



“RURAL ENTREPRENEURSHIP AND ITS PROMOTIONS IN INDIA”

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ABSTRACT:

Rural entrepreneur is a key component in economic progress of India. Rural entrepreneurship is the way of converting developing country into developed nation. Rural entrepreneurship is the answer to removal of rural poverty in India. The Rural entrepreneurs want to earn more income, but most of them are not aware of innovative ways of selling their ideas and services to customers in



a productive way. Most of them are lethargic and their beliefs are to earn minimum return or want to minimize losses. Their attitude towards innovation is negligible. Many in rural areas are having depleted hopes of surviving and much less thinking towards innovative strategies for bringing hope and sustainability. The rural entrepreneurs are isolated and they are not aware of the latest happenings around the world and a

network of entrepreneurs needs to be done to share the success stories of each of them in their pursuit with other rural village enterprising people. Hence Rural Entrepreneurship Awareness Camp becomes more essential. Integrating traditional technologies existing in rural areas with new technologies and considering a cluster attitude toward development are appropriate strategies to develop rural entrepreneurship in India.

KEYWORDS: Rural, Entrepreneurship, income, India .

INTRODUCTION :

The Rural Population earns their livelihood from agriculture and income from other services to community. The incomes of rural people are very low except the land lords. The urban population on the other hand earns more income due to the entrepreneurial spirit. Today, entrepreneurship has taken its place in all development debates and many researchers are trying to investigate entrepreneurship development in relevant departments according to their specialized subject. Perhaps, rural development is one of the most important sets which have always paid attention to entrepreneurship discussion. The Entrepreneurship Development is lacking in the midst of rural population. Whatever the measures are taken by the Government; unless people take the benefits; the government efforts only would lie on paper. People need to be innovative in developing their production and service activities. The quality of service rendered all

need to be more appropriate and more economical and acceptable to society. This would lead to reduction of poverty and uneven distribution of income in the country. In this context the study will be prepared using Innovation as a strategic tool for development of Entrepreneurship. Innovation can be used as a strategic tool for development of Rural Entrepreneurship. Since most of the Indian populations reside in rural villages, entrepreneurship awareness has to be created among them. Rural entrepreneurship can be considered as one of the solutions to reduce poverty, migration and develop employment in rural environments. In this study, the necessity of promotion of rural entrepreneurs is described.

QUALITY LIFE OF RURAL PEOPLE:

A small innovation in the rural area would catch up the most of the population and that would lead to the improvement of livelihood of rural people. It would facilitate to produce competitive products and increase the income of rural people. Unemployment is the main problem in Rural India. So it is necessary to become familiar with the multidimensional aspects of rural entrepreneurship. Entrepreneur has the ability to perceive latest economic opportunities and device innovative strategies to increase the demand for their goods. Technology, competition and work forces are ever changing in today's business environment and it has become most difficult challenge for new entrepreneurs.

The art of inventing or introducing something new in the production system or in any functional areas of management could be called as innovation. To tackle the problems of rural population innovative technology is needed. This business imitative is an essential attitude for a progressive entrepreneur who wants to succeed in his entrepreneurial career. Invention aims at transferring thoughts into ideas. Innovation is using the ideas to the end user and canalizing the creative idea into a useful product to society. It is nothing but application of invention and commercializing the ideas. Invention is a scientific fact and innovation is an economic fact. An Entrepreneur is sum of invention and innovation. Therefore, innovation helps to bring in new products to increase the standard of living. In each and every activity an entrepreneur is faced with problems of mobilizing the resources effectively to produce good quality output. In order to get good reputation and to achieve profits, innovative technology is to be adopted. If the products are new and services are good; the customers also would get good satisfaction leading to improved quality of life on customers.

RURAL ENTREPRENEURSHIP:

Rural entrepreneurship implies entrepreneurship emerging in rural areas. In other words establishing industries in rural areas refers to rural entrepreneurship. Many examples of successful rural entrepreneurship can already be found in literature. Rural entrepreneurship is a process which introduces new things in the economy. Rural entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition in rural areas. The role of entrepreneurship was recognized in India much earlier than other countries. Diversification into non-agricultural uses of available resources such as catering for tourists, blacksmithing, carpentry, spinning, etc. as well as diversification into activities other than those solely related to agricultural usage, for example, the use of resources other than land such as water, woodlands, buildings, available skills and local features, all fit into rural entrepreneurship. The entrepreneurial combinations of these resources are, for example: tourism, sport and recreation facilities, professional and technical training, retailing and wholesaling, industrial applications (engineering, crafts), servicing (consultancy), value added (products from meat, milk, wood, etc.) and the possibility of off-farm work. Balanced regional development is the need of hour and it is possible only when rural areas will flourish. Growth of rural entrepreneurship may lead to reduction in poverty, growth of slums, pollution in cities and ignorance of inhabitants. It helps in improving standard of living and literacy rate of rural people.

