

## PROBLEMS AND PROSPECTS OF MICRO ENTREPRENEURSHIP WITH SPECIAL REFERENCE TO SMALL TEA CULTIVATION OF LAKHIMPUR DISTRICT OF UPPER ASSAM

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Dr. Amrit Paul\*

### ABSTRACT

*The Tea industry of Assam is one of the heritage industries. The tea industry is directly linked with the socio-economic life of the people of Assam as it is highly labour intensive and requires lesser amount of capital. The small tea cultivation in Assam has developed an employment avenue for the uneducated youth who have to follow land which can be converted into small tea gardens. The paper makes a sincere attempt to trace the problems and prospects of small tea cultivation as micro-entrepreneurship in a backward district of upper Assam.*

**KEYWORDS:** *Heritage Industries, Socio-economic Life, Employment Avenue, Micro-entrepreneurship.*

### Introduction

Rural entrepreneurship is the process of setting up of rural enterprises for the self-employment as well as employment generation in the economically and industrially backward rural areas bearing risk and with innovativeness. It is a dynamic concept and can be termed as a change agent through the transformation of rural resources into the finished products. It is not easy to set up large-scale enterprise by the rural people but they can tend towards micro or tiny enterprise. Small is beautiful. Rural micro-entrepreneurship is more effective for the sustainable development and livelihood in terms of optimum use of resources, environment friendliness and employability fostering rural economy. There are huge opportunities in rural areas to set up different farm-based or nonfarm based micro-enterprises in the area of food craft, handicraft, handloom, tea, rubber, village tourism etc. It has been observed that in the rural areas different traditional cottage and tiny enterprises like bell metal, terracotta, agarbatti, jewelry making, sericulture etc. have been functioning from early days. But these are not broad-based enterprises confined only to a family or a particular community. Thus, rural micro-entrepreneurship is the only way for the development of rural economy and converting all constraints and challenges into potentialities.

### Background of the Study

The problem is an essentially lopsided development which is a development of one area at the cost of development of some other place, with concomitant associated problems of underdevelopment. For instance, the unemployment or underemployment in the villages has led to an influx of rural population to the cities and creates the negative impact of migration. Migration per se is not always undesirable but it should be the minimum as far as employment is concerned. Though governments have tried out various schemes for generating incomes in the rural areas but could not stop people from moving out of villages to cities. This is because such government initiatives are not on their own capable of enabling people to earn adequately and ameliorate their conditions. Apart from causing suffering to the poor people and adding to the expenditure of the Government, social tensions and economic hardships, the aim of the Indian policymakers to create an ambiance of sustainable livelihood through self-employment by using the indigenous knowledge and inherent skill.

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\* Research Associate, Department of Commerce, Rajiv Gandhi University, Rono Hills Doimukh, and Arunachal Pradesh, India.

There is no dearth of opportunities when it comes to setting up a rural enterprise in the state of Assam. There are enormous scopes for expansion of tea, floriculture, rubber plantation, mushroom cultivation and handloom industries etc. In 1973 Assam started a novel experiment on entrepreneurship development by setting up district level agencies known as Entrepreneurial Motivational Training Centers to identify, select and train prospective entrepreneurs and provide them all support services to start and run their enterprise. And the era of Rural Entrepreneurship had started in the state of Assam. Rural microenterprises ensure value addition to rural resources in rural areas engaging largely rural human resources. The basic rationale for developing microenterprise is that they provide additional employment opportunities. By an entrepreneur, we usually mean a person who initiates a business idea, organizes the resources needed in business and operates the same. Entrepreneurs are individuals who have ideas for products and or services that they turn into a working business.

