



# Constraints for Entrepreneurship in Agriculture

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## ABSTRACT

The concept of entrepreneurship is multidisciplinary in nature embodying economic, psychological, social, cultural, political as well as environmental characteristics. It depends on several factors social, psychological, political and also economical. The present study was conducted through an online survey of 100 purposively selected participants belonging to Scheduled Tribes communities of A.P who have enrolled in the online certificate courses offered by Distance Learning Centre of ANGRAU from 2018-2021. The study explored the preferences of rural youth for taking up small scale enterprises, the motivational factors for entrepreneurship and potential obstacles. The results indicated that majority of the participants (58%) preferred to engage in locally suitable and traditional enterprises while 42 per cent want to take up new enterprises. Major motivating factor was expressed as Govt support (44%) followed by family support (27%), availability of inputs (19%) and training (10%). The findings of this study also highlighted the potential constraints for tribal youth to take up entrepreneurship as financial followed by technological, social and personal constraints.

**Key Words:** Certificate Courses, Distance Learning, Entrepreneurship, Online Education.

## INTRODUCTION

Distance Education is a fast emerging, cost effective and is flexible medium to cater to the needs of many who could not pursue conventional system of learning. In the last two decades many universities that offer distance learning in several countries have been established. Government of India is also encouraging distance learning to make the masses educated. At present more than 200 universities/institutions, 15 Open Universities and some private institutions recognized by UGC are offering correspondence/open and distance courses in the country (Gaba, 2015).

Acharya N. G. Ranga Agricultural University has established the Open and Distance Learning Centre(ODLC)was established as a cost effective and learner oriented medium for imparting agricultural education to large number of aspirants throughout the state . The ODLC was started to advocate skill-

based courses that focus on entrepreneurial skills for self-employment and income generation. Open Distance Learning Centre established under the Faculty of Agriculture, ANGRAU in the year 2018 offered Distance learning courses viz., certificate and Diploma courses for the benefit of various segments of the society who aspire for knowledge in agricultural education, Entrepreneurship and self- employment. Hence, it was important to study the effectiveness of certificate courses offered by ODLC in helping participants to take up small scale enterprise units in specific areas. The objectives of the present study was to study the motivational factors for tribal youth to take up entrepreneurship and analyse the constraints perceived by the respondents in starting small scale enterprise units.

## MATERIALS AND METHODS

*Ex-post facto* design was followed for the study.

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**Table 1. Personal Profile of the Respondents.****N=120**

| Sr. No | Characteristic               | Category                                | Number | Percentage |
|--------|------------------------------|-----------------------------------------|--------|------------|
| 1.     | Occupation                   | Farming sector                          | 52     | 43.0       |
|        |                              | Non- Farm sector                        | 38     | 32.0       |
|        |                              | Unemployed                              | 30     | 25.0       |
| 2.     | Gender                       | Male                                    | 89     | 74.0       |
|        |                              | Female                                  | 31     | 26.0       |
| 3.     | Social Category              | General                                 | 11     | 9.0        |
|        |                              | Backward                                | 19     | 16.0       |
|        |                              | Schedule caste                          | 38     | 32.0       |
|        |                              | Schedule Tribes                         | 52     | 43.0       |
| 3.     | Education                    | Below Matriculation                     | 59     | 49.0       |
|        |                              | Matriculation                           | 37     | 31.0       |
|        |                              | Graduate                                | 20     | 17.0       |
|        |                              | Post graduate                           | 4      | 3.0        |
| 4.     | Farming Experience           | Short term (up to 5yrs)                 | 31     | 26.0       |
|        |                              | Medium term (6-10 years)                | 14     | 12.0       |
|        |                              | Long term (> 10 years)                  | 21     | 17.0       |
|        |                              | No Experience                           | 54     | 45.0       |
| 5.     | Previous Training undergone  | No training                             | 85     | 71.0       |
|        |                              | Short term training (less than 10 days) | 28     | 23.0       |
|        |                              | Long term training (2 weeks and above)  | 7      | 6.0        |
| 6.     | Innovativeness               | Low                                     | 43     | 36.0       |
|        |                              | Medium                                  | 53     | 44.0       |
|        |                              | High                                    | 24     | 20.0       |
| 7.     | Cosmopolitaness              | Low                                     | 20     | 17.0       |
|        |                              | Medium                                  | 59     | 49.0       |
|        |                              | High                                    | 41     | 34.0       |
| 8.     | Information seeking behavior | Low                                     | 26     | 22.0       |
|        |                              | Medium                                  | 55     | 46.0       |
|        |                              | High                                    | 38     | 32.00      |
| 9.     | Higher aspirations           | Low                                     | 20     | 17.0       |
|        |                              | Medium                                  | 47     | 39.0       |
|        |                              | High                                    | 53     | 44.0       |

The study was conducted in Andhra Pradesh. A total number of 120 participants who completed the certificate courses organized between 2018-2022, between the age group of 18 to 40 and belonged to tribal areas of Andhra Pradesh were purposively

selected. A pre-tested interview schedule was used to collect data from the respondents. Selected characteristics of the respondents' viz. age, gender, education, farming experience, previous training undergone, information seeking behaviour,

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innovativeness, cosmopolitaness, and higher aspiration were considered as independent variables of the study.

