



GLOBALIZATION'S IMPACT ON RURAL ENTREPRENEUR'S

Mr. Mohammed Mazharuddin¹, Dr. Basavaraja G²

¹Research Scholar, Department of Studies and Research in Political Science, Tumkur University

²Professor, Department of Studies and Research in Political Science, Tumkur University

ABSTRACT

'Globalization' leads to the increasing interdependence of the economies around the world, especially the immense rise in the flow of capital and the rapid development of world trade. In one way or another, countries all over the world are becoming interconnected on each other. With the quick growth of multinational companies, manufacturing is being rapidly globalised.

This growing dependency has been reinforced by the reduction in knowledge and communication costs due to the information technology revolution. These powers, in combination with world banking institutions' policies, have shaped the formulation of monetary strategy by state governments. The term entrepreneur is derived from the French word *Entrepreneur*, 'meaning to pursue.' It means starting a company in a corporate context. The Merriam-Webster Dictionary defines an entrepreneur's concept as one who organises, manages and assumes the risk of a business or enterprise. For people migrating from rural areas or semi-urban areas to urban areas, rural entrepreneurship is now a great opportunity. On the other, it is also a fact that a large number of rural entrepreneurs suffer several issues due to the lack of basic variables contained in rural areas especially in India. Many problems, such as lack of schooling, a lack of technological and intellectual capacity, makes it too complex for rural entrepreneurs to set up factories in rural regions at present. The economic growth of our state definitely depends to a great extent on the development of the rural areas and also on the quality of life of its rural population. The purpose of this paper is to study the impact of globalisation on India's rural entrepreneurs. The paper also makes an effort to recognise rural entrepreneurs' challenges and problems.

INTRODUCTION

India is among the fastest growing economies in the world. And the second largest nation in population is 16.7 percent of the world population, also the 7th largest country in the world as a per-territory, sharing 2.4 percent of the overall geographical area of the world. As per the 2011 census, there are 649,481 villages in India, so India is known as the country of Villages. A village is considered a basic unit of administration. Approximately three-quarters of the population of India reside in rural areas, of which 75 per cent of the workforce even earns their livelihood through farming and its related activities. Restricted land is incapable of absorbing the agricultural work force. Consequently to counter rural unemployment and rural migration to towns, hence they need to grow the rural entrepreneurs. Rural economic growth and development is an important prerequisite for the development of the country as a whole. The gap between urban and rural inequalities should be reduced. It is important to increase the quality of life for rural residents. Entrepreneurship in the rural areas offers a response to the issues described above. The

rural sector of India is no more backward and disconnected.

As such, to address the problems of hunger, unemployment and backwardness of the Indian economy, entrepreneurship in rural and tribal areas is widespread. Rural industrialization is seen as an accurate way of speeding up the rural development process. A massive 75% of the world's poor live in rural areas, says United Nations Industrial Development Organization (UNIDO). And yet, in support of rapid urbanization, programs and services still remain skewed. The impact is a gap in growth, with negative effects both on rural and urban people. Decreasing urban-rural differences and social injustice is therefore a key aspect of any solution for reducing poverty. To attain healthy economic growth that will drag people above the poverty level, it is essential to maximize the economic performance of rural people, and especially of women. Majority of the rural people depends directly and indirectly on the Local food crop farming, fishing, pastoral livestock farming or rural wage labour associated with estates and plantations, and ancillary things related to rural townships. In light of progressively



smaller areas of land, limited crop production, unpredictable weather patterns and soil degradation, many rural residents would need to extend their means of revenue and jobs. For capital accumulation and well-being across nations, the rural non-farm economy plays a key role. Even with their poor incorporation into market economy, rural entrepreneurs are unable to avoid the waves of change lurking on the shores of their financial systems and farming. Globalization, commercialization and liberalisation forces are strong and invasive forces. In many respects, they shape rural entrepreneurship. Relatively little study on these impacts, however, has been conducted.

The following section of the study, deals with the overall impact of globalisation on rural entrepreneur and also it describes the conditions of rural entrepreneurs in a changing globalized world.

Why rural entrepreneurs are essential for India:

- Rural firms such as the cottage industry, the jute industry, the sugar industry, the hand loom industry, etc. This creates job opportunities in the rural sector on a wide scale.
- In urban areas, rural entrepreneurs help discourage urban migration and thus minimize crowding.
- Rural entrepreneurs are very helpful in raising rural people's per capita income and reducing the difference between rich and poor.
- In rural areas, rural entrepreneurs play a major role in improving roads, hospitals, supplying drinking water, street lights, etc.
- Rural entrepreneurs contribute to reducing poverty, slums and ethnic inequality as well.

For the above reasons, rural entrepreneurs are extremely important to India's rural development.

Serious difficulties facing India's rural entrepreneurship:

The following are some of the obstacles that rural entrepreneurs face:

- **Challenges facing families:**

It is simply not acceptable for a person to persuade himself to opt for business over work.