### Literature Review

Dr. Ratan Barman and Dipanjan Chakraborty (2013)<sup>1</sup> in their paper on "Rural entrepreneurship-one key to rural revitalization" studied the role of rural entrepreneurship in rural development. Amit Kr. Deb (2015)<sup>2</sup> Study revealed that women take loan through Aajeevika program and Northeast rural livelihood project and they are trained according to their skill and initiate new micro-entrepreneurship towards their economic and social development. Dipanjan Chakraborty and Pom Sen Chakraborty (2012)<sup>3</sup> The study highlighted the problems encountered by these entrepreneurs and findings suggested that majority of the entrepreneurs face the problem of delay in disbursement of the loan, face the problem lack of knowledge, suffer from technically skilled labour force and bearer of development agency become dishonest and exploitative in every step of starting units. Brijesh Patel and Kirit Chavda (2013)<sup>4</sup> made an attempt to find out the problems and challenges for potentiality of Rural entrepreneurship and focused on the major problems faced by the rural entrepreneurs in the fields of marketing of products, financial amenities and other primary amenities i.e. availability of electricity, water supply, transport facilities and required energy etc. Dr. Sahab Singh, Dr. Gaurav Thakur, and Dr. P.C. Gupta(2013)<sup>5</sup> in their study dealt with the empowerment of rural women through micro-entrepreneurship and the role of micro-entrepreneurship among rural women. Economic empowerment of rural women through self-help group has resulted in the development of family, community, society, and nation. Kaberi Borah and Dr. Ashim Kr. Das (2015)<sup>6</sup> the high profitability coupled with the prospect of getting a steady income with minimum effort has attracted a large number of educated youth both rural and urban. These may cultivate the spirit of entrepreneurship and would strengthen the backbone of the rural economy of Assam. Gadapani Sarma (2013)<sup>7</sup> in his article, highlighted the historical background of the development of tea industry of Assam. It was way back in 1823, Robert Bruce, the British Army Major discovered tea plant in Assam led to East India Co. developing a trade in it. Visit of Dr. Wallich to Assam in 1834 led to the formation of Assam Company in England in 1839. Ratna Bharali Talukdar (2015)<sup>8</sup> in his article the article narrated that with increasing examples of hugely successful tea-grower in small holdings, more and more young cultivators have adopted small tea as a viable alternative livelihood. It also explained the support of Tea Board of India and All Assam Small Tea Growers Association (AASTGA). Dr. Niranjana Kakati (2011) stated that 60% of sampled small tea growers sold their green leaves to the factory at a very low price, out of 20% of growers 50% gross income went as maintenance cost includes labour cost, pest control, herbicide cost, disease control and transportation and land problem. Purshotam (2003)<sup>9</sup> identified the

<sup>1</sup> Barman Dr. Ratan and Chakraborty Dipanjan, "Rural entrepreneurship—one key to rural revitalization", *Indian Journal of Applied Research*, vol.3, issue. 5, May, 2013.

<sup>2</sup> Deb Amit kr., "Micro-entrepreneurship for women self-reliance: A study in Tripura" *EPRA International Journal of Economic and Business Review*, vol.3, issue.2 February, 2015.

<sup>3</sup> Chakraborty Dipanjan and Chakraborty Pom Sen, "A study on socio-economic background and problems of some selected rural micro-entrepreneurs in Assam", *International Journal of management Research and Review*, vol.2, issue.5 May, 2012.

<sup>4</sup> Patel Brijesh and Chavda Kirit, "Rural entrepreneurship in India: challenges and problems" *International journal of Advance Research in Computer Science and Management Studies*, Vol.1, Issue.2 July, 2013.

<sup>5</sup> Singh Dr Sahab, Thakur Dr. Gaurav and Gupta Dr. P.C., "A case study on empowerment of rural women through micro entrepreneurship development" *Journal of Business and Management*, Vol. 9, Issue. 6, March-April, 2013.

<sup>6</sup> Borah Kaberi and Das Dr. Ashim kr., "Growth of small tea cultivation and economic independence of the indigenous people of Assam" *International Journal of research in Social Science and Humanities*, Vol.5, Issue.1 Jan.- Mar., 2015.

<sup>7</sup> Sarma Gadapani, "A historical background of tea in Assam" *the Echo*, Vol: I, Issue-IV, April, 2013.

