



# A STUDY ON THE IMPACT OF ATTITUDE TOWARDS RURAL ENTREPRENEURSHIP AMONG ORGANIC FARMERS IN MANIPUR, INDIA

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## ABSTRACT

*In the past few decades, the policymakers and the government officials are providing more focus on developing entrepreneurship among the rural population. Hence the importance of studying the attitude towards entrepreneurship plays a vital role to solve the unemployment problem prevailing in our country and to provide scope for income generation. The purpose of the study is to explore the level of attitude towards entrepreneurship among the rural organic farmers in Manipur state and identify the impact of the determinants of the attitude towards entrepreneurship on the attitude level. The data were analysed on a sample of 156 organic farmers using index analysis and multiple regression. The results show that female respondents are having a higher level of attitude towards rural entrepreneurship than their male counterparts. Specifically, the present study also suggests that The significant influencing determinants of attitude towards rural entrepreneurship on the attitude towards rural entrepreneurship Index among the respondents in the male are Personal efficacy, resource efficacy, social efficacy and Technology efficacy. In the case of female, the significant influencing determinants of attitude towards rural entrepreneurship on attitude towards rural entrepreneurship Index are business acumen efficacy, resource efficacy, social efficacy and Technology efficacy.*

**KEYWORDS:** *Rural entrepreneurship, Personal efficacy, business acumen efficacy, resource efficacy, social efficacy and Technology efficacy*

## INTRODUCTION

Entrepreneurs and entrepreneurship have remained on the back side in communities while we talk about Entrepreneurship. But as someone has rightly said, society or any economy can not build without entrepreneurship. Entrepreneurial activity has been described as one resource that developing countries need to leverage to allow them to compete in a global economy. Through increased employment opportunities for all and consequently economic growth

in and out of the country, entrepreneurship is essential for further social development.

One of the principal challenges of our planning process has been the growth of the rural economy. Accordingly, attempts have been made on a continuous basis for enhancing the economic and social well-being of people in rural areas on a sustainable basis. This is maintained by the implementation of a broad range of rural economy programmes/schemes. The schemes aim at bridging the rural-urban divide;



poverty alleviation; job generation; infrastructure growth and social security.

The Indian rural sector produces around 50 per cent of the gross domestic product (GDP) of the country. There are about 840 million people in rural India, and rising income levels and greater aspirations are gradually driving demand there. In the period 2009–2012, rural consumption per person increased annually at 19 per cent, according to data from the National Sample Survey Organization (NSSO).

Rural Entrepreneurship is focused on stimulating the creativity of local entrepreneurs and the subsequent development of indigenous businesses. It recognises potential in the rural areas and drives a specific mix of capital either within or outside of agriculture. By developing new production methods, new goods, new markets, and generating job opportunities, rural entrepreneurship brings economic benefit to the rural sector, thus ensuring continuous rural growth.

The growth of entrepreneurship is comparatively lower in Manipur's rural backward areas. However, many young educated persons are willing to start entrepreneurship. The growth trends of entrepreneurship are very closely correlated with the socio-economic situation in the country.

The intention to act entrepreneurially depends on the individual's human resources, as argued elsewhere. Here we say that human capital involves not only personal skill and social capital but also inherent attitudes to aspects of entrepreneurship, such as freedom, firm ownership and risk. The motive for seeking self-employment (or any other entrepreneurial behaviour) is thus regarded as a feature of the skills and attitudes of a person.

## LITERATURE REVIEW

Entrepreneurship is considered one of the most critical economic development techniques in the 21st century to boost the economic growth of a country and preserve its competitiveness by leveraging the opportunities of globalisation. (Schaper and Volery, 2004; Venkatachalam and Waqif, 2005). Attitude plays a critical role in influencing the behaviour of an individual (Thavaraj, 2012).

Many research findings have shown that there is a positive relationship between entrepreneurship and economic growth in terms of job creation, firm survival and technological change (Gorman, Hanlon et al. 1997; Lena and Wong 2003; Karanassios, Pazarskis et al. 2006; Banchflower, 2000). Dual roles for women and discrimination against women are significant social constraints. (Thavaraj, 2005).

Kuratka and Richard (1997) Entrepreneurship is the dynamic method of producing total wealth created by individuals who, in terms of capital, time and career commitment, take the significant risks of providing value for specific goods or services.

