

CHAPTER - 6

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CHAPTER -6

Summary of Findings, Suggestions and Conclusion

6.1. Summary of the Thesis:

The first chapter is an introductory in nature and mainly deals with survey of literatures along with methodology of the study. It is observed from the available literatures that cluster approach has been emerged now-a- days as an instrument for the economic development of the nation. Country across the world adopted the cluster approach to stimulate the growth and competitiveness of Micro and Small scale industries in the era of Globalization. It is evident from the study of above literatures that clusters do provide the benefit to MSME Sector in respect to the enhancing the social net works and improved the collective efficiency by creating trust among the clustered enterprises. It is also observed that the performances of high-tech clusters which are mostly found in developed countries are better position in respect of export earnings than the low- tech clusters which are mainly concentrated in transitional and underdeveloped countries. The low-tech clusters are found to be under achiever according to available literatures. The clusters in developing countries mainly concerned with generation of employment among the rural people. UNIDO has taken initiative through cluster approach to promote the pro- poor growth in the developing countries. UNIDO methodology for mapping of the industrial clusters is applied in India as well as other countries. There is increasing agreement in the recent research work on industrial clusters that clustering helps small enterprises to overcome growth constraints and make a way to compete in global market. Under the prevailing situation, the study is a pioneer one to examine the impact of the cluster development programme in handicraft sector in Tripura, taking the handicraft clusters approved by the government of Tripura under consideration of the study.

Chapter -2 highlights the growth and development of MSMEs in the context of India and Tripura. MSMEs has been playing active role to the economic development of nation. The Growth rate of overall Industry Sector is noticed higher than SSI sector growth rate in 1993-94. After that year the growth rate of SSI sector is found very much impressive. In 2007-08 and 2008-09 the difference

between the growth rate of SSI and overall Industry Sector is observed 4.30% and 7.56%. In 2011-12 the growth rate of growth rate of MSMES is observed. The trend of both Manufacturing and Service MSME sector in sharing country's Gross Domestic Product is increasing throughout the regime of MSMED Act 2006 except the year 2012-13. The contribution of both MSME Manufacturing and Service sector increased from 35.13 in 2006-07 to 37.54 in 2012-13. The increasing rate of CAGR in total working enterprises and employments in MSME sector for the period from 1990-91 to 2005-06 and after introduction of MSMED from 2006-07 to 2013-14 is clearly noticed the positive effect of MSMED Act 2006. The CAGR in total working enterprises and employments in MSME sector for the period from 1990-91 to 2005-06 is observed 4.07% and 4.23% but after introduction of MSMED Act 2006, the CAGR in total working enterprises and employments in MSME sector for the period from 2006-07 to 2013-14 is improved and stands to 4.38% and 4.75. The above notation indicates the contribution of MSMEs towards the national economy in respect of employment generation and income as most of the Micro enterprises are in rural areas it also stimulates the rural economy and works to remove the regional disparities and makes a way towards the inclusive development.

Tripura is industrially backward like other states of NER. It is a matter of concern that the main labourer dependency on manufacturing sector over the years has not been raised but its trend is declining in Tripura.

The level of industrialization of the State is evident from its contribution to the State's GSDP at current prices, the contribution of the manufacturing sector both organized and un-organized combined together was 2.58% percent in 2012-13, which shows low level of industrialization. The increasing trend in units in registered sector is observed but not the per unit employment. The employment per unit in 4th Economic census was recorded 2.57 per unit which was decreased by 0.48 and 0.87 per unit in 5th and 6th Economic census respectively compared to 4th Economic census which indicate that though number of enterprises has increased but there remains the unemployment pressure in state's economy. Tripura is not able to keep pace in the national level in terms of the percentage of hired Workers in the total establishments. The percentage of hired Workers in the total establishments is found 45.69% in India but only 39% in Tripura as per report

of 6th economic census. The share of NER in country's total establishments in 6th economic census period is only 4.61%. The low share of establishments indicates the lower entrepreneurial activities in NER. But there are three states in NER attaining 100% growth rate in number of establishments in 6th EC over 5th EC but the position of Tripura with 28.28% growth rate is much lower than the national average in terms of growth of establishments. The growth rate of Tripura in employments during the both the 5th and 6th Economic censuses were also below the national average. It is a matter of concern that the state of Tripura is industrially backward and there is only option to grow industry by using local resource potentials (human as well as physical) due to geographical constraint and to achieve this direction Handloom and handicrafts industry may promote by mobilising local resources and minimal capital. It is evident that handicraft industry, as a household industry contributes to the national economy in terms of export earnings as well as generation of employment including the marginalised segment of the society. There is an increasing trend in handicraft exports from India and Indian handicraft exports have increased about 16.4% since 2008-09. It is noticed that handicrafts exports have increased by 15.4% than the 2013-14 and stood at US\$ 4.5 billion in 2014-15. The D.C. Handicraft, Government of India has taken initiative through the cluster approach under the AHVY Scheme to promote the handicraft sector and number of handicraft clusters is found to be high as per Working Group Report on Handicrafts for the 12th Five Year Plan. In the state of Tripura Government has taken initiative to promote the handicraft sector through the cluster approach but allocation of fund in this regard is not the level of satisfactory.