Five-point Likert scale was used to measure perceived motivation variables: 5 was “extremely important”, 4 was “very important”, 3 was “mildly important”, 2 was “not very important” and 1 was “unimportant”. A higher mean score on variables indicates greater importance. Further, a constraint analysis was conducted to study the constraints perceived by the respondents in starting small scale units after undergoing the course. An interview schedule with 42 statements pertaining to 6 categories of constraints viz., technological, managerial, physical/ input, psychological, financial and market related was administered to the respondents. The constraints were ranked for each course separately based on the responses.

## RESULTS AND DISCUSSION

### Personal Profile of the Respondents

It was evident that majority of the respondents belonged to farming sector (43.00%), were male respondents (74%) and studied below matriculation (49.0%). Majority of them belonged to ST/SC categories (75.0%). The majority of the respondents had no previous training in agriculture (71.0%) and no farming experience (45.00%) had medium to high scores with regard to cosmopolitaness (83.0%), information seeking behavior (78.0%) and higher aspirations (83.0%) whereas low to medium on innovativeness (80.00%).

It could be inferred from the results that distance education was being aspired by all age groups who could not pursue beyond matriculation, who have had less training and less farming experience but who have high aspiration to take up new ventures/ tasks and high information seeking behaviour to learn new skills and techniques related to agriculture. Distance education is also an opportunity for weaker sections to learn new knowledge and skills and become innovative in their area of interest but

there is a scope to include more female participants in the certificate courses as their participation was found to be significantly weak (Purnima *et al* 2021).

Motivational factors as perceived by the respondents in establishing small scale enterprise units.

It was found that the most important factor for taking up entrepreneurship was to increase my income (Rank 1) followed by no regular employment (Rank 2) and to provide jobs to family members & Job security (Rank 3). As majority of the tribal youth were depending on agriculture for their livelihood, owing to small land holding their income was also meager. So, majority were interested to go for small scale enterprises to enhance their income. Besides, very few were engaged in additional employment in their village itself. If they establish small enterprises can secure employment for themselves and their family members. Thus, no regular employment was another major factor followed by to provide jobs to family members (Stefanavic, 2011).

### Constraints perceived by the respondents in establishing small scale enterprise units

The constraints perceived by the respondents in establishing small scale units was categorized into five sub heads, scored and ranking was given to top 10 constraints.

Table 3 indicated that among the technological constraints top rank was given to Lack of practice of skill (53.00%) followed by Lack of awareness on recommended technologies (48%). Regarding Managerial constraints the top constraint was perceived to be High cost of labour (71%) followed by Non availability of skilled labour (67%). With regard to Input/Physical constraints the top constraint was perceived to be Poor knowledge of quality inputs (50%) followed by Non availability of quality inputs on time (48%).

The table also showed that among Psychological constraints, the top constraint was perceived to be Fear of failure (54%) followed by Poor risk taking

**Table 2. Motivational factors as perceived by the respondents in establishing small scale enterprise units. N=120**

| Sr. No. | Motivation                                        | Mean | Std Deviation | Rank |
|---------|---------------------------------------------------|------|---------------|------|
| 1.      | To increase my income                             | 4.63 | 0.701         | I    |
| 2       | No regular employment                             | 4.27 | 1.184         | II   |
| 3       | To provide jobs to family members                 | 3.18 | 1.551         | III  |
| 4       | I will always have job security                   | 4.56 | 0.780         | III  |
| 5       | To be my own boss                                 | 4.08 | 1.269         | IV   |
| 6       | To be able to use my past experience and training | 4.58 | 0.691         | V    |
| 7       | To be closer to my family                         | 3.39 | 1.445         | VI   |
| 8       | To build a business to pass on                    | 3.72 | 1.405         | VII  |
| 9       | To prove that I can do it                         | 2.24 | 1.479         | VIII |
| 10      | For my own satisfaction and growth                | 4.15 | 1.075         | IX   |
| 11      | To maintain a personal freedom                    | 4.14 | 1.174         | IX   |
| 12      | To have fun                                       | 2.23 | 1.478         | X    |

ability(40%). The findings are in line with that of Payal et al (2019). Among Financial constraints the majority (63%) ranked Inability to secure working capital followed by Lack of security(54%) and Complex procedures in obtaining loan(54%) as top constraints. The findings are in agreement with that of Sunita (2013).

The table revealed that among Market related constraints, the top constraint was perceived to be No knowledge of marketing channels/networks (73%) and Lack of timely market information (67%) by the respondents.