Abraham D. T., Kalamkar S. S. (2011) reported that in India, initiatives like the IRDP and the SGSY were undertaken to reach the poor in the rural areas aimed at rising income through self-employment. Many of these projects, gave thrust to promoting community entrepreneurship as a community approach was considered to be more appropriate and hence to be promoted.

Programs produce entrepreneurs who can build small and micro-enterprises that need lower funding investments and just a few workers (R. K. Khatkar, 1989).

Agriculture is the mainstay of the Indian economy, as it constitutes the backbone of rural India which inhabitants more than 70 per cent of the total Indian population. Besides, India's rural economy has played a crucial role in India's overall economic development and social growth. (Vaidyanathan S., Sundar V., 2011).

The government of India and the respective governments in the states have established, built and maintained the institutional network of organised developmental institutions in the country supporting the growth and sustenance of micro and small village enterprises and alleviating rural poverty. (Rakesh Kumar Gupta, 1993).

## OBJECTIVES OF THE STUDY

1. To reveal the level of rural entrepreneurial attitude among the organic farmers in Manipur.
2. To analyse the impact of the attitude level on the determinants the rural entrepreneurial attitude.

## METHODOLOGY

### Sample Design

The sampling technique adopted for the study is convenience sampling. All the organic farmers residing in rural areas in Manipur state, India form the population of the study. Out of the sixteen districts, the capital (Imphal – East and West) was excluded from the study as it falls under the urban base. Hence among the fourteen districts, the researcher has selected four districts, namely Senapati, Ukhrul, Tamenglong and Noney, for the study. The sample size was arbitrarily chosen as 156 samples.



**Data Collection**

The data used in the study are both primary and secondary. The secondary data were collected from the reports, journals, technical books and the Internet. The primary data were collected using a structured interview schedule.

The attitudes towards rural entrepreneurship among the organic farmers are measured from the related statements drawn from the reviews. In total, there were 40 statements have been generated to measure the attitude towards rural entrepreneurship among the organic farmers. The final set of structured interview schedule was shown to ten rural farmers in Manipur state for content validity. By the pre-test, suitable modifications and alterations have been carried out to enrich the quality of the structured interview schedule. The researcher personally administered the structured interview schedule.

**ATTITUDE TOWARDS RURAL ENTREPRENEURSHIP INDEX AMONG THE RESPONDENTS**

The attitude towards rural entrepreneurship Index reveals the summative view on various factors involved in attitude towards rural entrepreneurship. The attitude towards rural entrepreneurship Index is calculated by

$$AREI = \frac{\sum_{i=1}^n ISAREV}{\sum_{i=1}^n MSAREV} \times 100$$

Whereas,

ISAREV – Individual score on attitude towards rural entrepreneurship Variable

MSAREV – Maximum score on attitude towards rural entrepreneurship Variable

i=1. . . n– Number of statements included in attitude towards rural entrepreneurship

The attitude towards rural entrepreneurship Index in the present study is confined to less than 21 per cent, 21 to 40, 41 to 60, 61 to 80 and above 80 per cent. The distribution of respondents on the basis of their attitude towards rural entrepreneurship Index is shown in Table 1.

**TABLE 1**  
**Attitude towards Rural Entrepreneurship Index (AREI) among the Respondents**

Sl.No.	attitude towards rural entrepreneurship Index (in per cent)	Number of Respondents		Total
		Male	Female	
1	Less than 21	17	11	28
2	21-40	10	16	26
3	41-60	15	32	47
4	61-80	13	29	42
5	Above 80	4	9	13
	<b>Total</b>	<b>59</b>	<b>97</b>	<b>156</b>

The dominant attitude towards rural entrepreneurship Index among the respondents is 41 to 60 and 61 to 80 per cent, which constitute 30.12, and 26.92 per cent to the total, respectively. The respondents with an attitude towards rural entrepreneurship Index of above 80 per cent constitute 08.33 per cent to the total. The dominant attitude towards rural entrepreneurship Indexes among the respondents in the male are less than 21 and 41 to 60 per cent, which constitute 28.81 and 25.42 per cent to its total respectively. At the same time, among the respondents in female, the two dominant levels are 41

to 60 and 61 to 80 per cent, which constitute 32.98 and 29.89 to its total respectively.