The chapter -3 deals with the Role of cluster approach in Entrepreneurship Development in MSMEs India and Tripura. Cluster Approach was introduced in India in 1997 with a view to support the small and medium enterprises for making them globally competitive by globally competitive by accepting the recommendation of Abid Hussain committee. But there are century old clusters in India. There are incipient clusters in India. Most of the clusters in India are low-tech clusters which is the indication of positive impact of clusters in promoting only self sustained entrepreneurship development in MSME Sector in India. The

growth rate and wage level of such clusters are found to be low and marginal and very limited number of high tech clusters in the country. The lion share of low-tech clusters (93.6%) scenario indicates the early stage of entrepreneurial activities in the country. The increasing trend of clusters in registered MSME sector between 3rd and 4th census period is observed 99.75%. But the industry under the umbrella of cluster approach are significantly contributes to the nation's economy. There were 7.18 lakh Registered manufacturing units in 2443 clusters and 8.45lakh registered manufacturing units other than clusters area in India during the period of 4th census. The clusters covered 45.92% of the country's total registered manufacturing units, generating 34.85% of employment in SSI sector and producing 19.01% of output.

The share of NER is 4.58% shares of country's industrial clusters. The study finds that the handicraft as an industry segment has been dominating with 42% shares in the field of industry clusters. The increasing trend of clusters (9 in 2010 to 19 in 2015) in handicraft sector in the state of Tripura is a clear indication of the necessity and popularity of cluster level intervention to promote the sustainable growth of concerned sector. The increasing trend of coverage of artisans is observed in Tripura. The coverage of artisans' is increased by 1650 persons in 2014 in Tripura. The study finds that per unit total gross output has increased from 11.52% in 3rd census to 18.72% in 4th census and per unit fixed investment is also increased to 21.03% in 4th census from 5.51% in 3rd census in clustered industries. The Fixed Investment to Gross Output ratio (0.88%) in comparison to countries total registered SSI (1.57%) is found to be quite low.

The contribution of clusters in increasing the productivity as well as sales is reported from the above chapter in case of country as a whole, and Tripura in particular. It also enhances the per unit gross output, per workers gross output which ,in other words the indication of the potentiality of clusters and government initiative in regard to set up of more clusters in artisanal sector obviously clarify the significance of clusters in promotion of entrepreneurship in microenterprise sector in the country

Chapter 4 deals with the socio economic profile of sampled clusters. The study points out that in the cluster area most of artisans of sampled clusters about 90.1% are trained but before this approach trained artisans were only 7.8%. The training facilities availed by artisans related to mainly skill up-gradation, design and development. The clusters provide more training facilities to the rural artisans than the urban artisans. In the sampled cluster area training related to entrepreneurial education found to be absent. The highest percentage of artisans i.e. 45.8% in sampled clusters belong to SC category followed by OBC 43.8% and only 1% artisans belong to Schedule Tribe category and 9.4% remains for General category. The dominating trend of SC people as an entrepreneur in sampled artisan is observed in Charilam and Nalchar cluster which account for 84.6% and 97.4% respectively. The maximum artisans in OBC category is observed in Baikhora cluster. The educational level of artisans in the sampled cluster area found to be low.

Though the entrepreneurial activities in the sampled clustered area is found to be improving level but the economic status of the artisans of handicraft sector is found to be marginal. Agartala, jogendranagar and charilam clusters are economically better position than the Baikhora and Nalchar clusters. Higher earning capacity is found in Jogendranagar cluster, located in semi-urban area. The artisans of Baikhora cluster, a rural cluster located extreme south part of the state are economically poor. Most of the clusters are low tech clusters which are only capable to generate self sustained employability. The perpetuity of the business is found to be high in jogendranagar cluster and Nalchar Cluster. The Agartala cluster, located in Agartala Municipal Corporation, with 28.2% artisan with part time activities is found to be lower rate of perpetuity in entrepreneurial activities in artisanal sector. The urbanisation provides the lot of scope of profitable employability to the person than artisanal activities which may be the major cause to ignore the handicraft as fulltime activities for their livelihood. The study observed that clusters promote the growth of entrepreneurship among the unprivileged section of the society

