



A STUDY ON IMPORTANCE OF RURAL ENTREPRENEURSHIP IN INDIA

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ABSTRACT

In India nearly 73% of the population live in rural areas where agriculture is being the major part of their life. The economic development of the country is mostly depends upon the development of rural areas. Rural entrepreneur is one of the most important inputs in the economic development of the country. The scarce resources are used efficiently by the rural entrepreneurs by increasing the profits and decreasing the cost. The main problems faced by the rural entrepreneurs are shortage of finance and raw materials. And the peculiar problems faced by the rural entrepreneurs are illiteracy, lack of training and experience, fear of loss, competition from urban entrepreneurs. Rural entrepreneurship can be considered as the solution for unemployment, migration, economic disparity, reduce poverty, development of rural areas and backward regions.



INTRODUCTION

In India majority of population live in villages. The economic development of our country largely depends on the standard of living of rural masses and progress of rural areas. In national economy the rural industry plays an important role and recognizes the opportunities available in rural areas and they accelerate a unique blend of resources in agriculture. By creating new methods of production, new markets, new products the rural entrepreneurship brings an economic value to the rural sector and it generates employment opportunities thereby ensuring continuous rural development. The person those who carry out entrepreneurial activities by establishing business and industrial units in the rural sector of the economy. Rural entrepreneurship reduce poverty and make many people employed and it controls the migration and economic disparity. The entrepreneurs does not only engage themselves with planning and organising but also they take risk in while doing it so. The entrepreneurs make their dreams into reality by setting their enormous goals for themselves and staying devoted for achieving regardless obstacles with the dedication and determination towards attaining their goals. The development of rural entrepreneurs will only solve the unemployment, poverty, poor infrastructure etc.

OBJECTIVES

- The main of the present study is to know the various types, importance and benefits of rural entrepreneurship
- To know the challenges faced by the rural entrepreneurs



TYPES OF RURAL ENTREPRENEURSHIP

- **Agro Based Enterprises:** It means the industries that have direct and indirect links with agriculture. Eg. Sugar industry
- **Forest Based Industries:** It means the industries that use forest raw materials. Eg. Match wood and sandal wood industry
- **Mineral Based Industry:** This industry use mineral ores as their raw materials. Eg. Iron and Steel industry
- **Textile industry:** It primarily concerned with design, production and distribution of textiles. Eg. Spinning mills
- **Handicrafts:** Activity involving the making of decorative domestic or other objects by hand. Eg. Woven bags

IMPORTANCE OF RURAL ENTREPRENEURSHIP

- **Employment generation:** In rural areas the people would mostly accompany or engage them with the hereditary work
- **Prevents rural exodus:** Though the rural entrepreneurship reduce the unemployment problem it mostly prevents the rural exodus
- **Fosters economic development:** Economic growth is driven oftentimes by consumer spending and business investment
- **Products goods of consumer's choice:** The rural entrepreneurs mostly prepare or organise or cultivate or manufacture the products according to the needs of the consumer
- **Entrepreneurial development:** Though the entrepreneurs have lot of business to engage there is an entrepreneurial development in the rural areas

MEASURES FOR DEVELOPMENT OF RURAL ENTREPRENEURS

- **Provision for credit facilities:** The private and public banks and financial institutions must come forward to provide credit facilities for rural industries with easy terms and conditions
- **Creation of strong raw-material base:** Though all the industries is in need of raw materials the rural industries face many problems in procuring and storing raw materials so for storing and strengthening the raw material the rural sector is on the priority basis
- **Provision for entrepreneurial training:** Training is very essential for all the fields for getting the efficiency in the output
- **Creation of awareness of various facilities amongst the rural people:** Most of the rural people are not aware of all the facilities which are all available in rural industries but it is very important to disseminate information about what is available under certain sections
- **Common production-cum-Marketing centre need be set up:** In order to solve various problems arising the marketing would help to solve all those misleading.

ROLE OF RURAL ENTREPRENEURSHIP

- **Reduction of poverty and unemployment:** The rural entrepreneurship solves the unemployment problem and it make them to set their lives above the poverty line
- **Increasing the foreign exchange:** Through exporting the goods or commodities to other countries the rural entrepreneurship has increased the foreign exchange
- **Check on migration of rural population:** It can control the population moving from rural to urban areas by checking the problems behind it
- **Check on social evils:** rural entrepreneurship controls the poverty, slum growth and it mostly decreases the pollution
- **Proper utilization of local resources:** It is very important for entrepreneurs to use and utilize all the resources which are available in rural industry

BENEFITS OF RURAL ENTREPRENEURSHIP

1. Requires less capital and financial resources

In rural areas agriculture and small scale business is being the profession for everyone so there is no need of much capital amount for investment or business

2. Reduces the migration to urban areas

Though there is no need of much investment and can earn more profit within a short period many people have stopped migrating to urban areas

3. Reduces the unemployment

The small scale industries, agriculture etc would require many workers and employees so the rural entrepreneurship has highly reduced the unemployment

4. No promotion of artistic activities

As there is no need of advertisements like banners, posters, media ads, etc for agriculture the amount is not being spent for artistic activities



5. Equitable distribution of income

In rural entrepreneurship the income would be equally distributed to all the workers and employees who work under same division

CHALLENGES FACED BY RURAL ENTREPRENEURS

Management problems

There are certain management problems which would affect the rural entrepreneurs and they are:

- a) Having lack of technical skills
- b) Lack of availability of skilled workers or labours
- c) Formalities which is to be performed legally
- d) Procurement of raw materials
- e) There are lack of training facilities and extension services
- f) The quality of products which are imported have a chance of getting poor quality

Human resources problems

- a) There are low skill of workers
- b) Many would have negative attitude

Other problems

- a) Political problems and political pressure
- b) Low purchasing power

1. Access to funding

The most important challenge for rural entrepreneurs is access to funding. Nearly 40% of rural business owners have trouble in accessing the capital, so many of them use personal savings. Many local banks provide loan for small entrepreneurs but many people are not aware of the schemes offered by the Government

2. Access to talent

Many people would be talented all over rural areas to explore their talents most of them would migrate to other states and other countries. People search for work in urban areas based on their educational qualification to prove their talent instead of using it in their hometown

SUGGESTIONS

For rural entrepreneurs the Government should provide separate financial fund. Special training should be provided for rural entrepreneurs. Government should felicitate top ranker rural entrepreneurs. For rural entrepreneurs an adequate infrastructure facility should be provided. The educated youth should come forward in the field entrepreneurship. The rural entrepreneurs should improve the quality of the products they manufacture in order to compete with similar units in the market

CONCLUSION

Rural entrepreneurship is one of the ways for converting developing country into developed nation. Rural entrepreneurship is the solution for removing the rural poverty in India. Most of the rural youth are not thinking the entrepreneurship as a career option. Those youth are needed to be motivated for taking up entrepreneurship as a career. Without the rural industrialization it is impossible to solve the unemployment completely. By this it is concluded that the rural entrepreneurship is the backbone of the nation to solve various problems of youth, women, small business owners etc.

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