

ROLE OF ENTREPRENEURIAL SKILLS IN INDIAN AGRICULTURE DEVELOPMENT

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Abstract

The study is intended to find out the role of Entrepreneurial Skills in Agriculture development in India. Entrepreneurship has been considered as the tendency of mind to take deliberate risks with confidence to achieve predetermined business objectives. Today, an entrepreneur is an innovator and developer who recognizes and seizes opportunities, converts those opportunities into marketable ideas, time, effort, money and skills which assumes the risks of the competitive marketplace. In India, 52% of total land is cultivable as against 11% in the world. Entrepreneurship development focuses on developing human resources with the growth and development of people resulting in increased competency, creativity, self-control, responsibility and productivity for optimum utilization of limited and scattered resources.

The aim of this paper is to explore agriculture and entrepreneurship skills as an illustrative example, through which the nature of entrepreneurial skills and the elements underpinning their adoption can be examined. The research paper will initially define what skills and attributes a farmer needs to possess in order to maximize the entrepreneurial skills capacity in the farmers.

Keywords: Entrepreneurial Skills, Agriculture, Productivity, Development, Innovation.

1. Introduction

In the present scenario, an entrepreneur is an innovative person who recognizes and seizes opportunities, converts those opportunities into profitable ideas, time, effort, money and skills which assume the risks of the competitive marketplace. The Entrepreneurship as a topic for discussion and analysis was introduced by the economists of the pre sixteenth century as an actor and a person who managed large production projects then seventeenth, eighteenth century as innovators and it continued to attract the interest of economists in the nineteenth century. The term entrepreneurship is associated with the establishment of a small business. There is no doubt that in a country like India, people with a lot of self-

confidence and far-sightedness usually start small business instead of doing jobs. The slow progress of the Indian economy is due to lack of entrepreneurship, while we have sufficient resources and natural resources. This fact is well recognized by the government which provides many facilities and incentives to entrepreneurs. In this way, industrial policies and government's five-year plans have encouraged and motivated entrepreneurs to increase the pace of industrialization. Now the government offers various types of inducements and exemptions including capital support, technical knowledge, marketing facilities, industrial protection and other infrastructure facilities.

2. Literature Review

During 1950's the majority of the theories to entrepreneurship had been given by the economists. Entrepreneurship was recognized in the France during eighteenth century when economist Richard Cantillon associated the term "risk bearing capacity in the entrepreneurs". According to Robert C. Ronstadt "Entrepreneurship is the process of creating incremental wealth". Francois Quesnay said John, M. Hobson. (2004). "regarded a rich farmer who manages and makes his business profitable by his intelligence, skill and wealth as an entrepreneur". Lazear (2002) and Parker (2004) "offer a comprehensive understanding of the entrepreneurial choice, new firm formation and the role of the entrepreneurship in growth, reflecting a broad consensus that has emerged in recent times. Entrepreneurship has also been defined as simply the creation of an organization" (Hoy 1987 & Gartner 1988). To promote economic development in the post liberalization reform India, central and state governments are pursuing growth and development policies that encourage entrepreneurship and self-employment (Ahluwalia 2002; Ahluwalia 2005). Government of India constituted a steering committee on agriculture and allied sectors under the chairmanship of Dr. M.S. Swaminathan. The committee suggested creation of agriclinics and agribusiness centres by agricultural graduates to provide consultancy services to the farming community in the rural areas.

3. Nature and Scope of the study

The study is both qualitative and quantitative based. The nature of the study is descriptive and inductive in nature. The study of entrepreneurship skills among farmers would provide a valuable feedback on the different programmes run by government and non-government institutions. The study would help thousands of farmers to make them independent and empowered. Which would help in the alleviation of poverty and unemployment in the Country? India, an agricultural economy is the second largest producer of fruits and vegetables in the World after China. The food processing industry can be promoted and

extended through Agripreneurship. The study has an ample of scope for farmers but also for Agripreneurship, trainers, agricultural scientists to expertise their skills in entrepreneurship development.

4. Significance of the Study

The concept of entrepreneurship is an age-old concept in India. Entrepreneurship grew after Liberalization in India. It is flourishing in the areas of health care, cosmetics, computers etc. However, fewer studies have been conducted, focusing on overall socio economic development of the entrepreneurship, Agripreneurship in India and abroad. The literature review shows the impact of entrepreneurship but few studies are on farmers and agriculture. There is a need to assess their skills and empower them for the development of the Country. As more than 71% of the population in India lives in rural areas. Their main source of occupation is agriculture.

5. Objective of the Study

- To study the potential and prospect of agricultural entrepreneurship in India
- To study the role of government and training institutes in development of rural entrepreneurship in India
- To study problem faced by rural entrepreneurs in India
- To identify and analyse the entrepreneurial skills in farmers

6. Evolution of Entrepreneurship in India

Entrepreneurship is considered as the key indicator of economic development of any country. Entrepreneurs create new businesses which create jobs for the society, strengthen competition, productivity through technological changes leading to innovation. The word 'Entrepreneur' originally appeared in French language. In the 16th century, it was applied to those who were engaged in military expeditions. Entrepreneurship is not new but it is an ancient trade, which can be traced to the expedition of the Marc Polo, who attempted to establish trade routes to the Far East (Lanstorm B., 1967) in the era of the Marc Polo, the traders were known as merchant adventurers, who took an active role in trading. P.F. Drucker, defines an 'Entrepreneur' as one who always searches for change, responds to it and exploits it as an opportunity. Richard Cantillon, Irish French economist during the 1800s stated that entrepreneur is a dealer who purchases the means of production for combining them into marketable products Michael, O. (1985). One of the earliest definitions was given in 1734 where entrepreneurship is said to be self-employment with an uncertain return (Sharma and Chrisman, 1999). The early economists, such as John Baptiste, John

Stuart Mill and Alfred Marshall all included entrepreneurship into the economic spectrum of the time by defining the various skills and features of an entrepreneur. After, Independence the main occupation was agriculture therefore, in the First Five Year Plan emphasized on agricultural development and also the Green Revolution in 1960 has contributed a lot in making India self-sufficient in food production.

