

“MAKE IN INDIA AND RURAL ENTREPRENEURIAL OPPORTUNITIES”

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Abstract

The rural population of India for the year 2014-2015 is 68% as stated by the World Bank. In the rural areas agriculture happens to be the main source of income entrepreneurship basically means starting, owing, a business while innovating and reaping the profits. Rural entrepreneurship ensures value addition to rural resources in rural areas engaging largely rural human resources. Rural entrepreneurs play a vital role in the overall economic development of the country. The growth and development of rural industries facilitate self employment, results in wider dispersal of economic activities and industrial activities .and helps in the maximum utilization of locally available raw materials and labour. There is a huge gap in the urban and rural areas, in terms of the infrastructure, the market the income , way of living ,etc. the main idea or the objective of promoting rural entrepreneurial ventures is to reduce the disparities and develop the rural sector by breaking the cycle of poverty.

Keywords:

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OBJECTIVES

The objectives of the study are to find a link between rural entrepreneurship and rural development. The following points have been focused while doing the research

- Concept of rural entrepreneurship
- Challenges and concerns
- Types of rural entrepreneurship
- Success stories of different rural entrepreneurs
- Organic farming as an exciting track for budding entrepreneurs

INTRODUCTION

What are entrepreneurs? Someone who exercises initiatives by organizing a venture to take advantage of an opportunity and, as the decision maker, decides what how, and how much of a good or service will be produced. So this process done by entrepreneurs basically means rural area entrepreneurship.

The international labor organization describes entrepreneurs as people who have the ability to see evaluate his opportunities, together with necessary resources to take advantage of the land to initiate appropriate action to ensure success. More specifically, the ability and willingness of individuals to (A) perceive and create new economic opportunities by ways of new economic opportunities by ways of new discoveries (new products, new organizational schemes and new production combinations),(B)to introduce their ideas in the market in the face of uncertainty and obstacles, (C) and whose efforts result in viable business that contributes to national economic growth and personal livelihood

Entrepreneurship can be visualized as a strategic development and catalyst to accelerate the rural development process. Most of the rural population are in major poverty and find it difficult to even live a sustainable life and provide

- elps in removing the cotton from unopened an semi opened shells of various cotton varieties this has significantly reduced labour work and has caused a big change in the cotton industry .

- Mansukhbhai prajapati invented a non stick clay pan , he was a potter by profession . he also invented a refrigerator made out of clay that runs without electricity and no maintenance cost . this is very helpful for people who cannot afford to buy a fridge.
- Dadaji ramji khobragade invented the HTM rice . this is high quality rice which yield 80% more rice than the conventional variety. It is now grown all over India in over 10000 acres.
- Madanlal kumawat developed a fuel efficient, cost efficient . multigrain thresher that yields cleaner grains , and can be obtained directly and removes the cost of cleaning .
- Ela bhatt founder SEWA self employed women association along with late arvind buch, who was the president at the time of textile labor association. This plays an important role in empowering employment among rural women in Bihar. The association was set up in 1972. The main aim was that it assisted women to buy solar bulbs with loan from SEWA and sell them and rent them to families in the villages and towns of Bihar.
- Thinlas chorol is the founder of ladhaki woman's travel company . she is the only woman to be professionally trained in the field of mountaineering . she was a guide with around ladhak with students : she has been on many expeditions and mountaineering trips . this gave her the incentive and ability to start her own enterprise, the outcome was increased in the tourism of ladhak Shrimant ganu shelake is an organic farmer from pandharpur . he owns 5 acre of land on which he cultivates organic vegetables without the use of a single chemical fertilizer. His rural enterprise has picked in such a way that now he earns an income of Rs 1.5 lakhs he believes that in india , any crop can be grown organically. In his farm he owns 3 acres of banana plantations and one and a half acres of cherries and red-berries each. two square meals for themselves and their families, therefore they are compelled to devise new innovative methods to earn income, get employment and live a sustainable life so that they can provide for the present generation as well as save for the future generations.

Rural entrepreneurship is emerging as a very important concept in the current scenario of the country. it is generally defined as “entrepreneurship becoming known at the village level which can take place in a variety of field endeavor such as business ,industry ,agriculture and acts as a potent factor for economic development.”