PROMOTION OF RURAL ENTREPRENEURSHIP:

The promotion of rural entrepreneurship is vital in the context of generating gainful employment and minimizing the widening of disparities between rural and urban population. For reducing poverty and to

overcome low productivity in the farm sector rural entrepreneurship is necessary. The local politicians, the village administrators and the senior persons in rural villages who want things to improve only can implement the innovative rural development programs on target groups. Voluntary efforts are getting due recognition and new thrust has been given in policy support of Government. Entrepreneurial promotion in rural areas is based on stimulating local entrepreneurial talent and subsequent growth of indigenous companies. This in turn would create jobs and add economic value to a region, and at the same time it will keep scarce resources within the community. To accelerate economic development in rural areas, it is necessary to build up the critical mass of first generation entrepreneurs.

RURAL ENTREPRENEURSHIP CAMPAIGN:

People are united in the rural areas to attend to various family functions, but on the industrial management side, they lack the managerial skills and hence Management Training is to be imparted to create awareness of innovative spirit among the entrepreneurs. For this purpose, Government is conducting frequent camps in rural areas and select entrepreneurs to train on innovative technologies found elsewhere in the world. Innovations can be learnt and practiced to a larger extent which would give lot of scope for improvement in small scale industry thereby giving more employment opportunities for young people who could not get gainful employment in MNC's. Innovations are created by individual and not by Government. The individual must take initiative in developing new product and services after the scanning the environment and it becomes more important since employment in MNC's are getting saturated.

About 75 per cent of populations who live in villages have to utilize the village resources and they are abundantly available and people are not utilizing it effectively due to mass ill- literacy. For example the Wind- energy can be fully exploited for rural electrification. The risk aversion people can be transformed into risk taking innovative entrepreneur by proper training and can be allowed to modernize the agricultural production. The inputs and innovative methods of cultivation can be adopted; this will dynamite the rural economy and lead to improved quality of life. Hence promoting good farm management techniques, better use of drip-irrigation, use of better manures from the local sources by using latest technology and promoting agro-base industries, cottage, and small scale industries would serve the purpose of rural entrepreneurship development.

IDENTIFYING RURAL ENTREPRENEURS:

The young group of talented people in the local community need to be selected, Identify the strength and weakness of small businessman and a chance need to be given for selling their Business Plan. Then they have to be trained to become entrepreneurs. Especially the young generation of engineering entrepreneurs who have specialized in different branches of engineering would be ideal people who can be asked to expand the production capacity of the existing manufacturing units with the help of high-tech machineries. The young generation of entrepreneurs must do the savings from the earlier stages and inform to his communities about his intention to start enterprise. Innovators club could be started in rural villages to support the youth who are interested in pursuing a business carrier.

Indian farmers are naturally organic in character. Organic products are beginning to make a dent in the world food market. This change in attitude is mainly due to environment and health conscious people. Many Indian farmers are applied traditional techniques as innovation in their farms and produce the agro products and sell them in the Indian and abroad markets. In the context of this global and Indian scenario, it is clear that organic products are going to win the world market. In this connection promotion of organic farming will have enough scope for potential entrepreneur to take up new ventures to produce natural manure. At present there is a tremendous scope for modernization of agro based entrepreneurship both for primary as well as secondary processing and further value addition. Since 70 percent of the Indian population lives in villages, and development of agro entrepreneurship at the farm level is going to help rural farmers at the maximum.

ROLE OF GOVERNMENT:

The difference between rural and urban entrepreneur is only a matter of degree rather than the content. Many successful entrepreneurs are prospering in the cities who are hailing from rural areas. It is essential to have a balanced regional development of the country and to avoid the concentration of industry in one place. Rural areas must try for better utilization of human resources to improve the rural economy. Government has moral responsibility in designing, promoting, innovating rural entrepreneurial development Programme for the up-liftment of the rural economy on which the urban economy is built upon. There are no doubts that governments should create different types of support institutions:

- To provide information on regulations, standards, taxation, customs duties, marketing issues;
- To advise on business planning, marketing and accountancy, quality control and assurance;
- To create incubator units providing the space and infrastructure for business beginners and innovative companies, and helping them to solve technological problems, and to search for know-how and promote innovation; and
- To help in looking for partners, in order to stimulate entrepreneurship and improve the business environment for small enterprise.