The chapter five examines the impact of the cluster development programme in the state of Tripura. It is observed that Government of Tripura initiated the cluster

approach in the field of handicraft sector ,a dispersed, un-organized sector with a view to provide a organized platform to the artisans and to upgrade their socio-economic condition by stimulating the entrepreneurial activities in this sector. In this study UNIDO prescribed indicators in regard to measure positive impact of cluster on entrepreneurship was considered. Such indicators include increasing revenues, reducing dependence on single trader/market, increasing formal training/skill, increasing access to credit, better information and contacts, less discrimination, improved governance. The study finds that industrial clusters, in this state do provide positive environment towards entrepreneurial activities in handicraft sector in the sampled clustered area. There is a positive response in the direction of reducing dependency on single trader/market, increasing formal training and skill, and revenue earnings. Handicraft clusters as artisanal clusters are considered as low tech cluster which has the capacity to accelerate the employment generation but not the export earnings. It fosters necessity-driven entrepreneurial activity through which generation of self employment activity only promotes. In the necessity-driven entrepreneurial scenario, the earnings of the handicraft entrepreneurs of the operational area of clusters is much satisfactory considering the existing status of poverty level of the state which stands to 66.86% BPL families as per states BPL survey 1997. In the present study the notation of collective efficiency is also one of the observations. Collective efficiency arises through division of labour, and in terms of procurement of raw materials artisans in the cluster areas directly purchased from the whole sale suppliers which creates the possibilities of collective gain. Even in the cluster area one entrepreneur opens-up the door of another entrepreneur by selling and purchasing semi-finished goods within each other which also promotes the way of collective gain. The literature related to cluster theory opined in favour of ‘collective efficiency’ and ‘collective gain’.

Cluster providing formal training to 90.1% artisans creates entrepreneurial zeal among the poor people. Cluster approach facilitates the artisans/ entrepreneurs to find the way to use different channel as marketing and also provide scope in participating state as well as national fairs. The participation of handicraft fairs opens up the door to artisans to increase the connectivity by showing their

productive skill. The increasing connectivity and use of different channel as marketing facilitates to increase the volume of sales which not only promote the existing entrepreneurship but attracts the new entrants.

Cluster approaches also open-up the doors of connectivity which enhances to make better contact. But the level of benefits of cluster approach is found to be marginal in case of female entrepreneur. Male entrepreneur who are not allowed to get government benefit directly but as a participant of clusters they use the benefit accrued from clusters in a better way than the female counter part. The study also finds that clusters do provide the benefit to women entrepreneur and promote the economic empowerment of women. It is observed that whatever supports government clusters provides are not sufficient enough to make one artisan a good entrepreneur but the clusters provides the better platform only to organise the artisans and to make them dynamic with little income. It supplies the skilled artisans as most of the sampled artisans are found to be trained. It creates an entrepreneurial environment by supplying skilled artisans in a geographically proximate area which is observed in the study and one who is capable to use this opportunity became an successful entrepreneur but those who are only depended on government support their income is found to be unsatisfactory as government level support, the consistency of which is uncertain, and is too low to sustain an artisans in the handicraft sector. The study finds that constraint of finance is emerged as major problems to the artisans. The 86.5% artisans opined in favour of finance constraint.

The scarcity of raw material and low return create hindrances to the artisans to manage their entrepreneurial activities

The basic objectives of UNIDO programme of cluster approach lie upon to alleviation of poverty by facilitating entrepreneurial activities to the rural people. The handicraft clusters of Tripura also going on maintaining the line of UNIDO where involvement of unprivileged section of the society in entrepreneurial activities in sampled clusters found to be more about 90.6%. This is the indication of the positive affect of cluster towards inclusive entrepreneurship as well as social inclusion.

Findings:

The impact study of Cluster Approach is made in the present study considering the UNIDO prescribed indicators. The indicators of positive impact of cluster on entrepreneurship include increasing revenues, reducing dependence on single trader/market, increasing formal training/skill, increasing access to credit, better information and contacts, less discrimination, improved governance.

The study observed some general findings. Before highlighting on specific objective-wise findings, such general findings are discussed below.

General Findings:

In the present study it is observed that in 1958-1967 during the pre statehood period, instead of individual entrepreneur, the cooperative societies and government sponsored training cum production centre were engaged in the entrepreneurial activities in handicraft sector. During the late fifties to middle sixties Jail industries output produced by convicted personnel was considered as contribution of industry sector. 23% share of Bamboo and cane crafts of the total jail products during the period of 1958-1968 indicates that the bamboo and cane crafts has a long history in regard to contribution in manufacturing output. During the pre-statehood period there was lack of training facilities to the individual artisans but in the regime of clusters the formal training facilities including other soft interventions extended to the artisans which promotes entrepreneurial activities in handicraft sector resulting to strengthen the state's economy and rural marginalized people's empowerment.

The specific objective-wise findings are mentioned below.

6.2. Findings relating to objective No – 1:

1. The study finds 93.6% industries under the umbrella of cluster approach in India belong to Micro-enterprise (ME) sector.
2. In India incipient clusters is found to be 93.6%.The nature of incipient clusters is that there is concentration of small producers who takes small risks in coordination with others in the cluster.