<sup>8</sup> Talukdar Ratan Bharali, "Big hopes from small tea", <http://indiatogether.org/articles/smalltea-agriculture>, 2015.

<sup>9</sup> Purshotam. P (2003), "Micro enterprise opportunities in food industry", SEDME, p. 36.

microenterprise as one which engages the resources available in the local area and provides self-employment with few more employment opportunities. Dr. Mukund Chandra Mehta (2013)<sup>1</sup> Paper outlined the different challenges and opportunities as- Challenges: absence of adequate and timely banking finance, limited capital and knowledge, lack of proper technology, low production capacity, high cost of credit, ineffective marketing strategy, absence of skilled manpower, inaccessible to global market, problem of storage, designing, packing and product display and inadequate infrastructure facilities. Opportunities: fewer capital incentives, employment generation, tool for balanced regional development, trade fair and exhibition and supported by the government.

**Objective of the Study**

With the above backdrop, the present study makes a humble attempt to outline the viability at present, prospects in existence and problems faced by the rural micro-entrepreneurs in the study area.

**Hypothesis**

H<sub>1</sub> : The prospects and viability of the rural micro-entrepreneurship in the study area are immense along with diverged problems in the present market conditions.

**Research Methodology**

- **Area of Study:** The present study was undertaken in Lakhimpur district of Assam among small tea growers. The district is one of the most economically backward districts of Assam which is fertile ground suitable for tea cultivation. At present, the district has more than 1700 small tea growers. Rural Entrepreneurship is one of the viable solutions to this industrially handicapped district.
- **Period of Study:** This study had analyzed 5 years data related to small tea plantation from 2010 to 2015 in the study area and trend analyses were done.
- **Target Group:** The target group of the study was the small tea growers of Lakhimpur of Assam.
- **Sources of Data:** The data for the study were collected both from primary as well as secondary sources.

**Primary Source**

- **Samples and Sampling Methods:** The primary data was collected from different small tea plantation areas of Lakhimpur district. There are 9 development blocks in Lakhimpur district of Assam namely, Narayanpur, Bihpuria, Karunabari, Nowboicha, Telahi, Lakhimpur, Baginadi, Ghilamara, and Dhakuakhana. Five blocks were selected out of nine blocks, as per convenience. The sample size of the present study was one hundred. The stratified random sampling technique was used for the purpose of the study. To study the economic impact data has been collected from two rounds viz in FY 2011-12 and FY 2015-16. Here the data collected in FY – 2011-12 and FY 2015-16 are of ratio scale measure as data relating to income and expenditure. Here data relating to income and expenditure of FY 2011-12 is taken as dependent and FY 2015-16 is taken as independent.

**Table 1.1: Sample Selection for the Study**

Block	No. of STGs as per TBI	Samples were taken (10% of the total)
Narayanpur	150	15
Bihpuria	241	24
Karunabari	236	24
Nowboicha	152	15
Lakhimpur	225	22
Telahi	170	Not taken
Baginadi	200	Not taken
Ghilamara	121	Not taken
Dhakuakhana	219	Not taken
<b>Total</b>	<b>1714</b>	<b>100</b>

Source: <http://www.teaboard.gov.in/pdf/Grower-Details-Report-LAKHIMPUR.pdf>

- **Interview Schedules:** Interview schedules were designed to collect primary data.
- **Pilot Study:** The Pilot survey was conducted for field observation among small tea growers.

<sup>1</sup> Mehta Dr Mukund Chandra, “ Challenges and opportunities in micro, small and medium enterprises in India”, 2<sup>nd</sup> International Conference on Management, Humanity and Economics” Kuala Lumpur (Malaysia) May 6-7, 2013.

**Secondary Sources**

Secondary sources included books, journals, websites, Tea board of India reports, data from different offices, news papers, and magazines regarding rural entrepreneurship and small tea plantation.

