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Promotion of Entrepreneurship as a Key for Rural Economic Development in India

Dr. Dipankar Baidya

Associate Professor, Department of Commerce, Nagaon University, Nagaon

Abstract: The entrepreneur word is originated from the French word, entrepreneur, which means "to undertake".

Entrepreneurs are driven to achieve success in their business along with the qualities of a Leader, Manager, Dreamer, Innovator, risk taker, continues learner, decision maker & most important is to implement all these qualities into the work. There are a lot of examples of the entrepreneurs in North East India who are now called synonymous of 'Success'. They saw the bigger picture but wisely started their business as a very small unit. Entrepreneurs set the example of turning their dream into reality. And the story behind to achieve the dreams into reality is to set massive goals for themselves and stay committed to achieving them regardless of the obstacles they get in the way, with the ambition and the unmatched passion towards achieving the goal. Most of the rural entrepreneurs face peculiar problems like illiteracy, fear of risk, lack of training and experience, limited purchasing power and competition from urban entrepreneurs. Promotion of rural entrepreneurship is a key to develop rural areas and backward towns. This paper focuses on the identification of various problems associated with rural entrepreneurship. Suitable cures have also been discussed to overcome these problems.

Currently of late these days Rural Entrepreneurship is providing a significant chance for those people who migrate from rural area or semi-urban area to urban areas. The development of rural entrepreneurship is very important because the overall 70% of India population lives in rural areas. Certainly the economic development of our country generally depends on the development of rural areas and the standard of living in its rural class.

Government started numerous schemes to support rural development these schemes are described in this paper. This paper makes an attempt to find out the challenges and problems of rural entrepreneurship. The data mainly collected from secondary sources on the related topics.

Key words: Entrepreneur, Rural Entrepreneurship, Rural area, Challenges, Opportunities.

INTRODUCTION

"India lives in villages and its true spirit lives in rural areas"- Mahatma Gandhi. The economy of India is mostly based on agricultural. It is about three-fourth of India's population are living in rural areas out of which 75% of the labour force is still depend for their livelihood from agriculture and its allied activities. The farming activity is itself a very good example of entrepreneurship because it consists of labour, land, finance, technology, process, risk, marketing, and inputs etc. But land being restricted is unable to absorb all the labour force in agriculture. Therefore, there is a need to develop rural industries to solve rural unemployment and rural migration of youth to cities. Growth and development of rural economy is important for pre-condition to development of the nation as a whole. The gap between rural and urban inequalities should be reduced. The standard of living of the rural people should be increased. Entrepreneurship in rural sector provides an answer to the above problems. Entrepreneurship in

the rural and tribal areas emerges in large to solve the problems of poverty, unemployment and backwardness of Indian economy.

Rural Entrepreneurship is the synonyms of rural industrialization are viewed as an effective means of accelerating the process of rural development. Government of India has been continuously assigning increasing importance and support for the promotion and growth of rural entrepreneurship. Today rural entrepreneurship has emerged as a dynamic concept. In general term rural entrepreneurship is defined as "entrepreneurship emerging at village level which can take place in a variety of fields of Endeavour such as industry, business, agriculture and act as a powerful component for overall economic development. Compared to earlier days development of rural areas have been linked to entrepreneurship.

In simple terms "entrepreneurship" is the act of being an entrepreneur, which can be defined as "one who undertakes innovations, finance and business in an effort to transform innovations into economic goods". We have seen underemployment or unemployment in the villages that has led to major migration of rural population to the cities. At present what is needed is to create a situation where in the migration from rural areas to urban areas comes down. In fact, the situation should be such that after seeing these facilities and opportunities, people think it appropriate to move from cities to rural areas on their own.

Need for Rural Entrepreneurship

To encourage the rural development in the country, there is a need to enhance rural entrepreneurship. This can be acceptable by following points:

- Most of the people in India population live in rural areas.
- Rural people are labour intensive.
- Great disparities in income of rural & urban people.
- Increase the regional development.
- Appreciates the people in doing traditional art and handicrafts.
- Reduce poverty and growth of slums areas.
- Encourages the youth people in rural areas.
- Increase the literacy rate of rural population.

REVIEW OF LITERATURE

The accessible significant written books are quickly out lined as under:

Piore and Sable (1984), in their book, "The Second Industrial Divide", gave an approach structure to little business improvement which expresses that development of economy will be more effective when it happens inside a political setting, it promote small scale effort effectively.

Petrin (1994) in another article inferred that development of rural areas is presently connected to entrepreneurship to a greater extent. It goes about as a vehicle to enhance the personal satisfaction for people, families and groups keeping in mind the end go alto manage a sound economy and environment.

Vaessen and Keeble (1995) uncovered that the outer environment in the more remote rustic zones presents challenges for SMEs, which they have to adjust to in if they are to develop and survive.

Gavian (2002), in their study, have proposed that SMEs are customarily considered as well poised to react to the expanded demand by creating occupations.

