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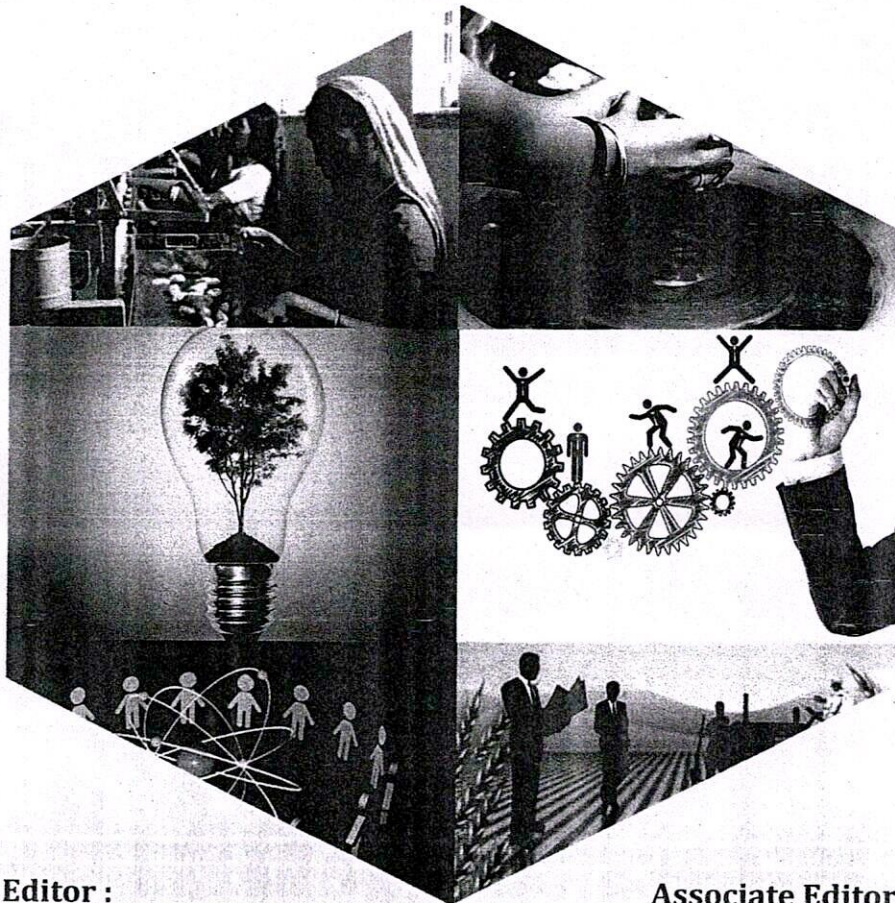
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SWATIDHAN PUBLICATIONS



Rural Entrepreneurship in India It's Challenges and Opportunities

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Abstract:

In current condition of Indian economy rural entrepreneurship is most advantageous sector. Mahatma Gandhiji said that true India lives in village/rural area, and industries and economic activities must be increased in that particular area. In this regard rural entrepreneurship is most important factor which can help Indian economy to change tag of developing country to developed country. Rural entrepreneurship is also important for the people who migrate from rural areas to semi-urban or urban areas. But on the other hand it also fact that rural areas are already facing various problems regarding basic facilities or basic infrastructure for primary businesses such as problem of finance, water & electricity, developed/recent technical and conceptual education etc., to establish industries or developing entrepreneurs in rural areas. In India in total population of 121 crore Indians, 83.3 crore lives in rural areas while 37.7 crore stay in urban areas and therefore faster development of India is certainly depend upon rural areas. For standard development of country there is need of increase in number of rural entrepreneurs. Rural entrepreneurship is mainly concern with innovation, small and medium scale businesses, agro industries and its allied sector, cottage and small industries etc. So, the paper is tries to find out challenges and opportunities hidden in potentiality of rural entrepreneurship and attempt to focus problems mainly concerned with marketing, manufacturing, banking, skill development and to suggest remedies on these problems. In the light of this research paper I want to find out the potentiality of rural entrepreneur's and major challenges and opportunities in Indian rural market.

Keywords: Rural entrepreneurship, basic facilities, infrastructure, innovation.

Introduction:

The concept of entrepreneurship has a wide range of meanings. Before some years rural entrepreneurship was not much popular and industrialists always focused on urban areas. As time changed mind set of people is also changed about taking any business risk in rural or semi urban areas. But in today's scenario there are lack of rural entrepreneurs and for this there are number of reasons are responsible. To define entrepreneurship is not a easy task. Entrepreneurship means primarily concerned with developed industry which uses research and innovation, for some people it is a business, some people define entrepreneurship as a risk, and for some it is arranged speculation, to some others it is passion. Entrepreneur is the person who walk with time, they introduce new market, new method of production, new concepts, new tastes, use new technologies, new sources of supply etc. or a person who seek and grasp new market opportunities, new endeavors, new chances and eliminates gap between need, wants and reality of fulfillment by owning a business.