3. The nature of these clusters is found to be low-tech cluster as their growth rate and wage level are found to be low and marginal which is the indication of positive impact of clusters in promoting only self sustained entrepreneurship development in MSME Sector in India.
4. The contribution of the India's micro-enterprise clusters such as Handloom, Coir, Handicraft, and Village industries to the national economy is limited in generating 80% employment of industries within the clusters. It is pertinent to say such clusters minimise the pressure of unemployment of the nation.
5. Low rate of wage payment is found in ME clusters.
6. The percentage of Clusters in Leather & Leather product, automotive components, Ceramics etc is found to be 6.1%, sharing with 14% employment of industries within the clusters.
7. Hi-tech clusters are the contributors of export earnings and the notation of developed economy. Such clusters are found to be low in India, only 0.3% of countries total clusters. Their growth rate and wage level are found to be Positive 20% to 30% and high.
8. The lion share of low-tech clusters (93.6%) scenario indicates the early stage of entrepreneurial activities in the country.
9. The study finds that the handicraft as an industry segment has been dominating with 42% shares in the field of industry clusters.
10. The share of NER is 4.58% shares of country's industrial clusters. The west region with 27.4% share of country's total cluster occupies the highest position followed by north with 25% and south with 24.9% of clusters. The share of east region with 17.7 % clusters is also not encouraging.
11. Traditional manufacturing clusters are concentrated within 21 states in India. One third of the states of our country remain untouched from the benefit of Traditional manufacturing clusters. The share of NER is found to be nil in terms of Traditional manufacturing clusters.
12. Economically and industrially developed states are in better position in terms of sharing Traditional manufacturing clusters. More than 50% of 388 clusters are

occupied by five states, namely, Maharashtra, Gujarat, Uttar Pradesh, Andhra Pradesh, and Punjab. Maharashtra with 14.94% of such clusters occupied the highest position in terms of Traditional Manufacturing Clusters in India followed by Gujarat with 12.6% clusters, and Uttar Pradesh with 8.74 such clusters.

13. The increasing trend of clusters in registered MSME sector between 3rd and 4th census period is observed 99.75%.

14. The increasing trend of contribution of these clusters in 4th census in respect of number of units found to be 13.24%, in generation of employment 7.19%, and share of gross output 2.02% which indicates the increasing level of entrepreneurial activities in this sector.

15. The study finds that per unit total gross output has increased from 11.52% in 3rd census to 18.72% in 4th census and per unit fixed investment is also increased to 21.03% in 4th census from 5.51% in 3rd census in clustered industries.

16. The share of clusters with 45.92% of country's registered SSI indicates the dominating trend of clusters in micro level entrepreneurship.

17. The increasing trend of clusters in registered MSME sector is reported. The total number of clusters in registered manufacturing units of the SSI sector has increased by 1220 during the period of five years with effect from 2002 to 2006 (Table 3.9).

18. The encouraging fact is that most of the micro enterprise clusters are found to be handicraft clusters (42%), covering all the states and Union Territories of the country.

19. The highest artisan coverage ratio of cluster under AHVY Scheme during 11th Plan period is found in Assam with 644, followed by Meghalaya, Sikkim, Nagaland, and Tripura and the lowest artisan coverage ratio of cluster was found in Arunachal Pradesh in NER.

20. The increasing trend of clusters from 9 clusters in 2010 to 19 clusters in 2015 in handicraft sector in the state of Tripura is a clear indication of the necessity and popularity of cluster level intervention to promote the sustainable growth of concerned sector.

21. The increasing trend of coverage of artisans is observed in Tripura. The coverage of artisans' is increased by 1650 persons in 2014.

22. Beside the state Government of Tripura, the initiative of Union Ministry of MSME in introducing 2 (one in bamboo sector and other in paper bag) clusters under the scheme of MSME-CDP is also an observation.

The positive effect of cluster is found from the observed increasing trend in number of units, generation of employment and gross output in the industries under the umbrella of cluster. The sanctioning of more cluster indicates the recognition of the cluster approach in India, as a strategic mechanism for entrepreneurship development in unprivileged segment of the society with a view to promote inclusive economic development by enhancing pro poor growth in rural sector.

6.3. Findings relating to objective No – 2:

In the state of Tripura the cluster concept in handicraft sector was introduced with a view to provide organised platform to the artisans whose entrepreneurial potentialities were not focused due to their dispersed activities.

1. The 49% artisans in the cluster area come forward to adopt this business as their livelihood after introduction of cluster approach.

2. The study finds that cluster approach stimulates the start up entrepreneurship (49%) in the cluster area.

3. Another observation is that artisans in the age group of within 25 years age and >25 -40 years range in total sampled clusters constitute 2.6% and 47.4% respectively of total sampled artisans. But charilam and Nalchar cluster with 69.2% and 64.1% artisans in the age of within 40 years respectively are better position among the five clusters in the potential age of artisans required for entrepreneurial activities.