Sherief, (2005) endeavored to comprehend the determinants of rural entrepreneurship and the environment helpful for its improvement. The study presumed that for accelerating economic development in rural regions, it is most essential to advance entrepreneurship.

Mehta,(2011),in this study showed that numerous Indian organizations including MNC began creating business systems to tap the undiscovered rural business sector in India. The study will be supportive for the different organizations to figure arrangements and approaches so as to help the rural entrepreneurship in India. This may make the Indian rural business sector as a basic power in the worldwide economy.

Alsos (2011) In horticulture, utilizing new entrepreneurial exercises is moderately simple since agriculturists for the most part have numerous valuable assets available to them, for example, land, structures, apparatus, work, systems, and so on. Access to great assets alone is, be that as it may, not a certification for achievement. Everything relies on upon the ranchers' entrepreneurial capacities to get to, see the capability of, and utilize the assets accessible.

Sharma, Swati, Vyas and Divya (2016) demonstrated that different social, financial, political and environmental issues in provincial regions in creating nations like India make challenges in livelihood, diminishing rural generation and expanding nourishment lack. This has come about a colossal effect on the residential generation, livelihood and so forth. To a specific degree, these issues can be understood by creating entrepreneurship in rural India.

OBJJECTIVES OF STUDY

1. To understand the present scenario of rural entrepreneurship.
2. To analyze the roles of rural entrepreneurs in economic development.
3. To know the opportunities from rural entrepreneurship.
4. To study the problems and challenges faced in rural entrepreneurship in India.
5. To suggest some remedial to solve the problems faced by rural entrepreneurs.

METHODOLOGY

This study is based on secondary data; it is a comprehensive review of several reports, research articles, policy papers, and comparative analysis of statistical data from government websites. The data is collected in related topic mainly from published and unpublished works on the related topic. Schemes for reviving Traditional Industries and Rural Entrepreneurship

The government runs various schemes to support and develop rural industries; targeted in providing credit and financial assistance, skill development training, technological and quality up gradation, infrastructure development and marketing assistance. The brief discussion of some of the major government schemes are as follows.

- Scheme of Fund for Regeneration of Traditional Industries (SFURTI): It is as a cluster-based scheme aims to organize traditional industries and artisan’s into competitive clusters by providing support for their long term sustainability, with improved equipment, training, capacity building and design, common facilities centres, marketing support, etc. The scheme invites applicants from non-government organizations (NGOs), government institutions, private sector bodies with expertise to undertake cluster development. Out of the allotted budget, the government has induced expenditure of Rs.86.03 crore in the year 2022-23 for execution of the scheme.
- Prime Minister's Employment Generation Programme (PMEGP): The scheme is a credit-linked subsidy programme, which is conducted to generate employment opportunities through establishment of micro-enterprises by assisting traditional artisans and unemployed youth. It leads to increase the wage earning capacity of artisans, reduction in unemployment level and migration of rural youth to urban areas. The Scheme is implemented by Khadi and Village Industries Commission (KVIC), as the nodal agency. For implementation of the scheme, the government has incurred expenditure of Rs. 2118.80 crore during the year 2022-23.
- A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE):The objective of scheme is to create new jobs to reduce unemployment, boost grassroots economic

development, promote entrepreneurship culture and promote innovation to strengthen the competitiveness of the MSME sector. Under this a network of Technology centres are setup for sharing practices and developing human resource; Scale up Business Accelerator programme; implement incubation and commercialization of Business Ideas Programme through technical/research institutes, including those in the field of agro-based industry. The government has incurred expenditure of Rs. 349.34 crore during the year 2022-23 for implementation of the scheme.

- Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE): The Scheme facilitates credit to Micro and Small Enterprises MSME units through collateral-free credit facility (term loan and/or working capital) extended through banks and financial institutions to new and existing MSMEs. It is the only of its kind guarantee scheme which has covered more than 31 lakh beneficiaries in last 18 years cumulatively Under this 35,05,612 proposals have been approved for guarantee cover of Rs. 1,82,790.06 crore, as on 31st March, 2023,
- Credit Linked Capital Subsidy Scheme (CLCSS): It is aimed at technology up gradation of Micro and Small Enterprises by providing 15 percent capital Subsidy (limited to a maximum of Rs 15 lakh). It intends to upgrade the plant and machinery of micro and small enterprises with state-of-the-art technology, with or without expansion, and for new enterprises as well. The scheme has been successful in enabling MSEs in technology upgradation. Since, inception of the scheme 62,827 MSEs have availed subsidy of Rs. 3,888.12 Crore till 31st March 2023.

Besides the schemes discussed above, other schemes are mentioned as under:

- Scheme for Micro & Small Enterprises Cluster Development Programme (MSE-CDP).
- Entrepreneurship and Skill Development Programme (ESDP).
- Scheme for providing financial assistance to Khadi Institutions under MPDA.
- Financial Support to MSMEs in ZED certification.
- Market Promotion & Development Scheme (MPDA).
- Coir Industry Technology Up gradation Scheme (CITUS).
- Domestic Market Promotion Scheme (DMP).
- National Manufacturing Competitiveness Programme (NMCP).
- Technology and Quality Upgradation Support to MSMEs.
- Procurement and Marketing Support Scheme (P&MS).
- Scheme of Information, Education and Communication.

