0%)	80 (32.0%)	34 (13.6%)
High labour cost	17 (6.8%)	78 (31.2%)	57 (22.8%)	81 (32.4%)	17 (6.8%)
Labour turnover	23 (9.2%)	81 (32.4%)	69 (27.6%)	68 (27.2%)	9 (3.6%)
Labour absenteeism	24 (9.6%)	82 (32.8%)	65 (26.0%)	72 (28.8%)	7 (2.8%)

Infrastructural problems

Electricity, transportation, and adequate water supply are essential to a country's development and small business success [24]. The lack of infrastructure can substantially impact the operational efficiency and expansion of businesses [25-26]. Frequent power failures, high tariffs, and power shortages affect business operations [21]. The descriptive analysis in (Table 6) shows that the mean score of inadequate power supply is the highest, affirming the high prevalence of shortage of power

supply. Next to the power supply shortage is the shortage of equipment and machines, inadequate space and building, inadequate water supply, and inadequate communication facility. Shortage of power supply is a serious problem by 43 percent and 20.8 percent of the agripreneurs, while the shortage of equipment or machines is perceived as serious by 45.6 percent and highly serious by 16.8 percent of the agripreneurs. An inadequate communication facility is considered the least problematic among the various infrastructural problems.

Table 6 Infrastructural problems

Infrastructural problems	Not at all serious	Not serious	Moderate	Serious	Highly serious
Inadequate space and building	17 (6.8%)	53 (21.2%)	36 (14.4%)	92 (36.8%)	52 (20.8%)
Inadequate communication facility	20 (8.0%)	95 (38.0%)	54 (21.6%)	63 (25.2%)	18 (7.2%)
Shortage of equipment or machines	13 (5.2%)	38 (15.2%)	43 (17.2%)	114 (45.6%)	42 (16.8%)
Inadequate / irregular power supply	12 (4.8%)	47 (18.8%)	32 (12.8%)	107 (42.8%)	52 (20.8%)
Inadequate / irregular water supply	18 (7.2%)	88 (35.2%)	42 (16.8%)	72 (28.8%)	30 (12.0%)

CONCLUSION

It could be concluded that tribal agripreneurs face significant problems related to market, finance, raw materials, labour and infrastructure. These obstacles align with those faced by entrepreneurs in several other sectors, suggesting that agripreneurs confront similar difficulties as their counterparts in different industries. The main marketing problem encountered by agripreneurs is competition from other small

businesses, with competition from larger enterprises being a secondary concern. With regards to finance, lack of own funds and resources is the main financial problem faced by agripreneurs, followed by a shortage of capital in starting the business. High price of raw materials is the key problem of raw material, followed by its scarcity, transport, and low quality. Scarcity or non-availability of skilled labour is found to be the key labour problem while irregularity of power supply, shortage of machines and equipment and inadequate space and building

are the main infrastructural problems faced by tribal agripreneurs. It is recommended that governmental bodies, financial institutions, and development organizations promptly and significantly allocate assistance to agripreneurs through means such as loans, incentives, concessions, and subsidies, and streamline complex regulations and lengthy procedures. It is also recommended that the government build raw material hubs in every region of the state, wherein agripreneurs can procure scarce raw materials at subsidized rates. The implementation of a marketing consortium aimed at promoting the products of agripreneurs, along with reservation of certain goods for production only by agripreneurs as a safeguard against intense competition from both large and small enterprises, can

effectively address marketing challenges. In order to facilitate the growth and development of specialized business skills among prospective and established agripreneurs, it is recommended that governmental bodies and entrepreneurship-promoting organizations collaborate to arrange developmental initiatives and provide technical and vocational training opportunities for aspiring agripreneurs. The multitude of problems encountered by agripreneurs may disrupt their business operations. Therefore, it is imperative to promptly and sufficiently intervene in order to effectively handle the issues encountered, with the aim of fostering the advancement and expansion of agripreneurship, as well as uplifting the tribal community.

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