4. The highest percentage of artisans i.e. 45.8% in sampled clusters belong to SC category followed by OBC 43.8% and only 1% artisans belong to Schedule Tribe category and 9.4% remains for General category (as per Chart -5.4)

5. The dominating trend of SC people as an entrepreneur in sampled artisan is observed in Charilam and Nalchar cluster which account for 84.6% and 97.4% respectively.
6. It is also found that Baikhora cluster has the maximum OBC artisan which stands to 83.3% followed by Agartala cluster 71.8% and Jogendranagar cluster 61.5% (as per chart 4.37). It may appropriate to say that maximum artisans in the handicraft clusters belong to unprivileged sections of the society.
7. The study finds the low educational level of artisans in the cluster area. The observation made from the Chart -5.5 clearly indicates that illiterate artisans are only 12.5 % and 75.1% artisans found to be below madhyamik standard. The maximum artisans are in a position to run their business activities without hiring knowledge from others.
8. The holder of H/S+2 and Graduation degree artisans/ entrepreneur are 3.1% in each case which indicates that educated people are also attracted in starting-up their business in the operational area of clusters.
9. The study finds that 87% sampled artisans is engaged in fulltime activities in the total sampled clusters.
10. The nature of activity which is the reflection of the perpetuity of the of the business is found to be high in jogendranagar cluster with 94.9% artisans engaged in full time activities followed by Nalchar Cluster with 92.3% artisans with full time activities.
11. The Agartala cluster, located in Agartala Municipal Corporation, with 28.2% artisan with part time activities is found to be lower rate of perpetuity in entrepreneurial activities in artisanal sector. The urbanisation provides the lot of scope of profitable employability to the person than artisanal activities which may be the major cause to ignore the handicraft as fulltime activities for their lively hood.
12. The study points out that artisan in sampled clusters are in better position in the regime of clusters. 90.1% artisans of sampled clusters are trained but before this

approach trained artisans were only 15.30%. The training facilities availed by artisans related to mainly skill up-gradation, design and development.

13. It is found (Chart-4.36) that 100% sampled artisans of Baikhora cluster are trained and Charilam cluster with 84.6% trained artisan found to be poor in terms of getting the opportunity of training. It is observed that Baikhora cluster is purely located in the villages of extreme south of the state with poor standard of living of artisan and operational area of Agartala cluster includes the urban area but only 89.7% artisans are trained.

14. The average of trained artisans in sampled clusters in rural area found to be 91% and the average of trained artisans of urban and semi-urban area of the sampled clusters found to be 88.45%. It may be allowed to say that clusters provide more training facilities to the rural artisans than the urban artisans.

15. Training related to entrepreneurial education found to be absent in the cluster area.

16. The economic status of the artisans of handicraft sector is found to be marginal. About 51% artisan's monthly income is within the Rs 3000. Before this approach about 45% artisan's income was less than Rs 500.

17. No of clusters with 50% artisans monthly income more than Rs 3000 are three, namely, Agartala, jogendranagar and charilam cluster but in Baikhora 13.9% and in Nalchar clusters 48.7% artisans monthly income more than Rs 3000 are found,

18. It is also observed that the economic status of artisans in Agartala and charilam cluster is better than the others. In these two clusters, 43.6% artisans' income found to be above Rs 5000.

19. The artisans of Baikhora cluster are economically poor. Only 5.6% artisans are able to earn more than Rs 5000 per month and 50% artisan's monthly income are within the range of more than Rs 1000 to Rs 3000.

20. Higher earning capacity is found in Jogendranagar cluster (69.3% artisans monthly income is more than Rs 3000) located in semi-urban area.

21. The incidence of poverty found to be highest in Baikhora clusters (36.1% artisans' monthly income are less than Rs 1000) among the entrepreneurs of the sampled cluster area.
22. The study observed that clusters promote the growth of entrepreneurship among the unprivileged section of the society. This unprivileged section includes the women, SC, and OBC whose participation in small business is increased after cluster approach by 49 %.
23. The 49% increasing rate of entrepreneurship among the unprivileged section of the society is a positive notation of economic empowerment of that section.
24. Most of the artisans (80%) are women in cluster area reflects that cluster promote the economic empowerment of women.
25. The involvement of unprivileged section of the society in entrepreneurial activities in sampled clusters found to be 90.6% which indicates the positive affect of cluster towards inclusive entrepreneurship as well as social inclusion.
26. Cluster providing formal training to 90.1% artisans creates entrepreneurial zeal among the poor people.

It is said to be pertinent from the above mentioned findings that handicraft cluster in the state of Tripura promotes entrepreneurship among the unprivileged segments of our society, most of them are economically and educationally backward, by making the progress towards collective actions which helps to move towards inclusive entrepreneurship as well as pro-poor growth, the one of the best mechanism for inclusive development.

6.4. Findings relating to objective No—3:

1. The trained artisans have increased from 15.30 % in before cluster approach to 90.1% of total sampled artisans after cluster approach.
2. In the present study it is also observed that major section of entrepreneurs, in cluster operational area availed the benefit of transportation cost 69.3% as backward and, 78.6% as forward linkage but before cluster approach 43% artisans engaged in activities faced the transportation constraint.