Innovative Technologies for Rural Entrepreneurship Development:

To build rural entrepreneurship certain past experience and other observations need to be taken into account. The rural entrepreneur represents a complex heterogeneous group and any innovative technology found must be publicly announced to give reassurance to rural entrepreneur. Once the community is exposed to the entrepreneurial ventures and reached the level of acceptance on the attitude towards innovation; the rural entrepreneur builds activities on individual basis or on a group basis. In case of individual approach the entrepreneur may come from relatively better categories such as business community, prosperous farmers, and technocrat's who were already running some business in rural areas.

In case of group approach, the entrepreneurs may be artisans, small and marginal farmers, women, people trained in technical schools, tribal and specialized communities. All the approaches need to be on a group basis according to the product specialization, project specialization, or in the service area specialization. For product area specialization, every effort is to be taken to import innovative production technologies and similarly in project implementation new ways of completing the project is to be taught. In case of area approach wherever the facilities are not available they have to be identified and efforts to be made to improve the same.

Efficient rural entrepreneurship involves transferring of local business culture and convincing residents in villages. Entrepreneurship skills must be made known to rural population as both viable and desirable career choice. It has to be embedded in schooling and rural youth needed to be exposed to entrepreneurship education. Real entrepreneurship can be understood by action learning. "I can do attitude and developing the attitude of Innovation in business for long term survival in business".

Rural Entrepreneurship not only concentrates on improvement of products by use of local force or by artisans but also has significant environmental and social impact by developing eco friendly and appropriate solution to local problems. Innovation technology could be used in storing vegetables & fruits and preserving it for a longer time using solar energy. This would help farmers to get better price and earn extra income. In any field whether cooking or singing or dancing or producing variety of potteries, energy production, manufacturing leather bags; people want new and new varieties calling for innovative ideas of entrepreneur and the end user simply appreciate the innovation technology. So innovation is an important asset of rural entrepreneur.

Credit Facilities for Rural Entrepreneurship Development:

Provision of essential infra-structural facilities like land, power, raw materials and finance at concessional rates to entrepreneurs by Government agencies, and financial institutions will be of immense use for promoting innovative spirit in rural areas. Monitoring rural development programs by providing right information at right time and providing timely credit with sufficient amount of finance and continuous

motivation of bankers, panchayat union leaders, and voluntary service organization will build the rural entrepreneurship.

Poor and uneducated people are literally scared to approach banks resulting in a poor loan repayment culture and market distortion led to a decline in the provision of financial service to rural areas. Commercial lending institutions focus on large-scale farmers and ignore small-scale farmers because of transaction costs, collateral and risks involved agricultural credit. Rural people tend to be very mobile between rural and urban areas which could easily facilitate debt evasion. The loan officers are not ready to travel to remote villages and often do not "speak the same language" of the poor farmers. Credit history information of rural entrepreneur is not available and not operative in rural branches because of the high transaction cost and this has to be developed. Recently the self help group scheme of micro-finance has taken a new shape and found to be more successful and the key point is to deliver the finance based on bottom up approach as opposed to top down approach.

Participative approach showed itself to be highly effective in developing the rural financial market. The project needs to be adequately researched by conducting feasibility studies and eventually training needs to be planned before the actual implementation. The potential beneficiaries are often not aware of their potential capability and generally not used to speak out and dedicate time to discussions with credit officials thus leading to sanction of low credit amount than that is required by the entrepreneur.

CONCLUSIONS:

Rural entrepreneur is a key component in economic progress of India. Rural entrepreneurship is the way of converting developing country into developed nation. Rural entrepreneurship is the answer to removal of rural poverty in India. The Rural entrepreneurs want to earn more income, but most of them are not aware of innovative ways of selling their ideas and services to customers in a productive way. Most of them are lethargic and their beliefs are to earn minimum return or want to minimize losses. Their attitude towards innovation is negligible. Many in rural areas are having depleted hopes of surviving and much less thinking towards innovative strategies for bringing hope and sustainability. The rural entrepreneurs are isolated and they are not aware of the latest happenings around the world and a network of entrepreneurs needs to be done to share the success stories of each of them in their pursuit with other rural village enterprising people. Hence Rural Entrepreneurship Awareness Camp becomes more essential. Integrating traditional technologies existing in rural areas with new technologies and considering a cluster attitude toward development are appropriate strategies to develop rural entrepreneurship in India.

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