More than 50% of the population of Indian lives in the rural areas, hence the economic development depends a lot on the development and the standard of living of the rural mass. Therefore, it is important to focus on the development of the rural areas. The main focus of rural entrepreneurship is to ensure self employment opportunities as well as increase the employment opportunities . a lot of issues get solved in the country if rural entrepreneurship is taken seriously. The development in our country is mostly done only in urban areas the rural areas on the other hand are ignored most of the time. This is the reason the rich remain rich and the poor remain poor because they are not given the facilities and opportunities. countries like India

The second most populated county in the world. So the population in our country is huge most of the uneducated and unemployed people belong to the rural areas. These people in search of employment opportunities scatter out to the urban areas. This is the reason why we have slums. If people in the rural areas have opportunities in their own village then there is no need for them to migrate

Rural entrepreneurship also plays a major role in providing employment opportunities and ways of earning income for the poor in the rural areas. As the pressure of the increasing population grows in the land that is, scarce and developing countries like India , the increase in the agricultural production will not be able incorporate the increasing labour force in the agriculture employment. Therefore increase in the number of entrepreneurs in different sectors is necessary, there is steady grown in the education among the population of the rural sector which incorporates professional adequacy among rural youth .this offers the perfect position for enterprises to spring in the rural areas where the cost of production, operation, and availability of raw materials is considerably much more economical if u compare it to the urban parts of the county.

In order for entrepreneurship to taken place in the rural areas the resources that are locally available should be used to its maximum potential for an entrepreneurial project, also the farm produce dispensation should be made batter. The more the increase in rural entrepreneurs, then the number of migration reduces the migrants from rural to urban areas decrease. Also if there are entrepreneurs in the rural areas the level of discrimination tends to reduce. Discrimination in terms of income, standard of living. The level of unemployment also reduces. The heritage of the

country is preserved throughout the art and creativity. Basically the development of the country as a whole increases and so does the economic conditions.

BASIC TRAINING FOR PROSPECTIVE RURAL ENTREPRENEURS.

- We certainly do not require MBAs to run or start rural enterprise.
- Some basic training is required for rural people to become prospective entrepreneurs.
- Motivation through success stories and actual visits to successful enterprises in that area.
- Information related to government agencies and their role.
- Systematic way of identifying opportunities
- Access to model projects or sources for preparation of project reports
- Sources of finance
- Government programs or subsidies
- Knowledge of accounting
- Training in the areas selected by prospective entrepreneurs.

HOW TO DEVELOP RURAL ENTREPRENEURSHIP?

- Strengthen the raw material base in rural areas
- Funds should be available on time and at soft terms and conditions
- Develop entrepreneurial competencies through training
- Disseminate information about the available facilities
- Modern infrastructural facilities
- NGOs in rural areas

TYPES OF RURAL ENTREPRENEURSHIP

Entrepreneurial capabilities remain the same in basic terms as the definition of entrepreneurship but it differs when it comes to rural entrepreneurship. It differs in as lot of terms like the objectives , risks, attitudes, desires. Etc. they have to be very careful and cannot take a lot of risks because of capital base.

Broadly we can categorize rural entrepreneurship in four categories:

1. **INDIVIDUAL ENTREPRENEURSHIP:** only one person involved .bearer of all risk and recipient of all profits. The entrepreneur has unlimited liability under law. It is also known as sole proprietorship.
2. **GROUP ENTREPRENEURSHIP:** two or more persons involved. Classified into three categories-partnership, private and public limited company.
3. **CLUSTER FORMATION:** group of similar things. It includes NGOs, self help groups , community based organizations,etc. Cluster formation also includes alliance of group individuals on the basis of income,caste,occupation,etc.
4. **COOPERATIVES:** it consists of self sufficient business, organizations that work together for the same purpose. they Share their profits and losses.

