



Role of Entrepreneurship in Development of Rural Sector in India

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ABSTRACT

The villages are the backbone of the nation. India has two-thirds of the population and 70% Workforce residing in rural areas. People in rural areas are suffering from unemployment, poor infrastructure, and this can be resolved by developing rural entrepreneurs. Rural entrepreneurship can be seen as one of the solutions to poverty, migration, economic inequality, unemployment and the development of rural areas and rural regions specially in rural development. Rural entrepreneurship refers to the process of setting up and managing businesses to generate employment, improve livelihoods and promote economic development in rural areas. Using local resources, traditional skills, and innovative approaches, sustainable business opportunities are created towards meet the needs of rural communities. Rural entrepreneurs work in various sectors, including agriculture, agriculture crafts, home industry, rural tourism, and small manufacturing. They play an essential role in reducing rural unemployment, preventing migration to urban areas, and improving rural socio-economic conditions.

KEY WORDS

Rural, Economy, Development, Village, Growth.

INTRODUCTION

The rural sector is particularly important for the Indian economy, as most of the country's population lives there. Rural development is not limited to infrastructure expansion, but also to economic empowerment, employment generation and self-reliance. Entrepreneurship plays an important role in achieving this goal. Rural enterprises not only make good use of local resources, but also contribute to the

stability of the village economy by creating new employment opportunities. Agriculture, house and small-scale industries, crafts, dairy, organic products production and services sectors are the main examples of rural entrepreneurship. The introduction of rural entrepreneurs has added a new dimension to the debate about who is an entrepreneur and what is an entrepreneur. In stratified societies such as India, indicators that represent entrepreneurship may not be uniform for different strata.

Objective of the Study

1. To study the various type of rural entrepreneurship.
2. To analyses the performance of rural industries.
3. To know the significance of rural entrepreneurship.
4. To study the problems of rural entrepreneurship.

Research Methodology

The present study is based on secondary data in methodical nature. Statical and Mathematical tool such as simple growth rate, and percentage are used. Secondary data was collected from journal, books and various website from internet.

What is Rural Entrepreneurship

Rural entrepreneurship means establishing and running businesses and industries in rural areas. It refers to enterprises that promote the economic development of villages and create employment opportunities for residents. Rural entrepreneurship refers to the creation and management of new businesses in rural areas. It includes a series of activities aimed at enhancing the potential of rural resources, generating job sand promoting economic growth. Unlike urban entrepreneurs, which often rely on advanced technologies and dense markets, rural entrepreneurs focus on using local resources, traditional knowledge, and community participation. It includes innovative approaches in agriculture, agricultural processing, crafts, and rural tourism. Rural entrepreneurs are individuals or groups that identify opportunities in their local environment and develop enterprises that meet the needs and priorities of their community. This form of entrepreneurship is important to stimulate rural development, reduce migration to urban areas and ensure the sustainable use of natural resources. Using rural environments, such as rich natural resources and traditional skills, rural enterprises can make a significant contribution to the overall socio-economic development of these areas.

Types of Rural Entrepreneurs:

1. **Agriculture Based Entrepreneurship:** Organic Farming, Dairy Farming, Beekeeping, Poultry Farming etc.
2. **Small and Cottage Industries:** Handicrafts, Handloom, Pottery, Jute, and Bamboo products.
3. **Service based Entrepreneurship:** Rural Tourism, Mobile Repairing, Tailoring, Telemedicine services.
4. **Tech and Digital Entrepreneurship:** e-commerce, Digital Marketing, Online Learning services.

The Importance of Rural Entrepreneurs

It is important not only to support rural economic development, but also to contribute to social and cultural upliftment.

- i. **Employment Generation:** Rural Entrepreneurship reduces the problem of unemployment by promoting self-employment in rural areas. Establishment of new businesses in agricultural and non-agricultural sectors provides employment opportunities to people. It Creates new employment opportunities locally in rural areas and help to reduce dependence on agriculture and motivates youth to take up self-employment. They also help to reduce dependence on agriculture and motivate young people to pursue self-employment.