3. The one of the findings of this study is that before cluster approach only 7.2% artisanal enterprises have been running their business activity with hired workers and after formation of cluster the enterprises run with hired workers increased to **17.7%** and they all are marketing their product not only in the state but other than state. The handicraft clusters facilitate the growth in the formation of new businesses and also create a competitive environment in the arena of handicraft sector.

4. Another important finding relates to the division of labour. Before cluster approach there was no scope of division of labour as every artisans was bound to produce the complete finished product. There was no market of semi finished product before the introduction of cluster but semi-finished goods find their market (50%) in the regime of cluster. It is observed that artisans are producing the part of a particular product and duly used to sell it which enhances the skill and efficiency of the artisans in making a particular part of a product. The product of one entrepreneur is the raw materials of others. This process creates a positive industrial environment by breaking down the investment into ‘small and calculable’ risk and attracts more common “ordinary” entrepreneurs.

5. The creation of *division of labour* technique fosters the start-up business activities in the handicraft sector and it facilitates the new entrants as there are many artisans /entrepreneur who assembles the semi finished goods and converts these semi finished goods into a finished product as per requirement of the market /customer and this type of entrepreneurs are earning more than the one who alone produces a complete product. This technique is in vogue in producing designable basket, lamp shed, tray, pasting work, room divider etc.

6. Cluster approach facilitates in increasing revenues. Before cluster approach 91% artisans monthly income from handicraft is limited within the range of Rs 1000 per month and only 9% artisans’ monthly income exceeds Rs 1000 and limited within the range of Rs 1000 – Rs 3000 but after cluster approach only 14.1% artisans monthly income from handicraft is limited within the range of Rs 1000 per month. In the regime of clusters, out of the total sampled artisans, 32.8% artisan’s monthly income exceeds Rs 5000 and about 16.1% of total sampled artisan’s monthly

income exceeds Rs 3000 to Rs 5000 and 37% artisans' monthly income exceeds Rs 1000 to Rs 3000.

6. Artisanal clusters are considered as low tech cluster (93.6%) which has the capacity to accelerate the employment generation but not the export earnings. It fosters necessity-driven entrepreneurial activity through which generation of self employment activity only promotes.

7. In the necessity-driven entrepreneurial scenario, the earnings of the handicraft entrepreneurs of the operational area of clusters is much satisfactory considering the existing status of poverty level of the state which stands to 66.86% BPL families as per states BPL survey 1997.

8. The study points out that in the cluster area maximum artisans had availed the training facilities (i.e.90.1%) related to skill up-gradation, design and development.

9. Regarding insurance facilities, the rate of beneficiary is not satisfactory in sampled cluster area though national level RSVY Scheme is in force but not in the handicraft sector of this state. It is also important to refer here that an insurance facility has no impact in entrepreneurial activities.

10. Cluster approach brings the unprivileged segment of the society into organized platform and removing caste discrimination facilitates to promote inclusive entrepreneurship. The one of the observations of this study is that 45.8% artisans/ entrepreneurs in sampled clusters area belong to SC category. Before cluster approach there was only 29.6% SC artisans/ entrepreneurs in sampled clusters area. It implies the positive trend of inclusive entrepreneurship in the state. It is matter of concern that entrepreneurial activities among SC is found to be quite low only 7.83% in the national context and eleventh plan period was considered for inclusive development. In the context of inclusive development, handicraft clusters do a positive job in bringing the SC people under the umbrella of entrepreneurial activities and making them as a contributor of nation's economic development.

11. The observation of the study reveals that 37% sampled artisans attended the handicraft fair. Before the inception of cluster approach the artisans were dispersed and working under the unorganised platform and only 8 % attended fair.

12. In the regime of cluster entrepreneurs find the market of their handicraft products in the city like Bangalore, Mumbai, Chennai, Hyderabad, and also in the states like Jammu & Kashmir, Gujarat, and Delhi.

13. The cluster facilitates in increasing the connectivity. It is observed that 70.3% artisans are in a position to increase their connectivity. Before cluster approach no scope of increasing connectivity.

14. The 87% sampled artisan's with full time activity are engaged in the business and this is the only means of their living which is the positive indication of perpetuity of their business.

15. In the present study the observation in respect of supply of raw materials through clusters to the artisans is found only 10.9% which was absent before cluster approach.

16. About 90% artisans are in a position to continue their business activity with their own source which is a clear indication of their self dependency in their business activities and a notation of successful entrepreneurship.

17. The study finds that in respect of monthly income from handicrafts the male, the constituent of 'Without Approach' are in better position than Female, the constituent of 'With the Approach'. 87% male artisans' monthly income exceeds Rs 5000 and the similar range of income earned by only 19.5% female artisans.

18. In terms of training male artisans are in better position than their female counterpart. 92.1% of total male artisans and 89% of total female artisans are observed as trained.