Objectives of the study

1. To study role of rural entrepreneurship in economic development



2. To find out challenges in rural entrepreneurship.
3. To study hidden opportunities in rural entrepreneurship.
4. To analyze effect of government policy on the rural development
5. To study major differences in urban and rural entrepreneurship

What is Rural Entrepreneurship?

As per oxford dictionary rural entrepreneurship means,

1. The activity of setting up a business or businesses in rural areas, taking on financial risks in the hope of profit.
2. 'The new business opportunities have encouraged entrepreneurship on a grand scale'

Types of Rural Entrepreneurship

Rural entrepreneurial activity can be broadly classified in four types such as

Individual Entrepreneurship

- It is basically called proprietary i.e. single ownership of the enterprise.

Group Entrepreneurship

- It mainly covers partnership, private limited company and public limited company.

Cluster Formation

- It covers NGOs*, VOs*, CBOs*, SHGs* and even networking of these groups. These also cover formal and non-formal association of a group of individual on the basis of caste, occupation, income, etc.

Cooperatives

- It is an autonomous association of persons united voluntarily for a common objective. An entrepreneur has to decide on a particular type of entrepreneurship based on the various options available.

What is the role of Rural Entrepreneurship in India?

The fundamental role is to provide employment opportunities and consequently, applying a check on migration. Industries in rural areas are mostly micro or tiny in structure and quick yielding. In other words, their gestation period is much less as compared to large scale industries. Rural industries are also labor intensive and provide substantial employment opportunities to rural folks of all age groups. Few examples of such type of industries are Food Processing industry, Poultry industry, cottage and handicrafts industry, etc. This also helps in balanced regional growth and promotion of artistic activities.

India is one of the oldest, culturally richest and diverse country full of colors and boasts of civilization with rich flora and fauna. Our cuisine is mouth watering, scenic beauty is breathtaking, folk dances are simply enchanting, and there is a wide array of places of tourist attraction. These are just a few of the reasons why Government has termed us as Incredible India. Nearly two-thirds of our fellow brothers and sisters live in the villages where our roots are contained. There is the wealth of craft, performing art, vivid lifestyle and cultural diversity contained in our rural India. Thus, rural entrepreneurship will further help bridge this gap between the rural and urban areas and the development of urban areas won't happen at the cost of our rural areas.



Challenges of Rural Entrepreneurship in India

Rural entrepreneurship has its own drawbacks. Policies such as keeping of land in protection when there is already an over production and pricing income are two of the greatest threads to rural entrepreneurship. Due to the remote access and unavailability of knowledgeable labor, commercial markets and managerial staff are hindered due to the remote locations. In order to alleviate the problems of rural entrepreneurship, under the government supported resources for these projects and select only the very best ideas that directly benefit not only the community but also can compete on a global scale. It is also vital for the success of the rural communities that the development of each rural project remain in the hand of the local agencies which in return cooperate with the government to oversee the leading factor that can help develop the rural areas.

According to the Ninth Plan, the major problems faced in developing entrepreneurship in rural areas are:

1. Inadequate flow of credit
2. Use of obsolete technology, machinery, and equipment,
3. Poor quality standards,
4. Inadequate infrastructural facilities
5. Social Challenges
6. Policy Challenges – TRIPs/TRIMs etc.

Opportunities of Rural Entrepreneurship:

- 1. Support & Motivation to local people:** Rural entrepreneurs have a lot of support from the rural people. Rural village people always encourage and give the motivation to the entrepreneurs.
- 2. Low establishment cost:** When compared to the urban areas, rural entrepreneurs' business establishment cost is very low. There is no need to construct or facilities huge infrastructure and buildings.
- 3. Availability of labor:** In India seventy percent of the people are living in the village. Majority of the rural people are depending on the agriculture. The agriculture work is not available throughout the year. That is the reason why rural entrepreneurs have the competitive advantage in easily acquiring unskilled and semiskilled labor.
- 4. Government policies and subsidies:** The government of India is continuously monitoring and introducing the new policies for encouraging the rural entrepreneurship. These policies are very flexible, innovative, liberalized and giving continues support to rural entrepreneurs. At the same time government has also announced huge subsidies for promoting the rural entrepreneurship.
- 5. Employment generation for rural youth:** Rural entrepreneurs are providing hundred percent jobs for rural youth. If the rural entrepreneurs are succeeding in this activity the migration of the people to urban from rural will be immediately stopped to a maximum extent.
- 6. Goodwill:** Rural entrepreneurs have a lot of scope building the goodwill. Most of the rural entrepreneurs have ethical values and also these people do not work for pure profits.

Conclusion

Rural entrepreneurs are certainly playing important role in development of India. In global perspective this rural entrepreneurship can play vital role and it can help to achieve target of developed country. India has large population and government should take positive



benefit of our human resource. Economic policy of the country can take this benefit in favorable and in efficient way. This paper concludes that human hopes are very big but government support is very much important to acquire destiny in rural entrepreneurship. Government should stress on empowerment of youth and their desire to develop India by introducing various programs and policies regarding rural businesses, agro industries, agro tourism etc.

Private and Co-operative sector, NGOs, VOs, SHGs should also supported by government. To conclude to bring change in current situation there is need of eliminating gap between Traditional method and Innovation.

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