
'ROLE OF RURAL ENTREPRENEURSHIP IN RURAL DEVELOPMENT'

Sanjay Kumar*

ABSTRACT

Defining entrepreneurship is not an easy task. To some, entrepreneurship means primarily innovation, to others it means risk-taking? to others a market stabilizing force and to others still it means starting, owning and managing a small business. Entrepreneur is a person who either creates new combinations of production factors such as new methods of production, new products, new markets, finds new sources of supply and new organizational forms or as a person who is willing to take risks or a person who by exploiting market opportunities, eliminates disequilibrium between aggregate supply and aggregate demand or as one who owns and operates a business.

*Temp. Lecturer, C.R.KCollege, Jind

1. PRINCIPLES OF RURAL ENTREPRENEURSHIP:

Rural entrepreneurship should not only set up enterprises in rural areas but should be also using rural produce as raw material and employing rural people in their production processes. Rural entrepreneurship is, in essence, that entrepreneurship which ensures value addition to rural resources in rural areas engaging largely rural human resources. In other words, this means that finished products are produced in rural areas out of resources obtained in rural areas by largely rural people. The basic principles of entrepreneur which applied to the rural development are:

- Optimum utilization of local resources in entrepreneurial venture by rural population - Better distributions of the farm produce resulting in the rural prosperity
- Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration. To activate such system to provide basic '6 m'- manpower, money , material, machinery, management and market to the rural population.

2. OBJECTIVES OF THE STUDY:

The specific objectives of the study are :

- To study dynamic perspective of rural entrepreneurship
- To suggest practical suggestions for development of rural entrepreneur

3. Research Methodology :

The research paper is conceptual in nature. In order to develop basic insight regarding the concept, the researcher has made use of secondary data. The researcher has referred books, journals, magazines, and newspapers in addition to visits to various websites. The earlier researchers study in the area of rural marketing has led to the conceptualization of this research. This research paper is supported by case studies mainly highlighting the optimistic picture rural entrepreneurship in India.

4. SIGNIFICANCE OF RURAL ENTREPRENEURSHIP:

Over 5 decades of independence of India and even after industrialization, the agricultural sector till continue to be the backbone of our economy and our society too. Other core feature of the agricultural workforce is that their share in total workforce of the country is about 70 percent. One of the negative results the agriculture workforce is that this sector is overcrowded as far as employment is concerned. Again the continuous increase in population is

definitely obscurity to the rural development. Whereas urban migrations of the farm-workers also have negative impact like unemployment problem and increased numbers of population below poverty line. Entrepreneurship in rural areas is finding a unique blend of resources, either inside or outside of agriculture. This can be achieved by widening the base of a farm business to include all the non-agricultural uses that available resources can be put to or through any major changes in land use or level of production

other than those related solely to agriculture. Thus, a rural entrepreneur is someone who is prepared to stay in the rural area and contribute to the creation of local wealth. Moreover the economic goals of an entrepreneur and the social goals of rural development are more strongly interlinked than in urban areas. For this reason

entrepreneurship in rural areas is usually community based, has strong extended family linkages and a relatively large impact on a rural community. Thus the rural entrepreneurship is a vital for rural economic development. There are several reasons

for the increasing interest in entrepreneurship especially in rural regions and communities.

- ◆ The rural entrepreneurs play important role in driving local and national economies.
- ◆ The structure of rural economies is essentially composed of small enterprises, which are responsible for most of the job growth and the innovation. Traditional approaches to recruitment and retention are just not working for most places, and states are looking for viable alternatives which mainly include entrepreneurship.
- ◆ Rural entrepreneurs have successfully diversified into or started new businesses in markets as diverse as agri-food, crafts, recycling, leisure and health.
- ◆ Diversification into non-agricultural uses of available resources such as catering for tourists, blacksmithing, carpentry, spinning, etc. as well as diversification into activities other than those solely related to agricultural usage, for example, the use of resources other than land such as water, woodlands, buildings, available skills and local features, all fit into rural entrepreneurship. The entrepreneurial combinations of these resources are, for example: tourism, sport and recreation facilities, professional and technical training, retailing and wholesaling, industrial applications (engineering, crafts), servicing (consultancy), value added (products from meat, milk, wood, etc.) and the possibility of off-farm work. Equally entrepreneurial, are new uses of

land that enable a reduction in the intensity of agricultural production, for example, organic production.

◆ Dynamic rural entrepreneurs can also be found. They are expanding their activities and markets and they find new markets for their products and services beyond the local boundaries.

◆ Although agriculture today still provides income to rural communities, rural development is increasingly linked to enterprise development. Since national economies are more and more globalized and competition is intensifying at an unprecedented pace, affecting not only industry but any economic activity including agriculture, it is not surprising that rural entrepreneurship is gaining in its importance as a force of economic change that must take place if many rural communities are to survive. However, entrepreneurship demands an enabling environment in order to flourish. * Entrepreneurship so defined, pertains to any new organization of productive factors and not exclusively to innovations that are on the technological or organizational cutting edge, it pertains to entrepreneurial activities both within and outside the organization. Entrepreneurship need not involve anything new from a global or even national perspective, but rather the adoption of new forms of business organizations, new technologies and new enterprises producing goods not previously available at a location. This is why entrepreneurship is considered to be a prime mover in development and why nations, regions and communities that actively promote entrepreneurship development, demonstrate much higher growth rates and consequently higher levels of development than nations, 7regions and communities whose institutions, politics and culture hinder entrepreneurship.