- ii. **Economic Development and Poverty Alleviation:** Rural entrepreneurship strengthening local production and market strengthens the rural economy. It gives financial independence to the rural poor and improves their lifestyle. It increases productivity by using local resources and also increases the flow of capital into the rural economy, leading to overall development.
- iii. **Shift from Agriculture to Non-agricultural Sector:** Promotes activities like cottage industries, handicrafts, dairy production, organic farming, and rural tourism. Farmers get alternative income sources other than agriculture.
- iv. **Women Empowerment:** The growing influence of self-help groups (SHGs) and women entrepreneurship provides women with an opportunity to become financially independent. Handicrafts, food processing, tailoring, and animal husbandry are contributed by rural women. It helps women become economically independent.
- v. **Self-reliant India and use of Local Resources:** The “Vocal for Local” campaign promotes production at the rural level. Sustainable and affordable enterprises can be established using local raw materials. It promotes traditional artisanship, handicrafts, and small-scale industries using local raw materials.
- vi. **Innovation and Technological Development:** New technologies and innovation are encouraged in rural areas. New products are created by combining traditional knowledge and modern technology.
- vii. **Reduction in Residential Migration:** Migration from villages to cities is reduced due to availability of employment opportunities at the local level.
- viii. **Social Harmony:** Rural entrepreneurship promotes the spirit of co-operation and collaboration within the community. It also encourages self-reliance and self-esteem in rural society.
- ix. **Environmental Balance:** Rural entrepreneurship promotes sustainable development by using traditional and environmentally friendly technologies.

Challenges of Entrepreneurship in Rural Areas

Entrepreneurship in India especially rural sector faces several challenges that undermine the growth and sustainability of enterprises. The main difficulties are as follows:

1. **Inadequate Infrastructure:** Lack of facilities such as roads, electricity, water, internet and transport make business operations difficult.
2. **Lack of Financial Support:** Banking procedures are complex, and rural entrepreneurs find it difficult to obtain loans in the absence of guarantees. Difficulty in getting loans from banks and high interest rates become a hindrance for entrepreneurs. Lack of investors and financial support in rural areas.
3. **Problem of Market Access:** Local products are difficult to reach larger markets, which affects sales and profits of business.
4. **Lack of Education and Skills:** Lack of quality education and vocational training deprives rural youth of the necessary entrepreneurial skills. There are need of knowledge of business management, marketing and technical skills.
5. **Limited Access to Technology:** Lack of digital literacy and unavailability of technological resources impede innovation and efficiency in business.
6. **Social and Cultural Problems:** Preference for traditional employment on the part of family and society and lack of risk-taking mindset limit entrepreneurship.
7. **Supply Chain Problems:** Difficulties in supply, storage and distribution of raw materials increase costs and affect the competitiveness of the product.
8. **Natural Disasters and Climate Risks:** Climate change, drought, floods and other natural disasters have a direct impact on agriculture-based businesses.

9. **Complexity of Government Processes:** Processes such as licenses, registrations, tax regimes are time-consuming and complex, which discourages new entrepreneurs. Information about various Government schemes and subsidies does not reach rural entrepreneurs properly.
10. **Lack of Guidance and Networking:** Unavailability of inspiring individuals, mentorship and support networks hinders the guidance of new entrepreneurs.

Solutions and Strategies for Development

- i. **Financial Support and Banking Reforms:** Banks and non-banking financial institutions (NBFCs) should cooperate more to provide easy loans to rural entrepreneurs. Government schemes like microfinance and Mudra Yojana should be implemented effectively.
- ii. **Education and Skill Development:** Establishment of entrepreneurship training centers in rural areas. Provide information on digital literacy and online marketing.
- iii. **Improvement in Infrastructure:** Improving road, electricity and internet facilities in rural areas. Ensuring access of rural products to e-commerce platforms.
- iv. **Effective Implementation of Government Schemes:** Effectively implement Government schemes like “Startup India”, “Mudra Yojana”, “Deendayal Antyodaya Yojana”, Increasing the participation of local administration and panchayats.
- v. **Promotion of Co-operative Societies and SHGs:** Empowering women self-help groups (SHGs). Generating co-operative organizations for 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 is not only a means of economic growth, but it is also a means of bringing positive change in rural society and strengthening socio-economic balance. Rural entrepreneurship is an important step towards economic development, employment generation and self-reliance in India. However, to make it successful, financial support, infrastructure development, education and effective implementation of Government schemes are required. Rural entrepreneurship has the potential to make a substantial contribution to the nation’s economic growth if these obstacles are overcome.

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% 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 programs by the Government in order to get the desired results in rural areas through entrepreneurship.

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