**Impact of Determinants of attitude towards rural entrepreneurship on the attitude towards rural entrepreneurship Index**

The dominant determinants of attitude towards rural entrepreneurship are narrated into Personal efficacy, business acumen efficacy, resource efficacy, social efficacy and Technology efficacy with the help of factors based on the model RENSAM BTE Model: Barriers to Entrepreneurship (Thavaraj and Reney (2015). In order to analyse the impact of above-said



determinants of attitude towards rural entrepreneurship on attitude towards rural entrepreneurship Index among the respondents, the multiple regression analysis has been administered. The fitted regression model is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

Whereas Y – attitude towards rural entrepreneurship Index among the respondents

X<sub>1</sub>– Score on Personal efficacy among the respondents

X<sub>2</sub>– Score on business acumen efficacy among the respondents

X<sub>3</sub>– Score on resource efficacy among the respondents

X<sub>4</sub>– Score on social efficacy among the respondents

X<sub>5</sub>– Score on Technology efficacy among the respondents

b<sub>1</sub>, b<sub>2</sub>, b<sub>3</sub>, b<sub>4</sub>, b<sub>5</sub> – regression coefficients of independent variables

a – Intercept and

e – error term

The impact of determinants of attitude towards rural entrepreneurship on attitude towards rural entrepreneurship Index among the respondents in male, female and also for pooled data have been analysed separately. The results are shown in Table 2.

**TABLE 2**

**Impact of Determinants of attitude towards rural entrepreneurship on the attitude towards rural entrepreneurship Index**

Sl.No.	Independent Variables	Regression co-efficient among the Respondents		
		Male	Female	Pooled
1.	Personal efficacy	0.1467*	0.1242	0.1379*
2.	business acumen efficacy	0.1101	0.1607*	0.1155
3.	resource efficacy	0.2517*	0.2318*	0.2329*
4.	social efficacy	0.2741*	0.2455*	0.2636*
5.	Technology efficacy	0.2105*	0.2015*	0.1944*
	Constant	0.9107	1.2452	0.9466
	R <sup>2</sup>	0.7356	0.7235	0.8326
	F-statistics	11.3931*	10.9012*	12.7105*

\*Significant at five per cent level.

The significant influencing determinants of attitude towards rural entrepreneurship on the attitude towards rural entrepreneurship Index among the respondents in the male are Personal efficacy, resource efficacy, social efficacy and Technology efficacy. A unit increase in the above said four determinants results in an increase in attitude towards rural entrepreneurship Index of the respondents by 0.1467, 0.2517, 0.2741 and 0.2105 units, respectively.

In the case of female, the significant influencing determinants of attitude towards rural entrepreneurship on attitude towards rural entrepreneurship Index are business acumen efficacy, resource efficacy, social efficacy and Technology efficacy, since the respective regression coefficients are 0.1607, 0.2318, 0.2455 and 0.2015 respectively.

The analysis of pooled data reveals that a unit increase in the Personal efficacy, resource efficacy, social efficacy and Technology efficacy results in an increase in attitude towards rural entrepreneurship Index of 0.1379, 0.2329, 0.2639 and 0.1944 respectively. The changes in determinants of attitude towards rural entrepreneurship explain the differences

in attitude towards rural entrepreneurship Index among the respondents to the extent of 83.26 per cent.

**CONCLUSION**

It is revealed from the study that the organic farmers in Manipur state are having an average level of attitude towards entrepreneurship. It was also concluded that the female organic farmers are having a higher level of an attitude than the male counterparts concerning entrepreneurship. The significant influencing determinants of attitude towards rural entrepreneurship on the attitude towards rural entrepreneurship Index among the respondents in the male are Personal efficacy, resource efficacy, social efficacy and Technology efficacy. In the case of female, the significant influencing determinants of attitude towards rural entrepreneurship on attitude towards rural entrepreneurship Index are business acumen efficacy, resource efficacy, social efficacy and Technology efficacy. The analysis of pooled data reveals that a unit increase in the Personal efficacy, resource efficacy, social efficacy and Technology efficacy increases attitude towards rural



entrepreneurship Index. The government and the entrepreneur associations in Manipur should provide additional support need so that they can highly increase the entrepreneurial activities which will benefit the society and also the development of the country.

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