7. Agricultural Entrepreneurship

According to Heredero Agricultural entrepreneur is a person who introduces changes which directly or indirectly lead to higher agricultural output. Schendel and Hofer (1979) “consider entrepreneurial activities to be extremely important in strategic management and include new and existing organizations and company creators and managers in the entrepreneurial realm. The term corporate entrepreneurship encompasses many types of entrepreneurship that occur within existing organizations” (Sharma & Chrisman, 1999). These types phases of entrepreneurship include any type of innovation, such as a new product or service, a new process, or a strategic renewal (Zahra, 1995). Westhead and Wright (2000) add that entrepreneurship can even be seen as continuous actions, rather than a single undertaking. Singh (1970). a successful agri-entrepreneur must have positive attitude towards modernization and individual farming for the growth of agriculture in the country in contrast to traditional and successful enterprises. Herberton (1979) “defined entrepreneur as a person who initiate, organize, manage and control the affairs of business unit then combine the factors of production and supply goods and services”. Chatterjee (1992) “compared entrepreneurship to a mission and entrepreneur to a missionary. An entrepreneur is one who creates something new, undertakes risks and handles economic uncertainties”. Ganeshan (2001) stated that entrepreneurship is the capacity for innovation and caliber to introduce innovative techniques in the business operations. Baumol (1968) proclaimed that encouragement of the entrepreneur is the key to the stimulation of growth. Raj Kumar (2004) which explaining approach for developing rural entrepreneurship suggested an integrated approach for entrepreneurship development among rural people considering different social organization and institution and support facilities.

8. Agripreneurship in Rural India

The Agripreneurship should be careful, determined, visionary, hardworking, come up with ideas, communicative with organizational skills. Agripreneurship is greatly influenced by three factors namely the economic situation, education and culture in India. The Agribusiness scope has increased in the present scenario. The growth performance of agriculture at the national level was good during the 1980s and its deceleration during the

1990s was attributed to the stagnation of public expenditure on agricultural infrastructure, defunct extension services and biased economic reforms. The Indian economy is an agrarian economy; agriculture is the backbone of our economy. In India, agriculture has been practiced from the ancient times, when other sectors were not even in existence, agriculture was for sustenance. India is the third largest producer of food in the world. Indian market for fresh fruits and vegetables is estimated at \$35 billion. Frozen, canned, processed food, dairy to beverages and soft drinks, spices and food grains. For agriculture sector, the Planning Commission has laid down growth target of 4% for Eleventh Five Year Plan i.e. 2007-2012. The agriculture sector has achieved commercial importance and powerful sector contributing to Nation's GDP. Even Public Private Partnership and farmer's organization have contributed to the agriculture growth. Gerard McElwee (2006) "entrepreneurship is currently at the focus of much theoretical, practical and political interest. In Europe, agriculture has faced dramatic pressures for restructuring and facilitation of the entrepreneurial skills of farmers and stronger entrepreneurial orientation in the rural areas has been hailed as possible solutions for the emerging problems". Kumar (1998) "conducted a study on banana growers in Bangalore district of Karnataka State and reported that majority (54.0%) of the banana growers sold their produce to the consumers through middleman while (22.33%) of them sold to wholesalers".

9. Food Processing in India

The food processing industry refers to the business of processing food and introducing it in a new way. The rapidly changing lifestyle of people in India has led to a steady increase in demand for food processed products. In such a situation, traders can make a new place in this sector through less investment and better business support, for which the Ministry of Food Processing Industries is running many schemes. Under this, assistance is being provided for setting up a new unit, modernizing the existing unit, technical assistance etc. The food processing industry sector of India has considerable potential for production and export of processed food. The food market is about Rs 10.1 lakh crore, of which the food processing industry accounts for 53%, i.e. Rs 5.3 lakh crore.

Currently, India's agricultural exports mainly consist of raw materials, which are then processed in other countries, which is an indication that can be carried forward in the value chain. Despite India being one of the largest producers of agricultural commodities in the world, agricultural exports as a share of GDP in India are much lower than the rest of the world. Similarly, the NITI Commission cited a study that estimated an annual loss of Rs 90,000 crore after annual harvesting.



10. Conclusion

The Indian economy is an agricultural economy. More than 71% of the people live in rural India. Rural entrepreneurship has emerged as a new concept after Liberalisation in 1991 for creation of self-employment and reduction of poverty in the Country. An entrepreneurial activity is an old age concept in India. Education on management and entrepreneurial skills has become must in the present scenario. Education through field work and practices can enhance the skills among the farmers. Development is a stage which requires time to grow and help in changing the overall view. Education is basically sharing of knowledge, information to make them to identify the agripreneurial challenges. The entrepreneurship is the solution to meet the present obstacles which a farmer faces in the agricultural production. They are a part of large collection of people including other farmers, suppliers, traders, transporters and processors each of who has a role to play in the value chain. The farmers has to cope with the risks they will face in the complex world in which they compete they need to have an entrepreneurial spirit. The development of an economy in any nation depends primarily upon the important role played by the entrepreneurs. The role played by such entrepreneurs is of vital importance as it can provide ample of opportunities by using innovations to exploit the available resources through practicing Agripreneurship

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