

IMPORTANCE OF RURAL ENTREPRENEURSHIP IN INDIA-ITS CONTRIBUTION TO VIKSIT BHARAT

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Abstract:

Rural entrepreneurship plays a crucial role in addressing rural poverty by generating jobs and improving livelihoods within communities, in stimulating rural development, in reducing migration to urban areas and ensuring the sustainable use of natural resources. Rural entrepreneurs often tap into sectors such as agriculture, handicrafts, tourism and renewable energy, promoting sustainable development. By fostering innovation and resilience, rural entrepreneurship helps to revitalize local economies and empowers individuals to take control of their financial futures. Supporting rural entrepreneurs is essential for balancing economic growth between urban and rural regions. Unlike urban entrepreneurship, which often relies on advanced technology and dense markets, rural entrepreneurship focuses on utilizing local resources, traditional knowledge and community participation. It involves innovative approaches to agriculture, agro-processing, handicrafts and rural tourism, among other sectors.

Key Words: Rural entrepreneurship, migration, sustainable development, urban entrepreneurship

INTRODUCTION

Rural entrepreneurship is more important for economic development in any economy. It creates employment and improves the quality of life in rural communities. The contribution of rural entrepreneurship of rural India for Viksit Bharat is inevitable. Rural entrepreneurship is driving force for rural India. The vision of "Viksit Bharat" - a developed and prosperous India by 2047 - is a clarion call for collective action, innovation and transformation. Rural entrepreneurship is crucial for achieving the "Viksit Bharat" (Developed India) goal by 2047, as it drives economic growth, creates jobs, and promotes innovation in rural areas, contributing to overall national development and inclusive growth.

India is a country of villages. About three-fourth of India's population are living in rural areas out of which 75% of the labor force is still earning its livelihood from agriculture and its allied activities. Land being limited is unable to absorb the labor force in agriculture. Therefore, there is a need to develop rural industries to solve rural unemployment and rural migration to cities. Growth and development of rural economy is an essential pre-condition to development of the nation as a whole. The gap between rural urban disparities should be lessened. The standard of living of the rural people should be increased. Entrepreneurship in rural sector provides an answer to the above problems. Indian rural sector is no longer primitive and isolated. Therefore, entrepreneurship in the rural and tribal areas looms large to solve the problems of poverty, unemployment and backwardness of Indian economy. Rural industrialization is viewed as an

effective means of accelerating the process of rural development. Government of India has been continuously assigning increasing importance and support for the promotion and growth of rural entrepreneurship.

Today rural entrepreneurship has emerged as a dynamic concept. In general parlance rural entrepreneurship is defined as "entrepreneurship emerging at village level which can take place in a variety of fields of Endeavour such as industry, business, agriculture and act as a potent factor for overall economic development. Compared to earlier days development of rural areas has been linked to entrepreneurship.

Objectives of the Study

1. To analyse the role of rural entrepreneurship in economic development
2. To know the major benefits from rural entrepreneurship
3. To study various types of rural entrepreneurship in India
4. To study the problems in rural entrepreneurship
- 5 To suggest some remedial measures to solve the problems faced by rural entrepreneurs

Methodology:

The secondary sources of data are used in this study. Secondary data was collected from internet and online database.

Meaning of Rural Entrepreneurship

In simple terms "entrepreneurship" is the act of being an entrepreneur, which can be defined as "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods". Rural entrepreneurship refers to the creation and management of new ventures in rural areas. It encompasses a wide range of activities aimed at harnessing the potential of rural resources, generating employment, and fostering economic growth. Unlike urban entrepreneurship, which often relies on advanced technology and dense markets. Rural entrepreneurship focuses on utilizing local resources, traditional knowledge, and community participation. It involves innovative approaches to agriculture, agro-processing, handicrafts, and rural tourism, among other sectors.

Rural Entrepreneurship in Viksit Bharat (Economic Development):

Economic Growth and Job Creation:

Rural entrepreneurship fosters economic activity and creates employment opportunities in rural areas, addressing unemployment and poverty.

Innovation and Development:

Entrepreneurs in rural areas can drive innovation by identifying and addressing local needs, leading to the development of new products, services, and technologies.

Empowerment and Self-Reliance:

Entrepreneurship empowers individuals, particularly in rural areas, to become self-reliant and contribute to their communities' development.

Sustainable Livelihoods:

By promoting sustainable practices and diversifying rural economies, entrepreneurship can create long-term economic stability and improve the quality of life in rural areas.

Bridging the Gap:

Rural entrepreneurship can help bridge the gap between rural and urban areas by fostering economic growth and development in rural regions, reducing migration to urban areas.

Government Initiatives:

The government is actively promoting entrepreneurship through various schemes and initiatives, including the Entrepreneurship and Skill Development Programme (ESDP) and schemes for MSMEs (Micro, Small, and Medium Enterprises).

Technology and Innovation:

Technology can play a crucial role in supporting rural entrepreneurship, by providing access to information, markets, and resources, and improving efficiency and productivity.

