

Problems and Remedies for Growth of Rural Entrepreneurship in India

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Abstract

Rural entrepreneurship is something that relates to establishing new business developing new product that results in developing the rural areas. As rural people are migrating towards the urban areas due to existence of better employment opportunities according to their skills and knowledge are available. They get better pay for their work in urban areas which is not possible in rural sector due to insufficient funds. The rural population get a better scope for their personal development as well as growth is more in cities as compared to rural areas. We can see that there is scope of rural entrepreneurship development but because of absence of some amenities which is required the sector cannot grow and as a result rural entrepreneurs face a problem in starting their business and if business is started it cannot work or grow efficiently. Many organization and financial institution can help them to grow by providing the facilities required for their growth. As rural sector development can bring a major development in the economy as a whole by promoting different activities and by providing training to people who want to work and reside in rural areas. The paper describes the major problems faced by the rural entrepreneurs while going for rural entrepreneurship and how they overcome these problems. The method adopted here secondary data study and based on review of previous paper.

Keywords: Rural entrepreneurship, Industries, Rural economy, growth, employment

INTRODUCTION

Rural Entrepreneurship has been an important part for the growth of rural sector. Rural entrepreneur is a person who come up with the establishment of new industry or startup with a new business in rural area. Agriculture or farming is the most important and ongoing activity done through past years and so many farmers are still engaged in farming activity which is also the source of income for them [6]. Rural entrepreneurship to some extent has also became an emerging need for the people who cannot move to other cities due to bad economic conditions and because of their family. Rural entrepreneurs can help in providing better employment opportunities by utilizing the local resources in the functioning of their enterprise and thus rural people get employment by residing in their rural sector. Despite the fact that rural entrepreneurship can lead to tremendous growth for the rural sector but due to absence of some basic amenities like insufficient funds, lack of infrastructure which become a hindrance to the supply of raw materials, illiteracy to some extent, absence of proper training to rural entrepreneurs absence of required human resources rural entrepreneurship can't grown as required [7].

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Rural entrepreneurship can help in improving the standard of living, removing poverty and rapid industrialisation in rural sector also. Government also helped for these developments which in turn benefits the rural areas as well as rural people. People stop migrating to urban areas as they get employment, their source of income increases which fulfill their sufficient requirements, needs and provide a better scope for their development skills and talents [8].

Rural entrepreneurship can be seen in different areas like starting a new businesses, setting up new industries, engaged in the making of home made eatables and supplying to other areas and various other activities which keep rural people busy and earn their livelihood easily [9].

With the fast pace of technological development, educational programmes being conducted and better utilization of these factors has helped a lot in the growth of rural sectors. Training to some extent has helped the rural entrepreneurs to participate in the activities and grow their business to a considerable extent. Thus all these factors had lead to the growth of the economy of rural areas and people residing in the rural areas have now a better chance to come up and show their talent and skills inspite being residing in their homes [10].

LITERATURE REVIEW

I. SATHYA (2019) [1] This study takes into consideration the problems faced by rural entrepreneurs like absence of basic amenities, financial problems, lack of education, insufficient technical and conceptual ability required for the growth of rural sector. Rural entrepreneurship has different opportunities of growth as in place like development of their farm products leads to established their industry like amul provide employment to youth and opportunities of employment can be increased to a certain extent.

H.Bhuvaneswari & Dr.S Raju (2014) [2] The study describe the functions need problems of rural entrepreneurship. They say that rural entrepreneurship help in reducing poverty to a great extent. Stopped migration of people to other cities or urban areas. Many types of rural entrepreneurs are their like artisans, farming, merchant, and service oriented etc. There are certain factors that can promote rural entrepreneurship like support from regional people attract talents from near by regions innovation can be done by the help of R&D provide educations programmes to the rural youth required for the work of rural entrepreneurship. Their arise different problems in the route and these problems can be overcome by certain measures like facility of funds by financial institutions at reasonable interest rates. Avalaibility of raw material at reasonable price to reduce the interruption in the development of rural industries.

Kushalakshi & Dr.ARaghurama (2014) [3] The study describe the importance of rural entrepreneurship, as it help in generating employment opportunities. The poverty and unemployment can be easily removed from rural entrepreneurship. Rural entrepreneurship had played a major role in developing a talent in rural sector. It also helped in improving the standard of living as employment is their source of income is there. It also help in increasing the foreign exchange &proper utilization of resources is done. It also help to great extent in reducing the social evils factors like growth of slums, poverty etc.

Jayabal G, Soundarya MM 2016 [4] The paper describe the importance of rural entrepreneurship as rural entrepreneurship has lead to growth of employment opportunities for the people who is literate. Rural Entrepreneurship had stopped the migration of many young generations as they can now seek employment in their area. It has also increased the foreign exchange earning due to exports of their goods produced. Many rural entrepreneurs faces a problem as lack of infrastructure facilities, lack of finance, many people migrate to urban areas due to their higher skilled ability and knowledge. Inferior goods are produces as there is an absence of advanced technology. They have the fear to invest in new ventures as due to absence of sufficient funds available. Many remedial measures can be taken to improve the growth of rural entrepreneurship like funds should be made available to rural entrepreneurs by financial institutions at low interest rates. Training should be given to rural entrepreneurs. Raw material need to supplied for their continuous work at reasonable price etc.

