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**RURAL ENTREPRENEURSHIP IN INDIA****Shete Parvati Vishwanath****Research Scholar, S.S.A. Arts and Commerce College Solapur.****ABSTRACT**

*The economic growth of developing country like India is largely depending on development of rural area and the development of rural area will be possible through development of different entrepreneurship activities in rural area. Entrepreneurship is an important factor of economic growth, innovation, and employment so the present paper identify challenges associate with rural entrepreneurship and to find out solutions for the entrepreneurship from rural area. The other objective is to study status of rural entrepreneurship in rural area in developing countries like India.*

**KEYWORDS:** *Entrepreneurship, Rural entrepreneurship, challenges, establishment.*

**INTRODUCTION**

India is called land of villages. There are around seven lakh villages in India and more than 70% of population lives in villages. India is developing country so most of peoples are facing socio economic problems. To minimize the problem like unemployment, poverty problem entrepreneurship is good solution but the developing country like India. Most of the entrepreneurs are facing various challenges. So it is need to find the various problems faced by entrepreneurs. Rural entrepreneurship helps for the economic development of villages which helps in balanced regional development and finally the development of India.

**1) Entrepreneurship:**

Peter F. Drucker defines an entrepreneur as one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service.

**2) Rural entrepreneurship:**

Rural entrepreneurship means entrepreneurship emerging at village level (Non urban areas) .It means any business, enterprises started in rural area is called as rural entrepreneurship.

In other words rural entrepreneurship means to the development of a new enterprise in the rural area.

**Need of Rural Entrepreneurship:**

- 1) Rural entrepreneurship helps to give and to create more employment opportunities in rural area.
- 2) Rural entrepreneurship helps to reduce poverty from rural area.
- 3) Rural entrepreneurship helps to maximum use of resources available in rural area.
- 4) Rural entrepreneurship helps to increase slandered of living of peoples in rural area.
- 5) Rural entrepreneurship helps in balanced regional development.



- 6) Rural entrepreneurship helps the development of economy of the developing country like India.
- 7) Rural entrepreneurship helps in the protecting and promoting culture of India.

### Types of Rural Industries:

In rural area most of the entrepreneurship activities are helpful for rural development and for other business. In rural area entrepreneurship activities come under the following categories:

- 1) Agro Based Industries: In rural area most of the business includes agro based industries like sugar industries, jaggery, oil processing from oil seeds, pickles, fruit juice, spices, dairy products etc.
- 2) Forest Based Industries: In rural area also forest based industries are included like wood products, bamboo products, honey, coir industry, making eating plates from leaves.
- 3) Mineral based industry: Cement industry, stone crushing, wall coating powders, etc. are included in the mineral-based industry.
- 4) Textile Industry: like spinning, weaving, coloring, bleaching are included in this category.
- 5) Engineering and Services: It includes agriculture equipments, tractors and pump sets repairs etc.

### OBJECTIVES:

1. To identify challenges of entrepreneurship in rural areas.
2. To identify opportunities of entrepreneurship in rural areas.
3. To suggest appropriate measures to face the challenges
4. To study status of rural entrepreneurship in India.

### METHOD:

There are two methods of data collections primary sources and secondary sources but for the purpose of this study the secondary data is to be used. The secondary data will be collected from book, government reports, journals, magazines, internet etc. This helped to identify the challenges and faced by rural entrepreneurs.

### SCOPE OF STUDY:

The present study makes the researcher to have an insight about the challenges of rural entrepreneurship in developing country like India. This study will help to suggest necessary remedial measures, to reduce the problems faced by entrepreneurs from rural area.

### Rural Entrepreneurship in India:

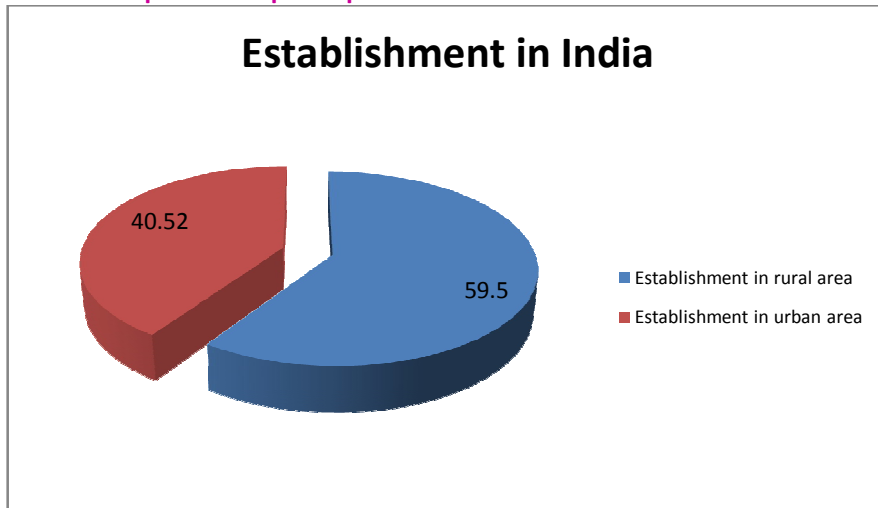
The rural women entrepreneurs are participating more. Also they are contributing more than urban area women entrepreneurs for the economic growth but their contribution is largely neglected so the below tables shows their contribution .