CHALLENGES FOR RURAL ENTREPRENEURSHIP

- Lack of technical knowledge: Because of illiteracy rural people don’t know about the technical knowledge.
- Mall culture is in trend: Due to globalization and most of the company open there own shopping centres and people can easily purchase various products under the one roof.
- Financial problem: These difficulties are mostly faces by the India particularly for business people. They need lots of money to start a new business even they don’t know about how to get loans.
- Lack of infrastructural facility: In spite of efforts made by government the growth of rural people area is not healthy due to lack of proper and adequate infrastructural facilities.
- Policy challenges: People don’t know the changes in the strategies to changes in legislature. Issue of TRIMS & TRIPS.

- Licensing processor: Sometimes people don't know the processor of licensing and it becomes very difficult task for rural people.
- Power Failure and Poor Assistance: Even today power supply is not available in most of the villages of India.
- Cultural and social difficulties: The digital facility has not worked in various parts of rural sectors of India because of social issues.
- Own family demanding situations: Convincing them to participate in commercial enterprise over process is straightforward is not an easy for every personality. The first thing – Will you make extra cash in business of your choice or as a successor of circle of relative's commercial enterprise. It is not possible to make every time success.
- Social demanding situations: Family challenges are their acceptation on the peak due to the fact it is very critical to face social challenges. For example- You and your friend graduated on the identical time. You opted for entrepreneurship and your friend opted for a task. He now has a flat, car and what now not due to the fact he should easily get financial institution loan but you continue to have nothing to reveal off and that is in which gaps comes between both of you.
- Technological demanding situations: Indian training device lags an excessive amount of from the activity industry as a whole however then it lags even greater on the subject of on line entrepreneurship.
- Economic challenges: Economic challenges are faced in India particularly entrepreneurs. While you are starting out as an entrepreneur you don't choose investment however tries to go together with funding from small to medium business. Many such non-technical enterprise humans don't capture the net enterprise models as whole and so getting a preliminary commercial enterprise investment will become tough.
- Policy demanding situations: Now and then there may be lot of modifications in the rules with trade in the government.
- Problems faced in availing raw materials.
- Problem in obsolescence of indigenous generation.
- Exploitation of small and poor rural peoples in the international locations.

OPPORTUNIES FOR RURAL ENTERPRENEURS

It is based on stimulating local entrepreneurial talent and subsequent growth of indigenous companies in the country. It creates jobs and value to economics to a region.

- Entrepreneurship is an improvement institute of India, and help in development of economy.
- Unfastened access into world alternate.
- It gives support and motivation to rural people.
- Low establishment cost.
- We can get competitive advantage and availability of labours very easily
- Government making new polices to encouraging rural people and subsidies to them.
- Ability to take a chance in advance in comparison to others.
- Governments of nations withdrawn some restrictions.
- It generates employment for rural youth.
- Availability of raw material is easily available in rural area it reduces transportation cost.
- It Encourages innovation and improvement.
- It promote of healthy completion among international locality.

- It assistance for international exchange.
- It help to make improvement in Social and cultural area.

SUGGESTIONS

The following are the recommendations for boosting up the Rural Entrepreneurship:

- The government should encourage all the private organizations and industry associations to play a significant role in the technological enhancement and other related areas of rural entrepreneurship.
- There should be reasonable coordination among several institutions i.e. MSME-DC, NABARD, SIDBI NSIC, NIESBUD, KVIC etc. for providing the various categories of reliefs on time.
- Special cells must be created for providing permissive and easy finance to rural entrepreneurs, to overcome their biggest fear of money arrangement.
- The procedure of providing support should be made simple, transparent and less time consuming, taking into consideration the condition of rural entrepreneurs.
- Rural entrepreneurs should be provided proper encouragement and assistance for setting up marketing co-operatives, which help in getting the reasonable rate of their products.
- The training programmes should be more structural keeping in mind the social and economic background of rural entrepreneurs.

CONCLUSION

Rural entrepreneurship is compulsory in the economic growth and development of the country, especially for a country like India, whose majority of population live in villages. Rural entrepreneurship contributes to the development of backward regions by generating employment opportunities, migration of rural youth, manufacturing output, developing infrastructure, raising standard of living there by removes poverty.

Entrepreneurial activities have enhanced in the rural areas with the passage of time, still it is far proportionate to urban areas. Latest survey describes that 51.9 % Micro, Small and Medium Enterprises are owned by rural entrepreneurs and that too concentrated at micro level enterprises. Since independence, the government has implemented different policies and schemes for the support and development of rural entrepreneurship but could not attain the desired results. There is need to appraise the rural entrepreneurship development schemes and programmes by the government in order to get the desired results in rural areas through entrepreneurship.

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