

# Chapter 1

## Risk Assessment and Management by Non-Institutional Financers: A Case Study on Supporting Entrepreneurial Development in Tinsukia District of Assam (India)

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### **ABSTRACT**

*This study explores the role of non-institutional financers in risk assessment and management for entrepreneurial development in Tinsukia District, Assam (India). These financers provide critical support for new ventures, bridge capital, and business expansion. Unlike traditional institutions, they adopt a flexible risk evaluation framework based on human, social, and financial capital. While entrepreneurs manage risks within regulated systems, non-institutional financers operate outside these frameworks, offering innovative strategies tailored to entrepreneurs' needs. Through case studies from Tinsukia, the study highlights how non-institutional financers fill gaps left by traditional institutions, driving local economic growth. The findings stress the importance of recognizing and integrating the unique practices of non-institutional financers into broader economic policies, fostering sustainable entrepreneurial development in emerging economies.*

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## INTRODUCTION

Entrepreneurship development is a crucial catalyst for equitable economic growth, offering vast potential to generate employment and influence societal values positively. In regions such as Northeast India, where unemployment persists as a significant challenge and fuels social tensions and insurgency, cultivating an entrepreneurial culture can serve as a powerful solution to these pressing socio-economic issues.

Despite the region's rich natural resources, the people of Northeast India have historically shown a stronger preference for white-collar jobs over entrepreneurial ventures. This traditional inclination underscores the need for targeted efforts to inspire and empower individuals to embrace entrepreneurship as a viable and rewarding path to economic and social transformation.

The integration of entrepreneurship education into the formal education system has become an urgent priority. By embedding entrepreneurial principles into the curriculum, students can cultivate essential values, attitudes, and motivations that are critical for navigating and thriving in the modern economic landscape. This education goes beyond technical skills, fostering creativity, resilience, and a proactive approach to challenges.

Incorporating entrepreneurship education also has the potential to transform societal perceptions, particularly among the younger generation. It can inspire them to view entrepreneurship not just as a career choice but as a meaningful avenue for innovation and impact. By equipping students with the competencies needed to identify opportunities, take calculated risks, and build sustainable ventures, such education can pave the way for a culture that values and embraces entrepreneurial endeavors.

Moreover, fostering this mindset early in life helps create an environment where entrepreneurship is not only seen as viable but also desirable. This shift is especially crucial in regions grappling with high unemployment and economic stagnation, as it empowers individuals to become job creators rather than job seekers. Ultimately, entrepreneurship education can serve as a cornerstone for economic growth and societal transformation, addressing both immediate and long-term challenges.

The strong link between entrepreneurship and economic development is widely recognized. Entrepreneurship acts as a powerful multiplier, creating jobs, producing goods and services, and fueling overall economic growth. By transforming innovative ideas into commercially viable ventures that benefit society, entrepreneurs drive both individual and collective progress. In this way, they serve as key catalysts for economic advancement and social change, fostering development on multiple levels.

The Northeast region of India, geographically separated from the mainland, remains one of the most industrially underdeveloped parts of the country. It faces distinct challenges, including high unemployment rates, which often fuel broader social issues such as insurgency and unrest. As unemployment serves as a root cause of these problems, promoting entrepreneurship could play a transformative role in addressing these challenges and driving economic progress in the region.

However, the people of this region are often reluctant to pursue entrepreneurial ventures, largely due to unsupportive social and economic conditions. A strong preference for white-collar jobs persists, even as such opportunities become increasingly scarce amid the forces of globalization, liberalization, and privatization. If this trend continues unaddressed, the region's social fabric could face further deterioration.

To counter this, a shift in societal attitudes, values, and mindsets is urgently needed, particularly among the younger generation, to foster a culture that embraces entrepreneurship. Introducing entrepreneurship education as a foundational component of the formal education system is a crucial step in this direction.

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