According to the objectives and the social structure of the rural entrepreneurs they can be categorized into:

- **FARM ENTREPRENEURS:** agriculture is the primary source of income for the Indian economy. These farm entrepreneurs are business people who focus on farming. Their source on income is farming. They cannot work as individuals, they include other people as well like other farmers, traders ,suppliers, transporters, etc. It's like a chain and each of the members have a role to play in the process of producing and supplying these these products.
- **ARTISANS:** an artisan is basically a skilled laborers who makes things by hand . They include goldsmith, tailor, potter, .tanner, weaver, stone masons, etc. these artisans form the backbone of the economy.
- **MERCHANT & TRADERS:** merchants are traders who basically trade commodities to get profit. They commercialize products that are demanded by locals of the rural areas. They not just provide the products and play the role of intermediary, but they sometimes also produce the goods.
- **TRIBAL ENTREPRENEURS:** they are the people who work mostly in the tribal villages. Their source of origin is tribal community.

SOURCES OF FINANCE

Not all entrepreneurs are financially stable and hence they may require the help and assistance from financial institutions or banks for the project. Some various sources of finance are:

1. Commercial banks: commercial banks are necessary urban based foundations. Some rural entrepreneurs are seen as high hazard borrowers in the manner expanding the validity of insurance security .the small scale size of the loan suggests helter-skelter in regulatory costs , aggravated towards times, by the geographical scattering about possible customers. yet the rural borrowers themselves look at these banks as ill favored sources of credit. The unpredictable procedures, outsiders attitudes of bank staff, secondary transactions expenses, furthermore secondary guarantee necessitates are for example ,such that with successful lessen the approachability of business bank credit on little borrowers – a circumstance that applies at the bank even when the ownership is public.
2. Cooperative banks: a cooperative bank is monetary institution . which belongs to its members, who happen to be the owners as well as he clients. Co-operative banks are mostly established by people who are members of the same locality or similar profession sharing a familiar appeal. They are basically the first legislature sponsored and subsidized organization in India. They likewise get monetary help from RBI, NABARD, central and state government.
3. Agriculture and rural development banks-it is the most important source of finance for the rural entrepreneurs. they aim and specialist in providing funds to the small scale rural businessman and industries. It also gives training provisions to the organizations working in the upliftment of the society . It also co-ordinates the provincial financing excises that are engaged in development fill in at the field level. The reserve bank of India (RBI) and different national level organizations are worried about establishing the policies. It undertakes checking furthermore observing form assessment of tasks refinanced by it.
4. Regional rural banks- the Narsimham council looking into the country's condition proposed the foundation of the regal rural banks on the basis that that might stand a chance to be significantly exceptional suiting overt the business banks or co-operative banks in meeting the necessities of the rural region. The RRBs were made “with a perspective with creating they provincial economy by providing the reason for improvement of agriculture, trade, commerce, industry and other profitable exercises in the rural areas, credit and other facilities especially to small and minor farmers, basically small entrepreneurs, also for matter associated therewith furthermore coincidental thereto.
5. Small industries development corporation-SIDC are aid state claimed organization in the states of India which were made at different times under the schemes of government of India in

the encouragement of small scale industries. there are approximately 28 SIDCs in India. They are additionally manage the schemes of the local state government. the undertakings and surveys of the industrial prospective are provided aid by them.

6. Non banking finance companies- NBFCs in India are recorded or registered organizations managing business movements very much alike the normal functioning banks . one function of non banking finance companies is to incorporate providing loans and advances to entrepreneurs and consumers ,purchase of sellable securities, renting of hard assets , they have a powerful ‘relaxed ’perception of the integrity of the borrower and have the ability to form their loans appropriately.

LEGAL REQUIREMENTS:

Though the household and cottage industries do not require any registration, the small scale industries require registration through DIC. Registration with trade tax, service tax, etc, .it also requires depending on the nature of work.

In case the enterprises can be classified as industry, the following laws are applicable:

- The factories act
- The industrial dispute act

The following laws are applicable even if the enterprise is not classified as an industry.

- Minimum wages act
- Payment of gratuity act
- ESI act
- Payment of wages act
- Payment of bonus act
- Prohibition of child labour
- Pollution control act
- Other specific laws applicable to various types of activities.