6. DYNAMIC PERSPECTIVES OF RURAL ENTREPRENEURSHIP:

Case Studies :

◆ The project Shakti started in 2005 widened its scope to 45,000 entrepreneurs coving 3 million homes in 1,00,000 villages in 15 states in India. It is women's selfhelp groups which have direct-to-consumer sales distributors for Hindustan Lever's soaps and shampoo. The company provides training in selling; commercial knowledge and bookkeeping to help them become micro-entrepreneurs with monthly net profit 700-1000 rupees per person per month. Actual it is a story of Rojamma from Andhra Pradesh.

◆ MDM combines financial products, business development services and the formation of new social networks to help rural women entrepreneurs succeed. It has enabled more than 62,000 women to build assets, own property, forge market linkages and emerge as key developers of their local ecosystem. In 2006 MDM launched Udyogini the country's first rural business school with classes held in the bank branches. Udyogini also travels to the rural interiors through a bus fitted to meet state-of-art classroom requirements. The curriculum and faculty are led by rural women entrepreneurs. MDM also provides rural women the citizenship and social networks that they need to run business and build assets. Since 1997 MDM has indirectly reached 164251 women and indirectly benefited 3,00,000 families. Its business development services has seeded and sustained 17,051 rural women entrepreneurs.

◆ In present scenario there are number positive measures are adopted by the government for the development of rural entrepreneurs and it resulted in to positive picture in rural entrepreneurs. These are Tax advantages, Availability of cheap labour, Advantages of local and regional resources, Prestige and respect , Ultimate as role 'Model', Competitive advantages over the big business, Support and motivation from local people,

Advantage of backward and forward acceleration for e.g. use and returns from resources and employment generation.

◆ At national level for the development of entrepreneurship government have adopted following measure :

◆ Sound national policy with respect to agriculture, including recognition of the vital contribution of entrepreneurship to rural economic development

◆ Policies and special programs for the development and channeling of entrepreneurial talent

◆ Entrepreneurial thinking about rural development not only by farmers but also by everyone and every development organisation

◆ Institutional supporting the development of rural entrepreneurship as well as strategic development alliances

◆ It is noticeable that the rural entrepreneurship

and we must change with it. Till there is need of some qualities from the individual's

front :- Individualist / group orientation - Strongly committed - Interested - Core well or even thrive on uncertainty- A creative problem solver - Good organizational

skill - Good level of understanding relationship between organisation, strategies and environment-Creative risk taker -Thrive on change and cope well with uncertainty - Forward looking decisions Motivating factors in starting own business are :

- Job opportunities - Earning income - Financial independence - New experience and knowledge
- Self challenge -Flexible working hours In present picture of rural entrepreneurship following are major problems :

◆ Lack of financial resources

◆ Lack of knowledge such as marketing, sales, account maintenance, etc.

◆ Unstable legislation regulating business activities for example registration, accounting, etc.

◆ Less support from financial institutions, particularly in obtaining micro credit

◆ Lack of central controlling authority

◆ A rural entrepreneurship is top-most agenda on the policies of the government officials with the following objectives :

◆ encourage skilled and professional people who have left in the rural community to come back in the main

stream of the economic activities

◆ to develop region through startup new companies or organisation

◆ attract to the area, laid-off skilled labour from nearby region and generate employment and provide job opportunities

◆ promote specific types of businesses depends upon the rural environment

◆ From the financial point of view nurture a pool of potential growth

enterprises through micro equity investments and foster greater access to capital for start-up firms

◆ meet particular local employment needs

◆ help develop flexible manufacturing networks of co-operatives, micro and other manufacturing businesses

◆ develop and produce a particular product that none of the firms could manufacture alone

◆ intensify training programmes to build the vocational skills for rural population

◆ develop ways by which diversify product lines and markets and expand distribution channel

- ◆ promote co-operation between small firms in the network, thus promoting their competitive efficiency;
- ◆ provide different services in the areas of finance, marketing, research and development; and
- ◆ Provide common services of daily matters in production and administration in order to reduce transaction costs.
- ◆ In encouraging entrepreneurship in rural entrepreneurship all above stated characteristics are essential and also needed training to the entrepreneurs.
- ◆ Start Small
- ◆ Branding work should come first
- ◆ Push through the discomfort
- ◆ Curse of knowledge can be a barrier to development

7. CONCLUSION:

In conclusion, let us just say that finding, encouraging and motivating entrepreneurs in rural areas is not an easy proposition. However, to the real entrepreneur looking on the dark side of the situation is fatal. Optimism is the heart and soul of the entrepreneur. While strategic planning, feasibility and market studies and analysis are necessary parts of new business start-ups, very few real entrepreneurs, the famous and not so famous, waited for a printout to see whether they should launch their new idea. Central and state governments are going to have to change some of the ways we currently do business to be really useful to rural-based entrepreneurship. We are going to have to be more entrepreneurial ourselves.◆ There are large number of opportunities available for the rural entrepreneurs what is needed at core area of rural development is 'pull together a unique package of resources to exploit an opportunities'. Dreams, determination, willingness to take the risk are main feature.