In contrast, the very first thing is that you will earn more profit of your choosing otherwise you will work as a family firm successor. This is undoubtedly a phase where it's become quite difficult to believe that with your ambition you can produce more money by doing what your father has been doing.

- **Social Issues:**

Even difficult family issues will always be at the front when it concerns most, but social difficulties are still very significant at times. Now let imagine an instance in which you and your friend have studied at

the same time. You have chosen business and your mate is opting for a career. He now has a house after a few years, a vehicle, and such like, because he could quickly get those with a loan from a bank, but you'll have nothing to show out, and that's where the problem arises in.

- **Challenges in Technology:**

The Indian education system definitely continues to lag too far behind the entire job market, but when it comes to online technology, it lags much even further. The question to address by the entrepreneur would be what new technologies will be appropriate and how to use the technology quickly and productively.

- **Challenges in Economic terms:**

This obviously applies to the lending fund challenge. In India, economic difficulties are a lot more complicated for online businesses. You don't strive for investment funds when you start as an entrepreneur, but you surely aim to finance micro to moderate entrepreneur. Almost all non-technical industry people cannot understand the internet-based marketing strategies and as such it becomes very tough to get an actual company financing from them. Another alternative that entrepreneurs can believe of is a loan, but as such, bank loans are not an option for modern web entrepreneur in India.

- **Issues in policy initiated by the government:**

There are no amendments in the policy initiatives adopted by the government now and then. Policy issues posed by Trade-Related Investment Measures (TRIMs) and Trade-Related Aspects of Intellectual Property Rights (TRIPS) problems. Significant problems with the use of raw resources, problems with growing equity financing, problems with existing and discarded technology irrelevancy, increased emissions, environmental disparities, oppression of geographically small and economically weak countries, etc.

Problems faced by the Rural Entrepreneurs in India:

In spite of the government taking several steps to eliminate the problems, rural entrepreneurs have faced a lot of problems as of independence. Their problems are almost the same in today's competitive market. Entrepreneurs surely play such an important role in economic growth, thus going to contribute to the nation's gross domestic product. In daily work, they face many issues. Since thorns are part of flowers, the thriving company has a certain kind of problems in the same manner.

Some of the problems that rural entrepreneurs are facing are as follows:

- **Money shortage:**

The lack of financial resources available to rural entrepreneurs really is just far one of



the major problems facing rural entrepreneurs, mainly as a result of global economic downturn.

- **Paucity of infrastructural equipment:**
Despite government efforts, the growth of rural entrepreneurs really isn't very positive because of the lack of sufficient and suitable infrastructures.
- **Technical awareness gap:**
To a large degree, rural entrepreneurs struggle from a big concern due to a lack of technological expertise. The lack of basic training amenities and other significant facilities forms a gap to rural entrepreneurship growth.
- **Products of poor value:**
The incompetent quality of goods manufactured due to the absence of accessibility of standard instruments and many other types of machinery, as well as the low quality of raw materials, would be another major issue for the development of rural entrepreneurship.
- **Lack of professional personnel's:**
The majority of entrepreneurs working in remote areas are often unable to hire skilled professionals. Pay levels in this situation are also intense. They ought to be equipped with apprenticeship and their training would also be a significant issue for entrepreneurs in fact as they are mostly unenlightened and the training must be given in local dialect that they can easily learned.
- **Inadequate knowledge of I.T “Information Technology”:**
As these, technological advancement really isn't very widespread in rural regions. Entrepreneurs depend on internal relations that facilitate the flow of resources, products, innovations and data.
- **Shortages of raw materials:**
Adequate distribution of raw goods on a large scale must certainly be assured for rural entrepreneurs. Welfare benefits may also be given at times to make the goods created by rural entrepreneurs fair and equitable in terms of price.
Rural entrepreneurs are undoubtedly a central figure in Economic growth and development of India. In transforming poor economies into developed economies, they play a pivotal role. The economic policy setting of a country should always be beneficial for a firm to improve productivity in today's competitive market. In order to achieve creativity, efficiency, versatility and also a high feeling of self, a nation's economic policy must also encourage

entrepreneurs to give an organisation a radiant glow, regardless of the government, corporate or partnered sector. Even so, rural entrepreneurship is the necessary way in India to the elimination of generational poverty. Governments should also focus and concentrate more on rural development schemes. Most of the rural youngsters do not see entrepreneurial activities.

Globalization: a hope or a risk:

As can be seen from a comparison of the following two claims, there are two schools of thinking on globalisation:

Globalization provides third world countries with way to enhance income via export-led progress, increase international flow of goods and services, and connect with new technologies, innovations, and organizational designs.”

(Solimano1999) and it also means putting agriculture in the hands of modern technology owned and controlled by large multinational corporations whose primary interest is to generate profits for themselves, and not the welfare of the people, or something as social-oriented as food security.”