RURAL INDUSTRIALIZATION

Rural industrialization is a location of industries, small or large in the rural areas. Rural industrialization increases the development of rural areas as well as the condition of the people

living in the rural areas. The rural industries provide large scalar employment and offer equitable distribution of income. also, the workers of the industries get special skills in the work that they are doing. The rural industries rely on the raw materials provided by the rural sector or the rural population for marketing their products.

Small scale industries in rural areas.

- Food processing
- Cottage industry
- Handicraft industry
- Dehydrated food and vegetables
- Poultry industry
- Fruit based beverages
- Exotic fruits and vegetables
- Pottery industry
- Horticulture
- Sericulture
- Agriculture related products- manure making, fertilizers etc.

Advantage of rural industrialization

- Certain small industries can be started with low capital investment
- They create job opportunities
- The local industries use the raw materials, skill and experience providing to the demand of the local there and all this in turn reduces the cost of transportation
- It also helps in reducing the migration of the rural people to the urban areas
- Reduce unemployment
- Rural industries are able to to manufacture the best quality products which uses skilled labour of the local

CHALLENGES

Entrepreneurship mainly depends on the economic climate as well as on the various opportunities available. One cannot say that entrepreneurship is static it is going on constant

,changing process. Especially rural entrepreneurship, because of the conditions of less capital and lesser knowledge of technologies, faces many issues and challenges.

1. One major problem is the knowledge gap faced by rural entrepreneurs. The existence of this gap is due to the lack of training and facilities for the rural people, as a result there is a lack of knowledge of markets, innovative and efficient use of resources.

2. There is also a major lack of technical and other knowledge on the urban side, as they do not have in depth knowledge of the rural endowments and resources, that the local people have. Therefore when the policies are made and steps are taken to increase the rural entrepreneurship, there are a lot of loopholes which slows down the emergence of the venture.

3. Finances are a big concern for the development of these rural ventures. Without finance an entrepreneur cannot run his or her business . Rural entrepreneurs fail to get loans and credit facilities since they do not have any single tangible security and credit in the market.

4. The rural entrepreneurs face a lot of problem while complying with various legal formalities and documentation. therefore most of the rural enterprises are left unfinished due to the problem of poor administration

5. Due to the lack of infrastructure rural industries need compliance of different regal regulations in acquiring the government's approval and license for carrying out industrial activities. But the entrepreneur in the rural areas find it difficult to follow various legal formalities due to their complexities and of illiteracy and ignorance. New made policies have to be made easier and paperwork free.

6. There is a problem of low quality products being produced by rural enterprises, therefore there is not much demand in the market.

7. There is also non availability of skilled labour, in the rural areas . and entrepreneurs find it difficult to search for skilled workers.

8. The purchasing power of the rural consumers are low when compared to the urban population .since the rural consumers hardly have any disposable income due to less surplus.

9. Competition from large scale and urban industries. They cannot compete with the urban entrepreneurs due to lack of standardization and branding and quality of products. They also do not have the same marketing and advertising techniques.

10. Middleman- rural entrepreneurs are mainly dependent on middleman for marketing their products. But they are cheating the entrepreneurs with low price for their goods . this system is also increases the price of goods for the customer therefore again causing les demand.

Most of the challenges and the setbacks cause a lack of the overall development. rural entrepreneurship is mainly meant for the mass upliftment of the rural areas. Due to the lack of basic facilities- finance, technology, social awareness, it causes many issues that the rural sector has to overcome. These problem cause a setback at the local level which ultimately affects the development and the economy of the country. All these challenges cause a decline in the productivity, decline in generating surplus within the country and an increase in the migration from rural areas. This causes the widening gap between the rural and the urban sectors.

SCHEMES AND POLICIES

There are many policies and schemes to promote rural enterprises, however not all of them are found beneficial to rural entrepreneurs. The schemes are:-

- Rajiv Gandhi udyami mitra yojana (RGUMY)
- Integrated rural development programme
- Training rural youth for self employment
- Sampoorna gramini rozgar yojana

RURAL ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES

- NABARD – national bank for agriculture and rural development.
- REDP- rural entrepreneurship development programme

CASE STUDIES

Nowadays in a country like India where the make in India programme has taken over the reins of entrepreneurship, rural entrepreneurship is a new are that has captured the attention of the masses. Most of the rural entrepreneurs are innovators who have worked for the public and for the economy as a whole. a research was done using secondary data to find out the different

innovations done by rural entrepreneurs all over the country in various sectors and how it has helped accelerate development. Following are some success stories of rural entrepreneurship.

