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Need of Entrepreneurship Development in Rural Sector in India

Zia Afroz

Research Scholar (NET), Department of Applied Economics, University of Lucknow, (U.P.) India

Sumbul Fatima

Research Scholar (MANF), Department of Applied Economics, University of Lucknow, (U.P.) India

Abstract

For any country to develop and grow, it is important for each and every component of that country to develop and grow simultaneously because only then it would be able to achieve the best results. Growth in one region cannot make a country fully viable unless all the other regions are also growing. Likewise the roots of India lie basically in the rural sector without which India cannot stand and therefore it is required to give equal importance to it as being given to the urban sector. Today it is being recognized that Entrepreneurship is considered to be the growth engine for the economy as in many areas results have shown its positive effects. In this paper an attempt has been made to show how entrepreneurship would help the rural sector to develop, its need in the sector, policy implications, scope for women entrepreneurs in the rural sector and what are the consequences of entrepreneurship development in the rural sector in India.

Key Words: entrepreneurship, innovation, farsightedness, remunerated work, empowerment

Introduction:

India being a developing country holds the second position having highest population in the total world population. With this the major portion of the Indian population resides in rural areas. And the main occupation of rural population is based on agriculture and its allied activities, due to which income generation is quite low which leads to the problem of basic amenities like food, clothing and shelter. The major problem with which rural population engrossed with is rural poverty. As per the census report of 2011 in India the total rural population is 68.70% and the total rural poverty is 21% of all people in India (fall below the international poverty line). Now to remove the poverty from the rural sector

it is necessary to bring into such policies and programmes which may uplift the standard of rural sector. And this may only be possible through the introduction and recognition of entrepreneurship among the rural population in India.

Entrepreneurship is not only potentially lucrative but it also provides individuals with challenges and the opportunities to maximize their power autonomy and impact (Heilmanschen, 2003). Entrepreneur is one who has the special talent of bearing risk, having the ability of innovation and the capacity to marshal resources. They are the person who tries to create something innovative, organize factors of production and who undertakes risk and handle economic uncertainty.

Some of the skills those entrepreneur posses are as follows:-

1. Creating something new
2. Organizing
3. Coordinating
4. Undertaking risk and handling uncertainty
5. Farsightedness
6. Dynamic personality
7. Enthusiasm
8. Always ready
9. Charismatic
10. Intelligent
11. Knowledgeable
12. Leadership
13. Magnificent
14. Newness
15. Optimistic
16. Quickness
17. Readiness
18. Systematic
19. Tactfulness
20. Versatility
21. Wisdom
22. Zeal

As per the above qualities mentioned which might be present in almost all the people working in their own set up in rural areas, the need is to encourage their inherent qualities of entrepreneurship. Thus to develop such thing it is required to create such an environment which may help the development of the rural sector through the entrepreneurial development. The necessary environment could be created through the introduction of policies promoting rural entrepreneurship.

Review of Literature: Prasad, H. and Verma, B. L. (2006) investigated about the key aspects of women entrepreneurs and gives an overview of women owned enterprises in India. According to this paper the driving force of Indian women entrepreneurs has been identified and then an attempt has been made to find the barriers in the path of entrepreneurship been explored.

Kumar, A. (2006) examined the structure of enterprises owned by women Entrepreneurs in Northern India with the help of primary data. This paper revealed that there has been shift in structure of enterprises owned by women entrepreneurs and shows that now women entrepreneurs are entering in service and trading sectors.

Lokhande, M.A. (2006) analyzed the entrepreneurial processed, problems and challenges faced by the SC/ST entrepreneurs. This paper focused on the entrepreneurial qualities and skills which are essential for industrial development as well as eradication of poverty by means of creating self employment and provide employment to others.

Rena, R. (2007) discussed the key issues related to entrepreneurship in the context of its relationship with rural development. The paper also emphasized the importance of rural enterprise development in Eritrea and also concludes to accelerate the economic development in rural areas, it is necessary to promote entrepreneurship.

Bliss and Garratt (2001) have examined the working of organization for women in Poland. This paper has examined the various

activities performed by these associations to promote women entrepreneurs.

Objectives:

1. To analyze the concept of rural entrepreneurship.
2. To examine the magnitude of rural entrepreneurship.
3. To discuss the different tasks performed by entrepreneurs in rural development.

Research Methodology:

This research paper is exploratory and analytical in nature. An attempt has been made to identify and discuss about the rural entrepreneurship development, its need, policy implications, and various entrepreneurship institutions. The data used in this paper is based on secondary data.

Magnitude of Rural Entrepreneurship:

❖ **Conceptual framework of Entrepreneurship:** - To understand clearly the concept of Entrepreneurship, it is necessary to throw light on some of the definition given by different academicians; a force that mobilizes other resources to meet unmet market demand. (Jones & Sakong, 1980); the process of creating value by pulling together a unique package of resources to exploit an opportunity. (Stevenson, et al, 1985) .The concept of entrepreneurship has a wide range of meanings. On the one extreme an entrepreneur is a person of very high aptitude who pioneers change, possessing characteristics found in only

a very small fraction of the population. On the other extreme of definitions, anyone who wants to work for himself or herself is considered to be an entrepreneur.

The word *Entrepreneur* originates from the French word, *entreprendre*, which means “to undertake.” In a business context, it means to start a business.

Schumpeter’s View of Entrepreneurship: Austrian economist Joseph Schumpeter’s definition of entrepreneurship placed an emphasis on innovation, such as:

- New product
- New production method
- New markets
- New forms of organization

Thus ‘Innovation always created new demand and leads to create wealth.’