A few economic arguments indicate that free trade in developing countries could be advantageous to microfinance institutions. Trade liberalization could boost global growth for exports from developing countries because all these economies have a surplus of low skilled workers in regard to many other means of production and to industrialized economies. The **Rural entrepreneurship in transitional mode:**

The emerging global ecosystem voiced concern about the capacity of conventional, small-scale rural businesses to spread the beneficial effects of the transitional world. The overpopulation, combined with even greater urban development, generates growing demands. The number of Indian cities is usually more than double the number of people and will exceed the size of the rural population by 2020. Significant human conditions challenge business skills. Furthermore, growing pressures from the rural population, a slowdown of technological development, climate change, severe weather, and environmental catastrophes generate confusion, tension, and insecurity among rural businesspeople. The significant shift in demand for agricultural products has led to a sharp rise in demand for meat, which also leads to an increase in demand for feed. These changes



are creating new opportunities for local businesses, but those opportunities are not changing quickly enough.

The impact of Globalization on Rural Entrepreneur in India:

It's difficult to create correlations or measure the concrete impact of globalization on rural entrepreneurship because globalisation is a broad-concept and rural entrepreneurship is a narrow-concept that exists in a very small region. Even so, there are a variety of different avenues through which different factors of globalisation can be anticipated to boost the welfare of India's rural entrepreneurs.

- **Impact of Standardized Quality**
Ability to world markets, the potential to innovate, and the capacity to take benefits of economies of scale and reach are all said to result in higher quality as a result of globalisation. Standardised levels of productivity and quality can be attained by being exposed to international market. However, this is less important in a large country like India, and the potential benefits to domestic entrepreneurs are great as world trade enhances the country's ability to harness relative interests. It comes from many natural and environmental factors. The debate seems to be about globalization. But local businesses can lose very easily. This is mainly due to the lack of affordable resources in rural areas. They do not have access to technical or market information to comply with quality specifications and effectively respond to new opportunities. In short, global trade is a major threat to local entrepreneurs and contradicts the potential interests for the wider economy.
- **Monetary Implications**
The emergence of the World Trade Organisation and a series of negotiations in the Uruguay Round changed the world economic order. The Indian government supported the first defence policy and opened the economy to the world market. This will certainly help to restore India's economic potential through the spread of economic and technological innovation that has led to a strong economic climate, and the new economic system will bring appropriate challenges to our country's economy and agricultural sector. The impact of globalization on local firms depends on the variation of GDP and budget. Growth can be expected specially to benefit the agricultural sector, contributing to the economic growth of local businesses.

Instead, there is little evidence that India's increase in trade appears to be this.

- **The impact of Advanced Technology**
Technology transfer is one of the most important aspects of globalization and one of the main reasons for forecasting growing growth. Many entrepreneurs have seen significant improvements in their businesses in the past, but development has taken place in limited regions and the number of entrepreneurs is very limited. Today's attention is on the magnitude of the unpredictably biological danger. Conclude there is a major benefit. Increased yields, diminished famine and pest risk, and cheaper food prices are all advantages. Bioscience innovation is inextricably related to the challenges that threaten the world's larger economies. The gain is that a proclivity for a specific climate, circumstance, or industry exists. Study is often carried out by a limited number of multinational companies. In the case of rural entrepreneurs from developed countries who are uninterested in developing countries, such as Indian stocks and small-scale farmers.
- **Impact of Unequal Distribution**
It is difficult to determine the overall effects of globalisation on inequality; however, the impact on female entrepreneurs in remote regions is less uncertain. Most of the rural women entrepreneurs are unable to reap the rewards of globalization's shifts. In certain underdeveloped countries, women's division of labour results in a reduction of crop production. Furthermore, since women lack power over their wealth, they are less able to respond to financial signals.
- **Impact of Financial Interdependence**
The interdependence on one other country's economy as a result of globalization affects the transfer or expansion of pressure from one country to another. The global recession of the year (2008), which impacted the entire globe and caused a global stagnation, is an example of this. Economic interdependence creates competition between the developing and developed countries, so as a result it effects on rural entrepreneurs especially on developing countries like India.

CONCLUSION

However, Rural Entrepreneur is the only way to eliminate rural poverty in developing countries like India. Globalization is the macro concept but rural entrepreneur is the micro concept, so



International market only focuses on national level business. In the face of these obstacles, there is a real possibility that the rural entrepreneur will be left behind. It is clear that rural entrepreneurship never succeeds despite of the support of government. As a result, more emphasis should be put on comprehensive rural development programme. The issue here is that most young people in India especially in rural areas do not choose entrepreneurship as a feasible future profession. As a result, younger people in local areas should be motivated to choose entrepreneurship as a professional option by offering training and financial support. Rural entrepreneurship helps to grow rural areas by creating jobs, preventing rural youth unemployment, income growth, fostering innovation, and increasing the quality of life, all of which help to mitigate poverty.

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