**Table.1.1 Table showing number and Percentage of Establishment in India and Employment there in .**

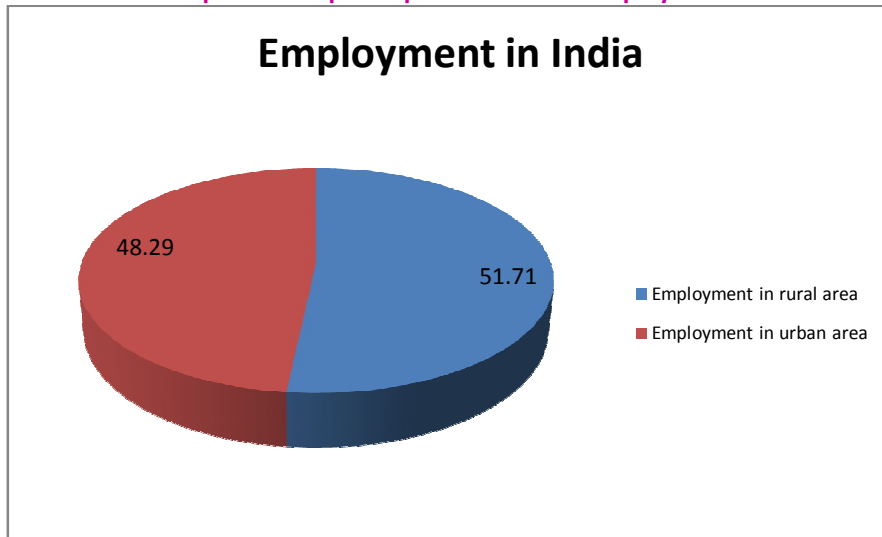
Sr.No		Employment		
		Rural	Urban	Total
1	Establishment in India	3,47,95,754(59.48%)	2,36,99,605(40.52%)	5,84,95,359
2	Employment in India	6,78,95,421(51.71%)	6,33,98,447(48.29%)	13,12,93,868

(Source: Sixth Economic Census 2013, Maharashtra p no.18 P no 21, 22)

**Graph 1.1- Graphical presentation of Establishment in India.**



**Graph 1.2- Graphical presentation of Employment in India.**



As per the Sixth Economic Census (2013), the above table and graphs shows that there are total 5,84,95,359 number of establishments were found in India of which 3,47,95,754 (59.48%) number of establishments were found in rural areas in India and 2,36,99,605 (40.52%) number of establishments were found to be located in urban areas in India. It means more number of establishment were found in India There are around seven lakh villages in India and more than 70% of population lives in villages. It means the development of India is depending upon development of rural establishment. Around 13,12,93,868 number of persons were employed in 58.5 million establishments in India. Out of the total 13,12,93,868 number of persons, 6,78,95,421 number of persons (51.71%) were employed in rural areas in India and 6,33,98,447 number of persons (48.29%) in urban areas in India. It means more number of persons were employed in rural area of India which helps to reduce the problem of unemployment.

**Growth of Establishments and Employment:****Table.1.2 Table showing growth of establishments and employment**

Sector	Item	Fifth EC*	Sixth EC	CAGR(%)	Total Growth(%)
Rural	Establishments	2,51,46,177	3,47,95,754	4.14	38.37
	Employment	5,03,74,053	6,78,95,421	3.80	34.78
Urban	Establishments	1,61,07,453	2,36,99,605	4.95	47.13
	Employment	4,46,79,954	6,33,98,447	4.47	41.89
Total	Establishments	4,12,53,630	5,84,95,359	4.46	41.79
	Employment	9,50,54,007	13,12,93,868	4.12	38.13

(Source: All India Report of Sixth Economic Census 2013, p no.119)

The above table shows the number of establishments and employment in last two economic censuses and inter-census growth rate of establishments in respect of rural, urban and combined over the period 2005-2013. From the above table it is found that total compound annual growth rate (CAGR) of establishments per year during 2005-2013 was 4.46%. In urban areas it was 4.95% and in rural areas it was 4.14%. It means the growth rate is more in urban area. The total growth in number of establishments during 2005-13 was 41.79%. As far as employment is concerned, overall CAGR of 4.12% was observed during 2005-13. During 2005-13, a CAGR of 3.80% was observed in rural areas. For urban areas, a CAGR of 4.47% was observed during 2005-13. The total growth in number of workers during 2005-2013 was 38.13%. Over an intervening period of about 8 years between Fifth EC and Sixth EC, the total number of establishments in the country increased from 41.25 million in 2005 (EC2005) to 58.5 million in 2013 (EC2013), registering a growth of 41.79% during the period. The growth was 38.37% in rural areas and 47.13% in urban areas (Source: All India Report of Sixth Economic Census 2013, p no.119). It means the growth rate in rural area is low because most of the entrepreneurs from rural area are facing various problems which affect their business. Some common problems and suggestions for them are mentioned below.