**Tools used for Analysis**

Descriptive and comparative analysis was used for analysis of the data collected. Statistical tools like descriptive analysis, Chi-Square, and Five points Likert scale has been used to quantify the qualitative responses have been used to analyze the data and to draw the inferences.

**Research GAP and Research Questions**

The research made so far in the field of the employment generation capacity of tea industries, and how historically tea industry is linked with the socio-economic life of Assam. Rural entrepreneurship through small tea cultivation can also generate a sustainable livelihood for the small tea growers. In addition, no research activity has so far been carried out in this topography too. An effort was made for a comprehensive study of the Viability, at Present and problems faced by the rural micro-entrepreneurship. So the present study tried genuinely to bridge this research gap and to find answers to these pertinent questions raised during the research endeavor.

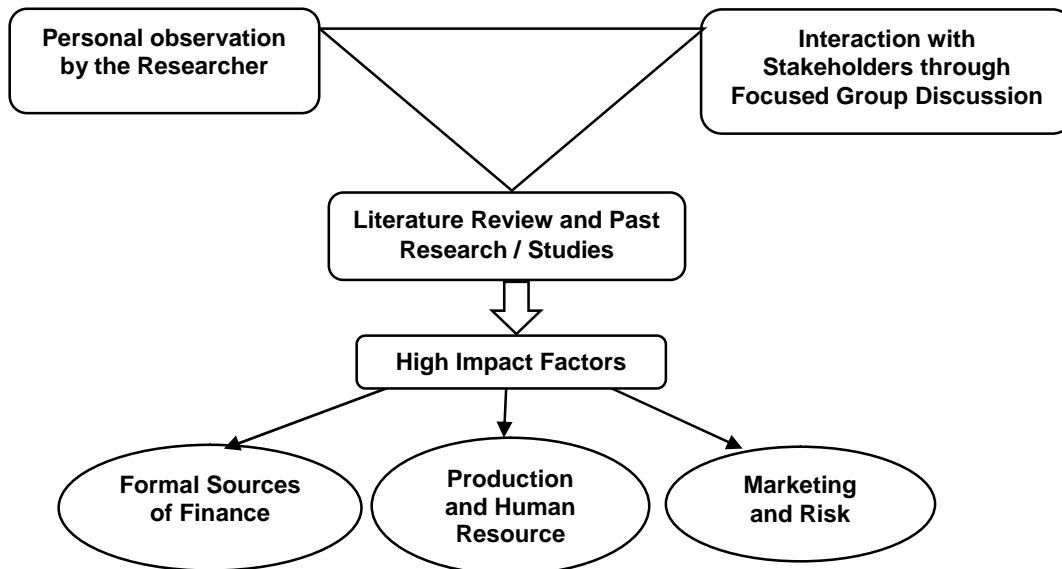
**Research Question**

The present study was based on the research question "What are the prospects and potentiality of rural micro-entrepreneurship through small tea cultivation in Lakhimpur district of upper Assam?" and the researcher tried to find answers to those pertinent questions during the research endeavor.

**Problems and Prospects of Micro Entrepreneurship through Small Tea Cultivation: An Analysis**

- **Problems Faced by the Small tea Growers**

**Figure 1: Triangulation Study to Highlight the Problems Faced By STGs**



The attributes involved in posing constraints to manage Small Tea Growers business like financing, production, processing, human resource, marketing, risk mitigation etc. were highlighted and recorded after a focused group discussion with the small tea growers, their financing officials, members of Small tea grower’s self-help group conducted for this purpose and from the bank officials. The same also been earmark from the literature reviews. Various researchers, writers, government organization, non-government organization, also cited varieties of problems in different aspects of managing the small tea growing activities. Many a problem are being observed by the researcher during the field visit an interaction with the various stakeholders and target groups. A triangulation study, (Fig 1) was undertaken to find out high impact factors in each categories activities or functions of the small tea growers. In the questionnaire, a five-point scale was formulated to record the responses.

