

Promoting Entrepreneurship In Rural Areas: Need Of The Hour

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INTRODUCTION

Overall, economic development of the country demands and depends on equal development of both rural and urban sectors. In the Indian scenario, the fact is that the urban sector is highly developed and is contributing more in growth process than that of the rural sector. When development gap between these two sectors broadens, then it creates so many economic and social problems in the country. Due to lesser employment opportunities in this economically deprived sector, rural youth migrate for the search of job, which creates imbalance between these two segments of the society. There are crystal clear reasons for this undesirable situation and one substantial reason is that there are less industries in this area, and need of the hour is to have industrialization in both the sectors and both should be equally grown. History has witnessed that even after over 6 decades of independence and industrialization in our country, still large part of the population remains below the poverty line because it inhabits the rural areas. Rural industrialization is the key for rural development because rural industries are labour incentive and have high potential for employment generation, which is a significant tool for creating job opportunities on the one hand and eradication of poverty on the other. Moreover, rural entrepreneurship is an innovative way to accelerate the rural development process. Albeit, efforts for developing entrepreneurship in rural areas are already on as our policy makers now accept rural entrepreneurship as the central force of economic growth and development, but more is required to be done in this regard.

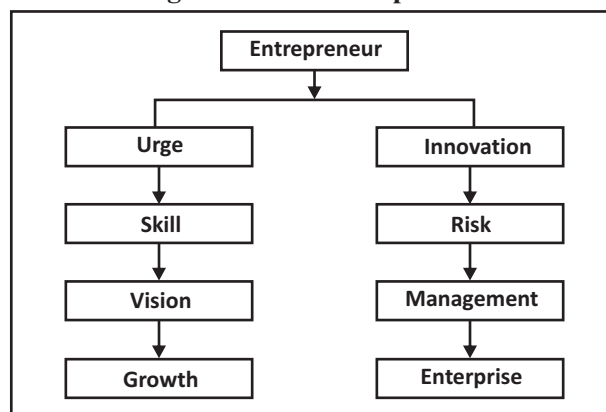
OBJECTIVES

In the present paper, an attempt has been made to highlight the need for nurturing strong entrepreneurship spirit and role of rural youth for promoting rural entrepreneurship. The paper further depicts importance of entrepreneurial education and awareness for facilitating new and prospective entrepreneurs to take up industrial activities without much difficulties. In the end, certain suggestions have also been made for strengthening the socio- economic structure of the country by fostering entrepreneurship climate.

ENTREPRENEURSHIP: A CONCEPTUAL FRAME WORK

Entrepreneurship concept, in whatever form it may be, is the base for all those pursuing entrepreneurship activities and the key to understanding the role of entrepreneurship in the development process of an individual as well as the

Figure 1: An Entrepreneur

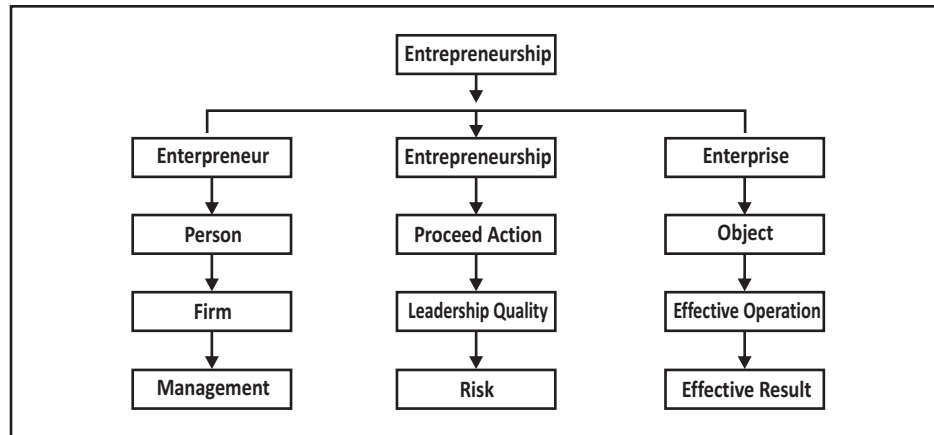


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country. The precise meaning of an entrepreneur is one who runs a business, creates his business, organizes, operates and bears risk of a business venture. An Entrepreneur perceives a need and then brings together manpower, material and capital required to meet the need. If an entrepreneur is a missionary, then entrepreneurship is a mission, that is why the term entrepreneurship is closely related with an entrepreneur. Entrepreneurship is an ability to discover, create or invent opportunities and exploit them to the benefit of the society, which in turn bring prosperity to the innovator and his organization. Since '*entrepreneurship*' is closely related with '*entrepreneur*' and this individual is a vital human factor, so it is important to understand how entrepreneurial developmental initiatives in one way or another can change the behaviour of the individual and create an urge in him to have his own enterprise. It is only proper entrepreneurship education, which can promote the holistic growth of the individuals, their ability to meet challenges in life and their ability to convert time and resource to the productive purpose.