❖ **Task performed by entrepreneurs in rural development:** -There is no doubt about entrepreneurial activities which are like engines of the economic growth with are run on the basis of innovative techniques. To optimally utilize the economic resources in the rural sector, there is a need to encourage and motivate entrepreneurs to set their business in backward and remote areas in rural India which will definitely lead to its growth and development as well as will reduce regional disparity and equalizes the inequality resulting into decrease in migration from rural to urban. This could be possible if the need is encouraged among rural entrepreneurs. The following points will

highlight the positive effects of entrepreneurship on rural sector:

- 1) Abundance of Labour: India consists #% of world population while it has #% of world land. On this basis we can see how much it has labour force, and to absorb this work force in productive field is again one of the important tasks. And to provide all of them employment opportunities is not an easy task for the government but if government promotes entrepreneurship which is a type of self employment generation can fulfill the need of the absorption of such abundance of labour.
- 2) Reduction of Poverty: Entrepreneurs have the ability to start their own business and are also equipped with capabilities to provide employment opportunities to the huge rural population engaging them in those activities other than agricultural activities thus making them to earn good amount of income which ultimately help them to overcome their problems and bringing out of poverty levels.
- 3) Infrastructural Development: Rural development is possible through infrastructural development which can be brought if an enterprise is setup at a place therefore bringing in the facilities like electricity, transportation, and other basic infrastructural facilities including hospitals, schools, post offices
- 4) Creating Employment Opportunities: After setting up enterprises in the rural sector, it itself create employment opportunities therefore absorbing abundance labour and also helping them by providing training and enhancing their skills.
- 5) Upliftment of Living Standard: When more and more people get employment, their income level goes up with which their purchasing power also increases with the increase in income level. And this makes their life style better.
- 6) Capital Formation: The main thing with is essential for any business or industry to run is the amount of capital. Proper management of capital is one of the essential tasks of an entrepreneur through which a business or an industry is efficiently run. When gains are obtained it is the result of such management as the capital so formed helps in rural growth and development.
- 7) Technology: To match the national as well as the international standard, it is important to acquire and adopt that technology with which production level increases and more and more qualitative and quantitative goods are produced in order to enhance the income levels thereby improving the rural growth.
- 8) Joint Venture: - When more and more avenues are being introduced in the rural sector, it would be possible to attract the investors from the urban areas who would actually join hands and collaborate with the rural

population and work together towards the rural development.

9) Policies To Promote Rural Entrepreneurship:- The policies which are made for the development of rural entrepreneurs should be in context of making specially the rural population more efficient and effective by incorporating some of the following points-

- Policies for the Entrepreneurship should be indicative of its contribution to the rural sector growth.
- Some policies should be implemented to bind the entrepreneurial talent.
- The awareness about entrepreneurial skills should not only be inculcated among farmers but also in each of the organization working towards the development of rural sector.
- Programme should be launched which can coordinate the activities of the urban and rural enterprises.
- Policies should be flexible enough to adapt the local circumstances rather than being rigid national once.
- Some policies should be made especially for the empowerment of women in the rural sector.

❖ **Scope of Entrepreneurship among Women:** - Women are active in a variety of economic areas, which they often combine, ranging from wage labour, subsistence farming and fishing to the informal sector. Women contribute to development not only through remunerated work but also

through a great deal of unremunerated work. On the one hand, women participate in the production of goods and services for the market and household consumption, in agriculture, food production or family enterprises. On the other hand, women also perform the great majority of unremunerated domestic work and community work, such as caring for children and older persons, preparing food for the family, protecting the environment and providing voluntary assistance to vulnerable and disadvantaged individuals and groups. Some policies running for them are as follows:

- National Policy For The Empowerment Of Women: 2001
- National Level Standing Committee On Women Entrepreneurs
- National Commission For women. Etc.

Thus we can say that if other countries can adopt policies and open centers that work for the development of the rural sector, similarly same can also be implemented to see the growth. For example, the RUPRI Center for Rural Entrepreneurship provides communities across rural America with the resources for implementing entrepreneurship as a core economic development strategy. The Center's mission is to enable every rural resident to achieve his or her full entrepreneurial potential. To achieve this mission, the Center's work focuses on three key concepts – **study, learn, and engage**. The Center actively **studies** entrepreneurship development through practice-driven research in collaboration with a wide range of partners. Building on

this knowledge base, the Center creates opportunities for community leaders and policy makers to **learn** about rural entrepreneurship through training, an electronic news letter, development tools, and other mechanisms for learning in person and virtually.

Institutions Supporting Entrepreneurs

- 1) The National Institute For Entrepreneurship and Small business Development (NIESBUD)
- 2) Small Industries Development Bank Of India (SIDBI)
- 3) Institute of Entrepreneurship Development (UP)
- 4) Khadi and Village Industries Commission
- 5) Uttar Pradesh State Industrial Development Corporation (UPSIDC)
- 6) National Bank for Agricultural and Rural Development (NABARD)
- 7) National Small Industries Corporation Ltd (NSIC)
- 8) Centre for Entrepreneurship Development of Karnataka

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- 9) Maharashtra Centre for Entrepreneurship Development
- 10) Centre for Entrepreneurship Development
- 11) Entrepreneurship and Management Laboratory Building
- 12) Haryana Institute of Public Administration

Conclusion:

After analyzing the different aspects of rural entrepreneurs in detail, we can conclude that if we really want the upliftment of the rural sector of India then we have to promote entrepreneurship in each and every level in rural sector, so that the gap between the growth rate of rural and urban sector can be minimized. Government as well as private enterprises should take initiative to inculcate and recognized the entrepreneurial skills as it is an essential thing to develop the rural sector. It is also necessary to properly implement the policies and spread the awareness among the beneficiaries through proper channel so that the aim of the policy could be achieved and ultimately help to develop the rural sector in India.

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