**Table 1.2: Five Point Rating Scale Used to Quantify the Response**

Option	Degree of Problem	Numerical Score
I	Can manageable easily	5
II	Manageable with difficulty	4
III	Can be ignored	3
IV	Not manageable but adjusted	2
V	Cannot be managed	1

After collecting the responses, various descriptive statistical tools like mean, standard deviation, variance and non-parametric test like chi-square test were used to find out the conclusion.

**Problems Related to Procurement of Finance**

From the triangulation study, the following factors responsible for adopting and using a formal source of finance were highlighted:

- Poor banking outreach
- Indifferent attitude of the banking staff for loan
- Indifferent attitude of the government staff for loan and technology
- Takes lot of time for paperwork and documentation
- Demand security or mortgage
- Delay in disbursing loan
- Hidden charges of bribery in cash or kind

**Table 1.3. One Sample Chi-square Test of Problems Related to Procurement of Finance**

S. No.	Null hypothesis	Significance level	Decision
1	The categories of poor banking outreach occur with equal probabilities	.000	Reject the null hypothesis
2	The categories of indifferent attitude of banking staff for loan occur with equal probabilities	.000	Reject the null hypothesis
3	The categories of indifferent attitude of government staff for loan and technology occur with equal probabilities	.000	Reject the null hypothesis
4	The categories of lot of time in paperwork and documentation occur with equal probabilities	.000	Reject the null hypothesis
5	The categories of demand security or mortgage occur with equal probabilities	.002	Reject the null hypothesis
6	The categories of delay in disbursing loan occur with equal probabilities	.000	Reject the null hypothesis
7	The categories hidden charge like bribery in cash or kind occur with equal probabilities	.000	Reject the null hypothesis

Source: Field survey in 2017 and Analysis thereafter

When the responses were put to one sample the chi-square test at 5% level of significance, was found that no regular response was found. The responses were varied for all the factors. Thus, the null hypothesis regarding the presence of equal response was rejected (Table 1.4).

**Table 1. 4: Descriptive Statistics of Problem Faced in Procuring Finance**

Problems	Mean Score	Standard Deviation	Variance
Poor banking outreach	1.48	1.026	1.052
Indifferent attitude for loan by bank	2.44	1.041	1.084
Indifferent attitude of government staff for loan and technology	2.75	.907	.822
Takes lot of time for paper work & documentation	2.92	.666	.443
Demand security or mortgage	2.28	.933	.871
Delay in disbursing loan	2.41	1.039	1.079
Hidden charges of bribery in cash or kind	2.80	.833	.694

Source: Field survey in 2017 and Analysis thereafter

The same trend was found from the descriptive statistics also. The mean score was lowest with respect to attribute like poor banking outreach (i.e. 1.48). Which indicates the worst problem area for the small tea growers? With respect to other attributes like indifferent attitude for loan by bank (i.e. 2.44), indifferent attitude of government staff for loan and technology (i.e. 2.75), takes lot of time for paperwork and documentation (i.e. 2.92), demand security or mortgage (i.e. 2.28), delay in disbursing loan (i.e. 2.41) and hidden charge like bribery in cash or kind (i.e. 2.80) posing some problems which can be adjusted or compromised (Table 1.4).

**Production and Human Resource Related Problems**

The triangulation study observed the following problems with respect to production and human resource:

- Land ownership problem
- Problems in procurement of raw material
- Absence of processing units
- Shortage of electricity, water etc.
- High maintenance cost
- Scarcity of labour
- Absence of technical knowledge on tea plantation