19. The male artisans, the constituent of 'Without the Approach', who as participant of cluster area are not directly getting the benefit of clusters but by using the entrepreneurial environment resulting from cluster approach, are in better position to improve their marketing connectivity than their female counterpart the constituent of 'With the Approach'. Improved marketing connectivity is found 82% in case of male artisan and 68% in case of female artisans. Marketing connectivity promotes better entrepreneurial activities by enhancing the sales, so in

this respect it is pertinent to say that the yearly turnover of male artisans will be much better than their female counterpart.

20. The significant relation between the attendance in handicraft fair and income in Chi -Square test at 1% level of significance with 9 d.f.supports the phenomenon that handicraft fairs unfasten the door of business connectivity to the artisans which led to increasing the volume of sales as well as income. Where the value of Chi-Square with 9 d.f. is 42.315 and P value =0.000.

21. Statistically insignificant relation between the training and gender reveals that there is no gender discrimination in regard to the training facilities in sampled clusters.

22. Cluster approach extending various channel of marketing removes the dependency on single market. Artisans in the regime of clusters are in a position to use various channel of marketing (54.7% uses channel other than clusters, out of which 15.1% uses national fair as marketing channel) which stimulate in opening up of new market and in the changing scenario of channel of marketing, the changing demand of product (in respect of the quality as well as design) also take place and to meet up the changing demand, the process of introduction of new product as per demand of the global market instead of traditional product has come forward.

23. The significant relation between the channel of marketing and income in Chi - Square test at 1% level of significance with 12 d.f.supports that opening up of new channels stimulates in generating more income through the increasing amount of volume of sales and in the sampled clusters channel of marketing has increased after introduction of cluster approach

24. The significant relation between channel of marketing and gender in Chi-Square test at 1% level of significance with 4 d.f. is 84.840 and P value =0.000 and significant relation between the channel of marketing and income in Chi-Square test at 1% level of significance with 12 d.f. is 62.291 and P value =0, indicates that in the cluster operational areas entrepreneurial activities among male artisans, the constituent of 'Without Approach' are more than their female counter part, the constituent of 'With the Approach'.

25. Statistically significant relation between the level of education and income reveals that low level of education of artisans creates barrier to artisans in enhancing income level in the sampled clusters.

26. The significant relation between the 'level of education and gender at 1% level of significance with 5 d.f. clearly indicates the lower educational level of female than the male in sampled cluster area. The significant relation between the 'level of education' and 'gender' and significant relation between the 'level of education' and 'income' mirrors that female with low level of education as a registered member are not able to keep pace with their male counterpart, who supposed to be non registered member of cluster, in terms of earnings.

27. It is also observed that only about 10% of the products of cluster area are sold through concerned cluster and rest of 90% product is sold through marketing channel other than cluster.

28. Numbers of enterprises with hired workers are increased to 34 after cluster approach from 7 before the approach.

29. Statistically significant relation between the enterprises with hired worker and income in Chi-Square test at 1% level of significance with 3 d.f. is 71.108 and P value =0.000 indicates the performances of enterprises run with hired workers are better than the enterprises run without hired workers in terms of earnings.

30. Statistically significant relation between the enterprises with hired worker and gender in Chi-Square test at 1% level of significance with 1 d.f. is 67.157 and P value =0.000 mirrors that enterprises managed by men the constituent of 'Without Approach' are in better position than female the constituent of 'With the Approach' to run business activities with hired workers. This phenomenon indicates that men dominate the entrepreneurial activities in the cluster operational areas and their performances also provide a platform for the unemployed youth.

31. Statistically significant relation between the income and gender in Chi-Square test at 1% level of significance with 3 d.f. is 63.124 and P value =0.000 implies that male artisans, the constituent of 'Without Approach' who are not registered members of clusters or directly associated with society members but operating their business in the operational area of clusters and enjoying benefit of the supply of labour and raw materials which cluster promotes, their income is more than the female i.e. the society members.

As income is a major parameter to measure the effectiveness of entrepreneurial activities so it may be allowed to say that clusters facilitates the entrepreneurial activities to the artisans of its operational areas and performances of male artisans are found to be higher than their female counterparts.

32. 87% sampled artisans opined in favour of finance constraint.

33. 30.7% sampled artisans opined in favour of scarcity of raw material

34. 27.6% that low return create hindrances to the artisans for the development of product.

35. 34.9% sampled artisans opined in favour of both scarcity of raw material and low return.

In a nutshell it is observed that sampled clusters in the state of Tripura managed by DHHS, Government of Tripura positively effects the entrepreneurial activities in handicraft sector but the impact is very much marginal.

6.5. Suggestions:

The study finds that the level of income of artisans are very low to sustain in the present economic scenario. The low level of income occurs due to dependency on traditional product. The product diversification is necessary, taking care with the customers satisfaction and profitability.

It is observed that there is a more profit margin in the ornamental bamboo product and it requires low investment of capital but a few number of artisans are engaged in producing this product and others are not capable due to proper training in this field. The skill upgradation training should be designed in such a way that will be

able to enhance capability of the artisan in facing the challenges of present global market. In this regard due care is to be taken towards increasing the profitability of the artisans.