- Santosh kaveri is a rural prodigy and helped hundreds of farmers' his low cost innovation. he comes from a financially weaker family from belgaum Karnataka, he started inventing things like a carrot cleaning machine, brake system for bullock cart, eco water coil etc. boosting the life of rural India to a faster pace. He is working for the betterment of farmers.
- Mansukh bhai jagani from Ahmadabad developed a motorcycle based tractor for the rural poor farmers which was cost efficient and fuel efficient. It can plough an acre of land in 30 minutes with 2 liters of fuel which becomes easier for farmers and increases the productivity . this motorcycle can carry out various function like plighting , furrow opening and sowing.
- Mansukhbhai patel from Ahmadabad invented a cotton spinning machine which has cut the cost of cotton farming significantly and has revolutionized the cotton industry.

Results

Since most of the rural entrepreneurs work for the masses and rural people which are the backbone of India economy , as a result can be inferred indirectly by linking an upliftment of the lifestyle and accelerated of the development of the economy most of the rural entrepreneurs are not educated and in the number of innovations so as to increase the productivity. have started his enterprise out of necessities and not profit . they however do not get a profit in terms of increased productivity . however experience, age, family background and skills play an important role in determining the entrepreneurial efficiency of the aspirant . it was found that nearly one-fourth of entrepreneurs were females. There has recently been a movement from farming activities to non farming activities causing greater window of employment opportunities.

However a disadvantage of this concept is that because of invention of new machinery, less labor is used which is in contradiction to the program of employment of access labor and manpower in India. But the use of newer and economic development as a whole . therefore it should be balanced in such a way that the process of reducing employment should be discontinued and there should be an increase

CONCLUSION

After doing research on rural entrepreneurship as an enabler for rural development, there has been an understanding of the fact that the rural entrepreneurship does not help rural development of the economy as a whole directly, however there is an indeed relationship between the two . Rural entrepreneurship is, mainly started because of the difficulties faced by the rural masses and population on their day to day lives. therefore in order to have and enjoy a subsistence living, even if there is no profit or surplus , if they can provide themselves and their families, while, at the same time working for the betterment of their community , they develop new and innovative methods of living which ultimately runs into rural, small enterprise.

Most of the rural entrepreneurs do not work for profit or a surplus, however, if their enterprise increases, they can use and invest the excess surplus into their enterprises with a hope of expanding.

However the rural entrepreneurs do play a vital role in the economy, they cause self-employment, and expansion of their industries makes a proper use of resources and natural raw materials. Their local knowledge can also be put to use in developing and increasing the production in a sustainable way.

On a larger scale, the country's exports also increase because of the selling of locally produced good abroad in foreign trade. Nowadays, with the country being aware of schemes like make in India, it has increased the demand for locally produced goods and services.

Even in sectors like organic farming, the farmers produce for self sustenance not for profit motive. however, in a country like India where there is so much potential in the form of manpower , resources, local knowledge, raw materials there should be a shoot up in rural entrepreneurship so as to facilitate an increase in the overall productivity and development of the country .

India lives in its villages- Mahatma Gandhi

The economic development of the country depends mainly on the standard of living and the incomes and lives of rural population. Rural industries and enterprises play a very important role in the development of the national economy. Rural entrepreneurship accelerates and enhances local indigenous talent. It recognizes the potential of causing a growth in their productivity using agriculture or other methods. It increases the economic value of the country by the creation of new and improved methods of production, forming new markets, creating new products and generating employment opportunities. All this causes a continuous increase in the overall development.

Rural entrepreneurship is one of the most important and strong input in the development of the country. It can be counted as one of the major causes to increase the employment, reduce poverty, reduce migration of rural population to the urban area, reduce the building of slums and increase the development of rural and backward areas.

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