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Dynamics of entrepreneurship development in North Bihar

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Abstract

The entrepreneurship is one among keys to accelerate the pace of national development. Nurturing an individual's natural spirit of entrepreneurship is a powerful key to economic development which takes its major share in developing countries. Small and medium enterprises provide enormous employment opportunities to people. Moreover, small enterprise is frequently involved as a key player in the process of local economic development and the reinvigoration of national economics. History has full of evidences of individual entrepreneur whose creativity has led to the industrialization of many nations. The spirit of enterprising transforms ordinary men into entrepreneurs and ideas into economic realities. The origin of women entrepreneurship in India in general and Bihar in particular geared up only in last three decades and its huge potentialities have to be unleashed.

Keywords: Backward region, entrepreneurship development, geographical profile, North Bihar, spirit of entrepreneurship

Introduction

Promotion of balanced entrepreneurial growth in the country has been recognized as an important objective of every developmental planning perspective of the Government. In this context accelerated development of backward area with a view to reduce regional imbalances has been one of the important national objectives. Although some measures of uniformity aiming at the important patterns and incentives offered by the various development agencies, there remain considerable differences in the contents of benefits offered by them. For raising the living standard of the vast majority in the backward regions, programmes on planning and implementation of the development of Entrepreneurship are the essential requirements because of the over dependence of populace on agriculture for employment. Thus, the main objective of our industrial policy is to achieve the development of entrepreneurs hip in backward region.

Bihar is one of the backward states of India. North Bihar is the most backward region of the State. Through, Bihar started its industrial development through different Five-Year plans, still entrepreneurs in North Bihar face various problems usually prevalent in backward region.

Geographical Profile of Bihar

Bihar was first a part of the Bengal Presidency. In 1911, Bihar, was separated from the Bengal. In 1936, Bihar and Orissa became separate provinces. A new state, Jharkhand was carved out of Bihar with effect from 15 Nov. 2000.

Bihar gets the worst of the cold and the worst of the heat and plenty of floods. Northern portion of Bihar is almost entirely a level tract, while the south is wooded and hilly. North Bihar is extremely fertile. The land being watered by numerous rivers like Ganga, Kosi, Gandak, Burhi Gandak, Kamla-Balan, Baghmati, Kareh, Mahananda, Adhwara etc.

There are some other rivers that start from the plateau area and meet in Ganges or its associate rivers after flowing towards north.

Some of them are Sone, Uttari Koyal, Punpun, Panchane and Karmnasha.

Southern Bihar, especially in and around the districts of Chotanagpur and Santhal Parganas is thickly wooded and consists of a succession of hills. The river Ganga flows right across it from west to east dividing it two unequal parts, the northern portion being almost double the southern portion.

In the state of Bihar four district regions can be recognized. Though the state mainly constitution a significant part of the middle Ganges plain, retains pockets of different Bio Regions.

1. The North Ganges Plain with its monotonous plain composed of new alluvial derived from Northern Himalayan range and deposited by the snow fed rivers draining through the vast stretch of the state. Rivers are famous for changing the course and their forsaken old channels can be traced along the adjacent areas. Such abandoned channels, wastes of sands during post monsoon turn narrow areas of sand and swamp, wetlands or chours. Such permanent to semi-permanent wetlands, dotting the entire plain.
2. Towards the northwest in Champaran district the alluvial plains gradually acquire undulation and gives to a broken hilly region known as the Dun or Ramnagar Dun. Someshwar hills extend for about 74 Kms. along the northern state boundary. Below these hilly parts of the lower Himalayan range, lying mostly towards Nepal, a tract of tall seedy grass and Sal trees watered by numerous hill streams extends from west to east along the international boundary of Nepal. A very narrow strip of the terai and sal forest exists in the north eastern corner, east of Kosi river of the state.
3. The South Bihar plain extends from the broad east west flowing river Ganges, in north to the state boundary of the Jharkhand in the south. The south plain composed of old alluvials, is drained by rivers originating from the northern edge of the Chottanagpur plateau located in Jharkhand. Streams and rivers are non-perennials and have water during

the certain periods of the monsoon and post monsoon months. The hills and hilly tracts frequently intercept the south plain. In comparison to the north plain, water bodies are restricted to few places but its 'tal' areas, just south of Ganges levee, is an unique physiographic area. 'Tal' areas get submerged during monsoon and present a vast stretch of water body extending roughly 16580 Sq. Km. up to the month of November. It is 105 Kms. long and its width ranges from 6.5 kms. to 17 kms. Numerous chours are located in the region. Settlements are located at distance and mainly along its northern and southern edges.