**Table 1.5: One Sample Chi-Square Test of Production and Human Resource Related Problems**

S. N.	Null hypothesis	Significance level	Decision
1	The categories of land ownership problem occur with equal probabilities	.000	Reject the null hypothesis
2	The categories of problem in procurement of raw materials of occur with equal probabilities	.000	Reject the null hypothesis
3	The categories of absence of adequate numbers of processing units occur with equal probabilities	.000	Reject the null hypothesis
4	The categories of shortage of supply of electricity, water etc. occur with equal probabilities	.000	Reject the null hypothesis
5	The categories of high maintenance cost occur with equal probabilities	.000	Reject the null hypothesis
6	The categories of scarcity of labour occur with equal probabilities	.000	Reject the null hypothesis
7	The categories of absence of technical knowledge on tea plantation occur with equal probabilities	.000	Reject the null hypothesis

Source: Field survey 2017 and Analysis thereafter

When responses regarding production and human resource problems were put to single sample the chi-square test at 5% level of significance, was found that no regular response was found. The responses are varied for all the problems. Thus, the null hypothesis regarding the presence of equal response was rejected (Table 1.5). The same result was found from the descriptive statistics also. The mean score was lowest with respect to attributes like the absence of processing units (i.e. 2.51), shortage of electricity, water etc. (i.e. 2.83), and high maintenance cost (i.e. 2.99) which indicates some problems which can be adjusted or compromised. With respect to other attributes showing higher mean score like land ownership problem (i.e. 3.02), problems in procurement of raw materials (i.e. 3.03), scarcity of labour (i.e. 3.28), and absence of technical knowledge on tea plantation (i.e. 3.44), can be ignored or managed with difficulty (Table 1.5).

**Table 1.6: Descriptive Statistics of Production and Human Resource Related Problems**

Problems	Mean Score	Standard Deviation	Variance
Land ownership problem	3.02	1.356	1.838
Problems in procurement of raw material	3.03	1.000	.858
Absence of processing units	2.51	.927	1.404
Shortage of electricity, water etc.	2.83	1.016	1.456
High maintenance cost	2.99	1.185	1.360
Scarcity of labour	3.28	1.207	.999
Absence of technical knowledge on tea plantation	3.44	1.166	1,031

Source: Field survey, 2017 and Analysis thereafter

**Marketing and Risk Related Problems**

The triangulation study also highlighted the following problems with respect to marketing and risk:

- Absence of proper standardization of product
- Lower price of the green tea leaves
- Low profit due to long distribution channel
- Loss due to crop failure
- Lack of adequate insurance products
- Profit not sufficient for covering cost
- Lack of storage facilities
- Poor transportation
- Loss due to poor packaging
- Damage to raw material during transportation
- Poor connectivity
- Negative attitude of new generation
- Negligence of government

**Table 1.7: One Way Chi-square Test for Marketing and Risk Problems**

S. N.	Null hypothesis	Significance level	Decision
1	The categories of absence of proper standardization of product occur with equal probabilities	.000	Reject the null hypothesis
2	The categories of lower price of green tea leaves occur with equal probabilities	.000	Reject the null hypothesis
3	The categories of donot get adequate share of profit due to long distribution channel occur with equal probabilities	.001	Reject the null hypothesis
4	The categories of loss due to crop failure occur with equal probabilities	.000	Reject the null hypothesis
5	The categories of lack of adequate insurance products occur with equal probabilities	.000	Reject the null hypothesis
6	The categories of profit not sufficient for covering cost occur with equal probabilities	.000	Reject the null hypothesis
7	The categories of lack of storage facility occur with equal probabilities	.000	Reject the null hypothesis
8	The categories of absence of proper transportation system occur with equal probabilities	.000	Reject the null hypothesis
9	The categories of loss due to poor packaging occur with equal probabilities	.000	Reject the null hypothesis
10	The categories of damage of raw material during transportation occur with equal probabilities	.000	Reject the null hypothesis
11	The categories absence of proper connectivity occur with equal probabilities	.000	Reject the null hypothesis
12	The categories negative attitude of future generation towards tea plantation occur with equal probabilities	.000	Reject the null hypothesis
13	The categories negligence of government in developing this sector occur with equal probabilities	.000	Reject the null hypothesis