Dr. TanwarSamridhi& Ms. Bhardwaj Surbhi (2022) [5] The paper basically describes various challenges and opportunities of rural entrepreneurship. The rural sector can take a better advantage of

raw material availability of farm products if they have to start a business of dairy farm products. Easily availability of labour is possible for the establishment of plant and those required semiskilled labour. The cost of foundation is quite low in rural sector as compared to urban because the construction of big building is not necessary for establishing industries in rural areas. Many challenges also come in the process of rural entrepreneurship like many rural people has a fear to start their own business irrespective they have their small shops run by their parents. As nowadays people are diverting towards shopping malls and they like a advanced shopping experience instead of going in small shops. Many Taxes are levied on the goods which is quite impossible for the rural entrepreneur to pay as due to the absence of less customers as well as quite low profit. Theself believing attitude is absent in rural entrepreneurs due to social tradition still prevailing in rural area.

Because of these challenges the growth can be affected to a great extent and rural people feel demotivated also which hinder the growth of rural entrepreneurship idea.

OBJECTIVE OF THE STUDY

1. To define the different types of rural entrepreneurship.
2. To brief about the problems of rural entrepreneurship.
3. To brief about the remedies for growth of rural entrepreneurship.

RESEARCH METHODOLOGY

The method adopted here is secondary data analysis. Review of previous paper is done and it's a conceptual study based research paper.

TYPES OF RURAL ENTREPRENEURSHIP

Agro-Based Enterprises

The agriculture products are manufactures and sold in this type of enterprise, example, sugar, dairy products, fruit juice, spices, oils from oilseeds, jaggery etc.

Forest-Based Industries

The dealing of wood and wood products is done in this type of industries. For example coir industry, beedi industry, honey making, bamboo products, etc.

Mineral Based Industries

The following industries are included in this type as Cement industry, stone crushing, wall coating powders, etc.

Textile Industry

The process of weaving spinning tie dye colouring and bleaching is carried in the textile Industry.

Handicrafts

The handmade products are made like toys antiques and all the items made of wood bamboo glass jute soil with the help of artist are included here.

Engineering Services

Tractors pumps pipes fittings repairs all those tools which are used in agriculture are included in engineering services.

PROBLEMS OF RURAL ENTREPRENEURSHIP

1. *Lack of Infrastructure:* Due to absence of infrastructure facilities like proper electricity, roads, transport storage and communication which hamper the growth of particular industries.
2. *Migration to urban areas:* Due to migration of rural people i.e especially youth because of their higher skills and knowledge resources are not easily available for the working in an enterprise.

3. *Fear of Invest:* As no financial support is there so if rural entrepreneurs who want to start their business they invest with a fear if their business does not grow loss suffered and their initial investment go waste.
4. *Absence of high skilled workers:* The skilled and knowleged workers get more pay in urban areas. They rush towards the cities inspite of being working in rural industries.
5. *Inferior quality goods:* Due to absence of modern technology and better machinery absence of experts who can guide related to what quality should be maintained good produced are of bad or inferior quality.
6. *Non availability of raw material:* The main problem faced by rural entrepreneurs is not an easy supply of raw material due to absence of connection with the suppliers.
7. *Absence of funding:* Funds are not easily available as small banks provide loans to rural entrepreneurs but due to lack of knowledge of government schemes the rural entrepreneurs can't get the benefit of the loan with reasonable interest.
8. *Political pressure:* Sometimes political pressure results in blocking the development of rural entrepreneurship.

REMEDIES FOR GROWTH OF RURAL ENTREPRENEURSHIP

1. Sufficient funds should be made available by financial institutions at lower interest rates.
2. Distribute the raw materials at a price required by a rural entrepreneur.
3. Government should start some training programmes for the people in rural sector so that they can work more efficiently.
4. Development and encouragement from marketing cooperatives help in selling the products at a price acceptable by rural entrepreneurs.
5. Adequate infrastructure facilities should be provided.

CONCLUSION

Rural entrepreneurship has emerged as a need for every rural entrepreneur because with this they can start up their business flourish their business. Their living standard can be improved to a great extent. Poverty can be reduced. The migration to urban cities of rural people can be decreased as now the employment opportunities are available in rural areas also. Industries can be set in rural areas but firstly the funds required and as well as raw material required are not easily available to rural entrepreneurs due to poor network with the financial institutions and due to absence of middlemen who can help to supply raw materials to them for the smooth flow of their work or flourishing of their business. Due to absence of intensive training to youth for effective work and proper training programmes are not there the migration of rural people to urban cities are increasing to a greater extent. Rural entrepreneurship can lead to rapid industrial development in rural areas if proper support and amenities are provided to rural entrepreneurs.

Suggestions

- a. Training Development Programmes should be start to provide training to rural entrepreneurs.
- b. The youth should made feel how they can help in the growth of rural sector if they utilize their skills and knowledge by working their. Thus results in the overall development of rural area.
- c. It will leads to rural industrial development and standard of living can be improve due to source of income they earn is high because of maximum chances of profitability in their industries .
- d. The financial institutions should ensure that interest will be charged at reasonable rates if any amount is funded to rural entrepreneurs.

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