4. The alluvial filling south of the Ganga is shallow, a mere veneer and the Peninsular edge is very rugged. Many groups of small craggy hills rise up to 488 meters from islands of bare rock or scrub. In the west, where the river Son makes a great deltaic re-entrance into the older rocks, this alluvial strip is some 137 Km wide. But in the east where the Rajmahal hills lies on the extrem north-east point of the Peninsula, it goes almost directly on to the Ganga. The river bank itself lies high, except in Bohjpur district and at high water the tributaries are flooded and pushed back. The Punpun valley, parallel to the river Son on the east, is thus annually flooded.

Scattered hills such as Kharagpur-Jamalpur Hills, Rajgir and Jethian hills, though heavily exploited, still represent last habitat for many hill flora & fauna.

Problems in the Way

Above all, the problems which are being faced by our entrepreneur for establishing the industries in North Bihar region. Surveying about the prospects of the establishment of various industries, it has been observed that there are a number of problems related to entrepreneurship development in the region. A few among them which need mention are

Allotment of Shed

It has been observed that many sheds which are allotted by the Government have been closed. The lighting of shedes is in pitiable condition. The Government allotted these shedes on behalf of arrant in which 90% are defaulters and only 10% regularly.

Allotment of Plot

Plot is allotted to the entrepreneurs on lease basis. But, many of them are unable to pay their rent and are trapped in difficult situation.

Lack of Power

The vital problem of North Bihar is lack of power. There is an inadequate supply of electricity in this region without which Industries cannot be made functional and smooth running. Many entrepreneurs organized their personal power but due to this, the cost of production has got increased. Further, they do not get proper price of their product and finally, industries become loss making enterprises after that they are bound to close their industrial enterprise.

Lack of Capital

A small entrepreneur normally suffers with lack of capital for establishment of industry. For establishment of industry, much

capital is needed not only before establishment but, also after start of production. They face problem in getting loan from Banks.

Technical Assistance

Entrepreneurs are lack in technical skill in the area. The area is undeveloped and there is also lack of transportation facilities in comparison with other regions.

Lack of Raw Material

There is also shortage of inadequate supply of raw material. Entrepreneur uses raw material by transporting from other regions. Consequently, the cost of production in the region increases in comparison to other regions.

Lack of Transportation

There is lack of transportation in North Bihar region such as undeveloped railway system and pitiable condition of roads.

Suggestions

The problems being faced by the entrepreneurs in the region can be solved. The remedial measures include

- Local entrepreneurs have to pay warehouse charges over the materials issued by the B.S.S.I.C.L. Such rents are not realised in other States. Hence, it is suggested that in our State too the warehouse charges should be exempted.
- The sheds constructed by the NBIADA are inadequate in number. The authority should register units only when the sheds are available for them.
- The quality of plots allotted to entrepreneurs through the authority is of a very low standard. Generally, the plots are in the low lying areas, and that cause water-logging during the rainy season. It is suggested that the authority should have a permanent drainage system in such an area.
- The sheds and plots are allotted by the authority on rental/lease basis. The number of defaulters is very large (90% in the case of sheds allotment and 33% in the case of lands). Not only the entrepreneurs are responsible for this but the officials of the authority are also very lazy in realising the rent. As a result, the outstanding rent becomes huge, and it becomes difficult for the entrepreneurs to pay such a huge amount at one time. Hence, it is suggested that the Authority official must be strict and prompt in realising the rental money.
- Among the objectives of the NBIADA the provision of road, water, and electricity holds priority. But on these fronts, the authority has not attained much success. It is, therefore, suggested that for improvement of the road facilities the authority must repair its roads every year.
- Seed money has been distributed by the authority but it has not been provided to all the industries. The seed money has to be refunded in 5 installments only. The number of installment is very small
- Regarding capital subsidy it has been found that this has not been started by the Authority as yet. Hence, it is suggested that the authority must be prompt in paying the capital subsidy.
- The entrepreneurs who have established their industries with the help of the NBIADA complained that the State Bank of India and Bihar State Corporation have not implemented effective system for grant of loan in time.

- Lastly, a joint committee of representatives from State Bank of India, NBIADA, Bihar State Financial Corporation and the Small Industries Service Institute should be formed immediately to find out the means and ways for the solution of the problem being faced by the entrepreneurs of North Bihar region. The committee should work on a time-bound programme for quick disposal of the problems of entrepreneurs.

Conclusion

Finally, it may be concluded that the NBIADA has sufficient scope in solving the problems of entrepreneurs and thereby enhancing entrepreneurship in the region. It is also noticed that there is a gap between the entrepreneurs and authorities in conceiving the actual situation. The study reveals that there is need to bridge the gap to a large extent and suggest measures through which the situation may be improved significantly so that the organization be made more practicable for regional development.

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