Source: Field survey 2017 and Analysis thereafter

Once the responses were put to single sample the chi-square test at 5% level of significance, was observed that no regular response was found. The responses were different from problems to problems. Thus, the null hypothesis as regards to the presence of equal response was rejected (Table 1.7). The same trend was also found from the descriptive statistics. The mean score was lowest with respect to variables like lower price of green tea leaves (i.e. 2.50), profit not sufficient for covering cost (i.e. 3.00), loss due to poor packaging (i.e. 2.98), poor connectivity (i.e. 2.68), negative attitude of new generation (i.e. 2.98), and negligence of government (i.e. 2.79) which confirms that problems can be adjusted or compromised. With respects to other variables like absence of proper standardization of product (i.e. 3.22), low profit due to long distribution channel (i.e. 3.11), loss due to crop failure (i.e. 3.41),

lack of adequate insurance products (i.e. 3.02), lack of storage facility (i.e. 3.21), poor transportation (i.e. 3.08), and damage of raw material during transportation (i.e. 3.17) which can be ignored but manageable with difficulty (Table 1.7).

**Table 1.8: Descriptive Statistics of Marketing and Risk Related Problems**

Problems	Mean Score	Standard Deviation	Variance
Absence of proper standardization of product	3.22	1.001	1.002
Lower price of the green tea leaves	2.50	1.020	1.040
Low profit due to long distribution channel	3.11	1.188	1.412
Loss due to crop failure	3.41	.944	.891
Lack of adequate insurance products	3.02	.932	.868
Profit not sufficient for covering cost	3.00	1.064	1.131
Lack of storage facilities	3.21	1.028	1.056
Poor transportation	3.08	1.032	1.064
Loss due to poor packaging	2.98	.943	.888
Damage of raw material during transportation	3.17	.965	.930
Poor connectivity	2.68	1.004	1.008
Negative attitude of new generation	2.98	.376	.141
Negligence of government	2.79	1.076	1.157

Source: Field survey, 2017 and Analysis thereafter

### Prospects of Micro Entrepreneurship in the Study Area

Micro-entrepreneurship in small tea plantation has been growing rapidly in Lakhimpur district. Different pull factors of small tea cultivation have opened up the doors for entrepreneurship in allied areas of tea. The gradual rise of small tea growers in rural pockets of the district has increased the scope for development of allied economic activities. Throughout the study, the researcher has identified a various prospective area of small tea plantation. These different prospects are discussed below:

- **Mini Tea Processing Unit:** There is an immense prospect of mini tea processing units in Lakhimpur district. As district does not have any bought leaf factory (BLF). Only sixteen large tea estate factories scattered in different parts of the district caters the need of more than two thousand small tea growers demand. Sometimes, raw tea leaves have been forced to destroy due to rejection by tea estate because of oversupply. Thus, this huge demand for tea processing unit can be met up by establishing mini-tea processing units in small tea grower's co centered areas. Unemployed youths and existing small tea growers of the district may come forward to grab this opportunity.
- **Bought Leaf Tea Factories (BLF):** Another prospect in tea processing field is the scope for BLF in Lakhimpur district. The field survey reveals that there is no BLF of tea board and another private firm in the district. So, establishing BLF can fulfill the growing needs of processing unit in tea growing areas of the district.
- **Organic Tea Plantation:** In today's lifestyle people prefers the organic way of living. Tea as an organic beverage has been grabbing the market internationally as the demand for organic tea rising due to health benefits. The small tea growers can move towards organic tea cultivation. The field study has found one organic tea farmer who shifted to organic cultivation and got successful results. Some other STGs are willing to move towards organic plantation.
- **Bio-Fertilizer Plant:** Most essential requirement of Organic tea plantation is bio-fertilizer. When there will more organic tea farming, the demand for bio-fertilizer will gradually rise. This demand can be fulfilled by establishing the bio-fertilizer plant. As a supporting industry, it will have huge scope in near future.
- **Multi-Crop Farming:** There is another scope for multi-cropping along with tea bushes. STGs can cultivate black-pepper and betel leaf in the shade trees. Medicinal trees like *Neem* and *Amla* can be planted as shade trees. During initial years of tea plantation, some vegetables can be grown up. Through these, small tea growers can generate additional income.
- **Packaging and Marketing:** At the initiative of District Small Tea Growers Association and Anchalik Small Tea Growers Association packaging and marketing activities can be undertaken collectively. By setting up mini tea processing factories, STGs can package processed tea in