Infrastructure Development:

Investing in infrastructure, such as roads, electricity, and communication networks, is essential for supporting rural entrepreneurship and facilitating economic growth.

Policy Support:

Supportive policies and regulations are needed to create a conducive environment for rural entrepreneurship, including access to finance, land, and other resources.

Collaboration and Partnerships:

Collaboration among government, private sector, and civil society organizations is crucial for creating a robust entrepreneurial ecosystem and supporting rural entrepreneurs.

Entrepreneurship serves as a dynamic engine for economic growth, addressing critical challenges like unemployment and fostering a more resilient economy. By empowering individuals to create jobs and explore new industries, it establishes a foundation for sustainable progress.

Importance of Rural Entrepreneurship

1. Rural entrepreneurship stimulates local economies by creating jobs and generating income, which leads to improved living standards and reduced poverty levels. This, in turn, helps to curb the migration of rural populations to urban centers in search of employment.
2. Rural entrepreneurship enhances community cohesion and resilience. It encourages local participation and collaboration, strengthening social bonds and fostering a sense of community ownership and pride.
3. The diversification of the rural economy through entrepreneurial activities reduces dependence on agriculture, introduces new income streams, and mitigates risks associated with agricultural volatility.
4. Rural entrepreneurship drives innovation and technological advancement, as entrepreneurs seek to improve productivity and efficiency through new methods and tools.

5. Rural entrepreneurship plays a crucial role in women's empowerment. It provides opportunities for women to start and run their own businesses, promoting gender equality and enhancing their socio-economic status.

6. Overall, rural entrepreneurship is a vital component of holistic rural development, contributing to economic prosperity, social well-being, and environmental sustainability

Types of Rural Entrepreneurship

The types of rural entrepreneurship can be broadly classified into four categories: agricultural entrepreneurship, which focuses on innovative farming practices and agribusiness; non-agricultural entrepreneurship, which includes manufacturing, handicrafts, and rural tourism; social entrepreneurship, which addresses social challenges through community-based solutions; and women entrepreneurship, which empowers rural women to start and manage businesses, promoting gender equality and economic independence. Each type plays a crucial role in transforming rural economies and enhancing livelihoods.

Agricultural entrepreneurship

Agricultural entrepreneurship involves applying innovative practices to farming and related activities. This type of entrepreneurship aims to enhance productivity, sustainability, and profitability in agriculture. It includes ventures in organic farming, agribusiness, agro-processing, and the use of advanced technologies such as precision farming and smart irrigation systems.

Non-agricultural entrepreneurship

Non-agricultural entrepreneurship in rural areas encompasses a wide range of activities beyond traditional farming. This includes manufacturing, handicrafts, rural tourism, and service-oriented businesses. Entrepreneurs in these sectors utilize local resources and skills to create diverse income streams, reducing the rural economy's reliance on agriculture. For example, rural tourism ventures leverage the natural beauty and cultural heritage of rural areas to attract visitors. Handicraft businesses preserve traditional crafts while providing livelihoods to local artisans. Non-agricultural entrepreneurship thus plays a crucial role in diversifying the rural economy, creating jobs and fostering sustainable development.

Social entrepreneurship

Social entrepreneurship in rural areas focuses on addressing social challenges and improving the quality of life through innovative, community-based solutions. These entrepreneurs aim to tackle issues such as poverty, lack of education, healthcare and sanitation by establishing enterprises that generate social and economic value. Social enterprises in rural areas often collaborate with local communities to identify needs and develop tailored solutions. By prioritizing social impact over profit, social entrepreneurship fosters inclusive growth, empowers disadvantaged groups, and strengthens community resilience.

Women entrepreneurship

Women entrepreneurship in rural areas is essential for promoting gender equality and economic empowerment. Rural women entrepreneurs start and manage businesses that cater to local needs and utilize available resources. These businesses range from small-scale agricultural ventures to handicrafts and services. By providing women with opportunities to earn income and gain financial independence, women entrepreneurship enhances their socio-economic

status and contributes to overall rural development. Additionally, women entrepreneurs often bring unique perspectives and approaches to business, driving innovation and community-oriented growth.

Major problems faced by rural entrepreneurs:

1.Financial Problems: Some of the major financial problems faced by rural entrepreneurs as follows:

a) Paucity of funds: Due to absence of tangible security and credit in the market most of the rural entrepreneurs fail to get external funds. Also, the procedure to avail the loan facility from the banks is too time consuming that its delay often disappoints the rural entrepreneurs. Lack of finance available to rural entrepreneurs is by far one of the biggest problems faced by rural entrepreneurs nowadays especially due to global recession.

b) Lack of Infrastructural facilities: In spite of efforts made by government the growth of rural entrepreneurs is not very healthy due to lack of proper and adequate infrastructural facilities.

c) Rise Element: Rural Entrepreneurs have very less risk bearing capacity due to lack of financial resources and external support.