The findings in table 3 implied that Market related constraints were found to be significant for majority of the respondents followed by Financial constraints. Among all the constraints “No Knowledge of marketing” ranked 1 followed by “High cost of labour”(Rank 2), “Lack of timely market information” and “non availability of skilled labour”(Rank 3). This was because all respondents viewed these as income generating enterprises where marketing, Labour and finance are essential aspects.

## CONCLUSION

The study revealed that a large number of individuals from tribal areas of Andhra Pradesh are aspiring for Agricultural education through distance medium as it is an emerging technology and is becoming widely used in institutions around the globe making education more personalized and accessible. As unemployment is a burning issue in India, Self-employment through agricultural enterprises is gaining attraction especially in rural areas with technical and financial support. The constraint analysis by the respondents for starting an enterprise also highlighted the key areas to be focused in the certificate courses such as Marketing channels/networks, Financial institutions, support services by Govt and more emphasis on hands on skill. In future, introduction of more Skill oriented courses will help many aspirants to seek Self-employment through entrepreneurship.

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**Table 3: Rank order of the constraints perceived by the respondents in establishing small scale units.**  
N=120

| Sr. No | Constraint                                                      | Frequency | Percentage (%) |
|--------|-----------------------------------------------------------------|-----------|----------------|
|        | <b>Technological Constraints</b>                                |           |                |
| 1.     | Lack of in- depth Knowledge about the enterprise                | 53        | 44.00          |
| 2.     | Lack of technical guidance from experts after course completion | 43        | 36.00          |
| 3.     | Complex procedural formalities in starting the enterprise       | 42        | 35.00          |
| 4.     | Lack of practice of skill                                       | 64        | 53.00          |
| 5.     | Low level of education in understanding techniques              | 31        | 26.00          |
| 6.     | Lack of awareness of recommended procedures                     | 58        | 48.00          |
|        | <b>Managerial Constraints</b>                                   |           |                |
| 1.     | Lack of confidence in managing the enterprise alone             | 30        | 25.00          |
| 2.     | Non availability of skilled labour                              | 80        | 67.00          |
| 3.     | High cost of labour                                             | 85        | 71.00          |
| 4.     | Poor support from family in enterprise management               | 40        | 33.00          |
| 5.     | Lack of confidence in decision making                           | 43        | 36.00          |
| 6.     | Lack of previous experience                                     | 62        | 52.00          |
|        | <b>Physical/Input Constraints</b>                               |           |                |
| 1.     | Non availability of input materials on time                     | 57        | 48.00          |
| 2.     | High cost of inputs                                             | 48        | 40.00          |
| 3.     | Poor information about input sources                            | 42        | 35.00          |
| 4.     | Poor knowledge of quality inputs                                | 60        | 50.00          |
| 5.     | Not owning land for the enterprise                              | 26        | 22.00          |
| 6.     | Lack of maintenance of equipment/devices/material               | 38        | 32.00          |
| 7.     | Unfavorable climatic conditions                                 | 35        | 29.00          |
|        | <b>Psychological constraints</b>                                |           |                |
| 1.     | Lack of motivation to start new enterprise                      | 45        | 38.00          |
| 2.     | Poor confidence levels                                          | 35        | 29.00          |
| 3.     | Poor risk- taking ability                                       | 48        | 40.00          |
| 4.     | Non-cooperation from family, friends and peers                  | 23        | 19.00          |
| 5.     | Fear of failure                                                 | 65        | 54.00          |
| 6.     | Social customs and beliefs                                      | 23        | 19.00          |
| 7.     | Multiple/Dual responsibilities duties                           | 40        | 33.00          |
|        | <b>Financial Constraints</b>                                    |           |                |
| 1.     | Inability to secure working capital                             | 75        | 63.00          |
| 2.     | Complex procedures in obtaining loan                            | 65        | 54.00          |
| 3.     | Lack of awareness on subsidies                                  | 58        | 48.00          |
| 4.     | Lack of security(properties/assets) to obtain loans             | 65        | 54.00          |

|    |                                                        |    |       |
|----|--------------------------------------------------------|----|-------|
| 5. | Untimely loan disbursal                                | 60 | 50.00 |
| 6. | Poor management of finances                            | 43 | 36.00 |
| 7. | Family financial needs take priority                   | 38 | 32.00 |
|    | <b>Market related constraints</b>                      |    |       |
| 1. | No knowledge of marketing channels/networks            | 88 | 73.00 |
| 2. | Long distances of the market                           | 35 | 29.00 |
| 3. | Lack of timely market information                      | 80 | 67.00 |
| 4. | Lack of Packing, transportation and storage facilities | 72 | 60.00 |
| 5. | Poor assessment of customer needs                      | 35 | 29.00 |
| 6. | No knowledge of Processing and value addition          | 75 | 63.00 |
| 7. | No knowledge of demand creation and Branding           | 75 | 63.00 |

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