**Problems associated with rural entrepreneurship:**

There are more problems associated with entrepreneurship activity from rural area but few of them are listed below:

**1) Financial problem:**

Finance is the primary requirement of all activities of entrepreneurship but mostly entrepreneurs from rural areas face the problem of finance due to poverty, low income, low employment opportunities etc. The entrepreneurs from rural area are facing a lot of problems for getting the finance for entrepreneurship activity which caused less development of entrepreneurship activity.

**2) Marketing problem:**

The entrepreneurs from rural area having lack of marketing knowledge, lack of use of marketing technique, lack of use of innovative ideas so most of the entrepreneurs from rural area are making less profit and they are not able to face the competitions.

**3) Managerial ability problems:**

The most of the entrepreneurs from rural area are facing the challenge of Managerial deficiency. For the success of entrepreneurship activity there is need of proper planning, right time decisions, and proper

communications etc. but most the entrepreneurs from rural area having lack of managerial abilities which caused poor performance of entrepreneurship activity.

#### **4) Individual problems:**

The entrepreneurs from rural area having individual problems like lack of work-life balance, self-motivation, fear of risk, lack of training, illiteracy, and lack of experience, which caused low performance and less profit .

#### **5) Natural problems:**

Most of the people from rural area facing the challenge of natural disasters like earthquake, flood, storms, heavy rain, and low rain etc. which affect adversely on entrepreneurship activity specially on farmers from rural area.

#### **6) Lack of Infrastructure facilities:**

In rural area there is lack of availability of sufficient water, electricity, roads, ware house, banking services etc. The Lack of Infrastructure facilities n area causes less growth and development of entrepreneurship activity.

#### **7) Social Challenge:**

In the rural area some major problems have been identified are, poverty, illiteracy, unemployment, homelessness which cause less growth of entrepreneurship development.

#### **8) Technology challenge:**

Most of the entrepreneurs from rural area suffering from technology challenges because most of them have lack of technical knowledge, technical assistance ,lack of training facilities ,so most of the rural entrepreneurs not able to produce qualitative product which caused less demand for products.

#### **9) Globalization challenge:**

Most of the entrepreneurs from rural are suffers globalization challenge due to lack of knowledge, lack of use of innovative ideas, lack of use of technology which keep them back from better performance and to face the challenge.

#### **10) Family challenge:**

The most of the entrepreneur's especially female entrepreneurs facing the challenge of family conflicts because still in India there is negative attitude toward female entrepreneurs which caused lower performance of entrepreneurship activity.

#### **11) Legal process:**

A lot of people before not able to complete legal process due to lack of education, lack of knowledge and lot of legal formalities are for starting business activity like to get business license, to get pollution certificate and various other forms of clearance so most of them face the challenge of legal process.

#### **12) Other challenges:**

There are also more problems related with entrepreneurship activity from rural area like poor quality of product, less quantity of products, raw material problem, lack of training ,human hazards etc. which affects negatively on entrepreneurial activity.

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**SUGGESTIONS:**

Rural industries are facing lot of problems from starting to till its function. Therefore, to reduce the challenge and for the better performance of entrepreneurship activity in the country the few suggestions are given as follows:

**1) Finance facilities:**

As finance is considered most essential factor starting and running the entrepreneurship so sufficient amount of funds must be available through Banks and financial institutions on easy terms and conditions.

**2) Marketing Help:**

To solve the marketing problems marketing centers should be established in rural area which helps them for selling their products as well as to reduce different marketing problems.

**3) Training programmes:**

Training is essential for the development of entrepreneurship. The training programmes should be started at rural area at low cost which helps rural entrepreneurs for participate in training programmes and take different types of training for the development of entrepreneurship. Through training programmes should try to create managerial abilities.

**4) Infrastructural facilities:**

Government should try to create and to develop infrastructural facilities in the rural sector for the development of entrepreneurship activity in rural area.

**5) Consultation programmes:**

Consultation programmes should be organised in rural are for changing negative attitudes of societies and family members.

**6) Education:**

Through educations the government tries to increase entrepreneurship abilities among the youth which will be helpful for better performance.

**7) Creation of awareness of various facilities and schemes amongst the rural people:**

The rural people are not aware of the facilities and schemes available in starting entrepreneurship in rural area so through training, different Programs, different advertisement tries to create awareness of various facilities available for them which help them to reduce their fear about entrepreneurship activity.

**8) Entrepreneurs themselves help:**

Entrepreneurs themselves help through attending different programmers, through training taking, taking different knowledge for entrepreneurship activity etc.

Besides the above provisions, the government the NGOs, the educational institutions and society should come forward to encourages, to start and to development of rural entrepreneurship in the country.

**CONCLUSION:**

The rural entrepreneurship helps in economic development of developing countries like India. Entrepreneurship Development is affected positively on development of rural areas and helps in balanced growth, to increase employment, to increase standard of living and to reduce poverty etc. So the Government should provide motivations through different schemes in rural area and keep consistency in the schemes which already introduced. The development of rural areas through entrepreneurship is not only the responsibilities of only government but it is responsibilities of society.

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