2.Marketing Problems: Some of the major marketing problems faced by rural entrepreneurs are:

a. Competition: Rural entrepreneurs face stiff and severe competition from large sized organizations and urban entrepreneurs. They incur high cost of production due to high input cost. Problem of standardization and competition from large scale units are some of the m major problems faced by marketers. New ventures have limited financial resources and hence cannot afford to spend more on sales promotion and advertising.

b. Middlemen: Middlemen exploit rural entrepreneurs. Rural entrepreneurs are heavily dependent on middlemen for marketing of their products who necessarily pocket large amount of profit. Poor means of transportation facilities and storage facilities are also other marketing problems in rural areas.

3.Management Problems: Some of the major management problems are as follows:

a. Lack of Knowledge of I.T: Information technology as such is not very common in rural areas. Entrepreneurs rely on internal linkages that which encourage the flow of services, goods, ideas and information.

b. Legal formalities: In complying with various legal formalities and in obtaining licenses rural entrepreneurs find it extremely difficult due to ignorance and illiteracy. Also, procurement of raw materials is really a tough task for many rural entrepreneurs. They may also end up with poor quality raw materials, which may also face the problem of storage and warehousing. severe problem of lack of technical knowledge. Lack of training facilities and other extensive services create a hurdle for the development of rural entrepreneurship.

c. Poor quality products: Another important problem is growth of rural entrepreneurship is the inferior quality of products produced due to lack of availability of standard tools and other equipment as well as poor quality of raw materials.

4.Human resource Problems: Some of the major human resource problems are:

a. Low skilled workers: Most of the entrepreneurs working in rural areas are unable to find workers with high skills. They have to be provided with on-the-job training and their training too generally is a serious problem for entrepreneur as they are mostly uneducated and the training should be imparted in local language which they can understand easily.

b. Negative attitude: Sometimes environment in the family, society and support system is not much conducive enough to encourage rural people to take up entrepreneurship as a career. It may be certainly due to lack of awareness and knowledge of entrepreneurial opportunities. Young and mostly well-educated youths mostly tend to leave.

Remedial measures to solve the problems faced by rural entrepreneurs

Different organizations like IFCI, SIDBI, ICICI, NABARD etc. are trying to sort the major problems faced by rural entrepreneurs. Marketing problems are mainly related with pricing, distribution channels, product promotion etc. In order to make the rural entrepreneurs to state the business venture, following measures may be adopted:

a. Creation of finance cells: Banks and financial institutions which provide finances to entrepreneurs must create special cells for providing easy finance to rural entrepreneurs of interest the rural entrepreneurs should be provided finances. The cumbersome formalities should necessarily be avoided in sanctioning the loans to rural entrepreneurs.

b. Offering training facilities: Training is essential for the overall development of entrepreneurs. It also enables the rural entrepreneurs to undertake the venture successfully as it certainly imparts required skills to run the enterprise. At present the economically weaker entrepreneurs of the society are necessarily offered such training facility by government of India regarding skill development of the existing entrepreneurs so that rural entrepreneurs can indeed generate income as well as employment opportunities in rural area.

c. Power supply of raw materials: Rural entrepreneurs should be surely ensured of proper supply of scarce raw materials on a priority basis. Subsidy may also be offered at times to make the products manufactured by rural entrepreneurs reasonable and cost competitive.

d. Setting up marketing co-operatives: Proper assistance and encouragement should be provided to rural entrepreneurs for setting up marketing co-operatives. These co-operatives shall help in getting various inputs at reasonable rate and they are helpful in selling their products at remunerative prices. Thus, comprehensive training, proper education, setting up of separate financial Institutions, development of marketing co-operatives to a large extent help to flourish the rural entrepreneurs in India.

Conclusion

Rural entrepreneurs are certainly act as a key figure in economic progress of India. They play a vital role in converting developing country into developed nation. In today's global market a country's economic policy environment must always be favorable for an organization to achieve efficiency. Economic policy of a country should also enable entrepreneurs to provide magical touch to an organization irrespective of public, private or joint sector in achieving innovativeness, speed, flexibility and also strong sense of self determination. Rural entrepreneurship however is the best answer for removal of rural poverty in India. Hence

government should stress and emphasize more on integrated rural development programs. Also, majority of the rural youths do not think of entrepreneurship as a career option.

Hence organizations and government should come with training and sustaining support systems providing all necessary assistance so that rural youth can be motivated to take up entrepreneurship as a career. Besides there should also be efficient regulated markets and governments should also lend its helping hand in this context. Standardization and grading should be promoted and also promotional activities should be enhanced to encourage rural entrepreneurs. NGOs should also be provided full support by the government. In the present context study of entrepreneurship helps entrepreneurs not only to fulfil their personal needs but also help in economic contribution of new ventures. More than increasing the national income by creating new jobs, rural entrepreneurship also acts a force in economic growth by serving as a major bridge between innovation and marketplace. To conclude to bring change institutions need to focus on synergies between education, innovation and entrepreneurship.

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