There is a observation in regard to training to the artisans that artisans during the training period are entitled stipend but not any tools to expedite their artisanal activities. In such a situation most of the artisans incurred such stipend to maintain thier family expenses during the training period and there is no money left as capital to continue their activities. In such a situation the training period should include one month FeedBack period for making continuation of their activities by supporting tools and raw materials for creating a better entrepreneurial urge in the mind of artisans.

Entrepreneurial education is necessary to make the sector commercially viable. It is observed in the field study that all the training programme are related to skill up-gradation but not entrepreneurial education. Time has come to rethink about this sector and there is an urgent need to provide training and entrepreneurial edcation to the exsisting entrepreneurs/ artisans as the importance of this sector cannot be ignored. The DC Handicraft and state government agency should come forward in this regard.

Taking care of the artisanal activities, the selection of participants in training programme conducted by different agencies such as, Bamboo and Cane Development Institute, clusters, are necessary to revitalise this sector.

Low return is one of the constraint in promoting entrepreneurship in artisanal sector. The artisans are not getting proper price of the product. The price of the product is to be refixed taking into account of the prevailing level of inflation. It is a matter of concern that general artisans/ startup entrepreneurs have no option but to sell their product at a price determined by THHDCL before ten years, in the cluster/ Purbasha. Even clusters return the product which is not at par their required quality. In such a situation the artisans forced to sell that product at a reduced price to the middleman .

The study suggests, under this prevailing situation that cluster should categorised the product according to quality and price to be determined according to quality

and shall accept all the product of start-up entrepreneur to safeguard the interest of the artisans as well as enhancing entrepreneurial activities by increasing faith of the artisans to their own creativity.

The finance is being emerged as major challenge in this sector. As per knowledgeable persons opinion the highly emerging constraints are finance (83.3%). As the economic status of the artisans are poor, It is very much difficult to an artisan to manage the initial capital. After managing the initial capital, they are not capable to manage their own family during the processed of the production period and forced to use the initial capital to manage their family. Under such a situation it is suggested that cluster should come forward to supply **seed capital** as well as working capital. the study finds that the fund granted for cluster is not sufficient enough to provide financial assistance to the artisanal sector. The study suggests the positive steps of the government in regard to financial assistance to make the cluster financially healthy.

The shifting of traditional product to modern product, according to the demand of market may also play a vital role in minimisation of low return.

The scarcity of raw materials increases the dependency of entrepreneurs in handicraft sector towards middleman and traders for raw-materials which makes obligation to sell their product to that middleman or trader at a reduced price. The positive steps to be required to remove the scarcity of raw materials. The raw material banks which is one of the requirement of cluster is not to be found in the sampled clusters. Creation of Raw materials bank is the need of the hour and it is necessary to ensure that every artisans is allowed to access the facility of that bank at a rational price. The positive attention of the state government is required in this direction.

It is also found in the field study that except one cluster, namely Agartala cluster, there is no common facility centre equipped with machines and tools in the cluster which creates hindrances to the artisan in producing qualitative product within a time in one hand and it also jeopardise the effectiveness of the cluster.

As per expert opinion marketing (58.3%) is also emerged as a significant constraint. The newly constructed 'Urban Hut' at Agartala be opened for all category of

artisans across the state to display and sell their product and reimbursement of transportation cost in this regard by concerned clusters is necessary. The cluster should come forward in purchasing the products of artisans, specially startup entrepreneurs/ newly trained artisans product, for creating entrepreneurial goal among such artisans. In such a situation price of the product may be determined according to quality of product.

The positive role of financial institutions like NEDFI, and Regional Rural Banks in financing the artisanal business with a simplified mechanism is necessary. The proper direction from the state government in this regard is need of the hour.

The society of the concerned cluster may act as guarantor on behalf of the lone artisan and installment may be realised from his monthly sales. Proper monitoring of the Managing Director of concerned cluster is to be required in this regard.

6.6. Conclusion:

In the state of Tripura it is true that cluster approach has made the artisans organised and their economic status have also improved but desired outcome is still awaiting due to lack of mechanism in introducing this approach. These mechanisms include the proper implementation of methodology of cluster and cluster level interventions such as soft intervention and hard intervention and follow up action. The activities of handicraft clusters in this state is limited in organising skill upgradation training programme. The role of the cluster in marketing of the product is very limited. In the globalised market the buying trends of consumer are rapidly changing and the entry of machine made product into the rural and urban market, has thrown challenges to the handicraft producers. The prevailing situation demands the special attention of the government agencies to the handicraft sector in addition to cluster approach in regard to finance and training related to entrepreneurial skill for making this sector viable in promoting entrepreneurship development.

Cluster approach alone is not capable to promote the entrepreneurship. Besides cluster approach, external factors such as Government support, political environment, effective managerial steps to compliance the government support schemes in time, and flexible role of financial institution in opening up of easy credit facilities, and proper feed back to artisans may bring the new dawn to the entrepreneurship in handicraft sector in Tripura.