different variant like a small tea bag, regular packet etc. This produced can be marketed through giving a vibrant brand name and logo and can promote through different media like television, social networking site etc. For this venture, they could take training from private firms.

- **Tea Leaves Buying Agent:** A new form of employment can be generated by setting up tea leaves buying center. This will work as middlemen or intermediary between STGs and tea processing factories. The work of tea leaves buying agent is to purchase raw tea leaves and sale it to tea estate factories.
- **Cold Storage for Raw Tea Leaves:** Raw tea leaves are a perishable product. Within one to two hours of plucking, tea leaves lose its freshness as a result quality deteriorate. Sometimes, tea estate objects to buy such tea leaves. This problem can be solved by setting up cold storage in different tea growing areas. STGs and a third party can exploit this opportunity to curb the damage of tea leaves and self-employment.

Thus, there are many prospective areas to develop allied economic activities in small tea plantation sector. These different opportunities can be grabbed by STGs or by unemployed people.

### **SWOT Analysis**

#### **Strength**

- Presence of Natural Environment (soil, inclination, rainfall etc.) that is supportive of the growth and development of tea plantation.
- Availability of indigenous knowledge, expertise, and skill for tea plantation and extraction activities.
- Govt. patronage and schemes for developing the STG activities.
- Easy availability of labour with appropriate level of skill.
- High return on investment and higher profitability.

#### **Weakness**

- Lack of formal financial sources
- Lack of landholding
- Presence of middlemen in the marketing channel
- Lack of advanced marketing amenities like storing facilities, transportation, advertising mechanism etc.
- Lack of tea processing activities as the STGs sell their raw leaves to large tea producers or to the middlemen
- Absence of organized and regulated market
- Forward Trading and agreements regulated the price
- Distress selling by the STGs
- Exploitation of labour by the STGs due to lack of legislative measures as the STGs are not coming under the Plantation Labour Act, 1962.

#### **Opportunities**

- Scarc supply with a growing market demand for tea in national and international market
- Higher demand for organic tea in national and international market
- More Assamese youth are fascinated to get into tea gardening activities
- Better infrastructural facilities removed the distribution bottleneck
- Development of awareness among the youths about the allied, ancillary and supplementary activities to the tea cultivation and production.
- Establishment of STG forums and associations to safeguard the interest of the STGs

#### **Threat**

- Change of natural environment and global warming deteriorate the natural environment
- Dominance of Large Tea Growers and Tea Processing Units to regulate the entry of STGs into the market
- Open and regulated market is a distance dream
- Presence of political and social disturbances
- Exploitation of labour forces

### Conclusion

From the above discussion, it has been proved that there are different factors creating hindrance in the development of small tea cultivation in the study area. The problem of STGs is multifold ranging from procurement of finance, production and to marketing. Some common problems like absence of tea processing factories, low price of tea leaves, damage of tea leaves, infrastructural bottleneck, etc. are most sought problems. The study has identified different prospective areas to make small tea farming as a promising tool for development of rural economy.

### Limitations of the Study

The assumption that similar type of situation must be prevailing in all the areas of Assam and India is a major handicap of the present study. The time and cost constraint coupled with locational disadvantages is also another hindrance for the purpose. Although all attempts have been made to overcome such, the findings cannot be universally applied and further detailed study may be undertaken before implementing the findings. As it is a social science research, the views of the researchers may not be taken for granted as cent percent free from biases. Furthermore, the study was based on the samples and sampling methods. Thus the intrinsic limitations of sampling were carried forward to the study.

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