Figure 2 : Entrepreneurship

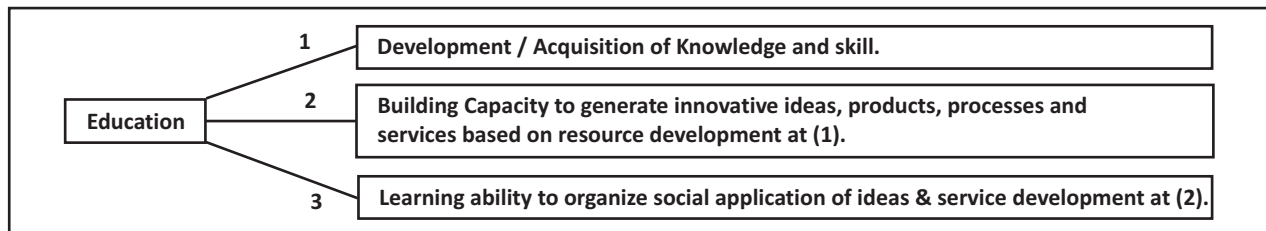


ENTREPRENEURIAL DEVELOPMENT

In India, the emphasis has been on generating entrepreneurial skill in the youth through the process of interdisciplinary learning. There appear to be concerted efforts to provide a pattern of education that is uniform and top down in its approach and that is consumer driven. Facilities do not exist in the present education system for freedom to learn and practice. There is also inadequate emphasis on skill development programmes.

Creating a learning environment is very important for the entrepreneur, because the learning environment creates in him an acceptability that entrepreneurship is more credible and purpose - full activity than anything else. Supportive role of govt. and financial institutes paves the way for prospective entrepreneur to develop the required skills and qualities for initiating new units. If informal learning can create zeal for starting or entering into venture, then formal learning and awareness can create wonder. Let us try to understand how education facilitates the sense of an enterprise in an individual. Education and awareness provides knowledge about how to tackle a particular situation and how to handle men, material and other resources for an enterprise. Education and awareness begets confidence for taking crucial decisions. An educated person can deal and communicate confidently with other. He knows the pros and cons of the issue.

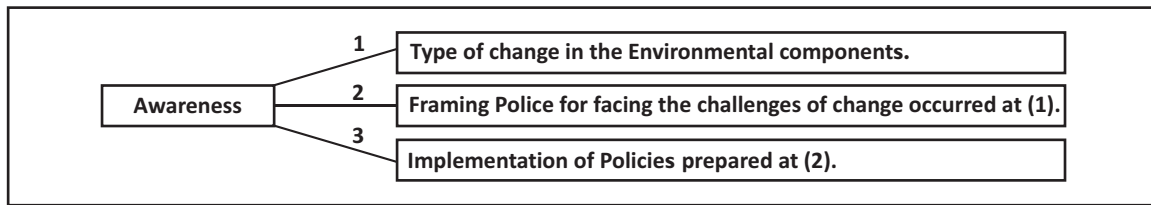
Figure 3 : Role of Education



Education develops technical skill which is pivotal for performing a particular job. Moreover, knowledge about

method procedure and process of manufacturing can be sharpened through education. Education develops work culture. The attitude of learned person towards work is likely to be more focused, orderly and organized, which provide tailor made solution to many problems. An aware person can collect information about present and future possibilities and its impact on enterprise functioning, he then prepares himself to face the challenge of change.

Figure 4 : Role Of Awareness



Awareness and education helps in building a vision. Developing an appropriate vision for an enterprise calls for synergy of various facilities of the mind, education helps in developing those mental faculties, which in return helps in building the necessary vision for the entrepreneur. Rural entrepreneurship means the ability of the individual to identify business opportunities in the rural areas. A key question here is - ***Upto what extent rural locations are distinctive from urban locations, from an entrepreneurship perspective?***

RURAL DISTINCTIVENESS

Various studies have been conducted on rural entrepreneurship and one common observation has been that rural settings have characteristics which present a unique context for small businesses. The result of a study conducted by an NGO on 76 rural enterprises is strongly supported the hypothesis that '*Rural Small Business Owners*' manage their businesses in ways that are consistent with rural socio- cultural values, demonstrating considerable influence of the reality that small business activities and rural distinctiveness can be used in a better way for growth of industries and development of rural areas, which is vital for the overall development of a nation as a whole . And if at all, rural entrepreneur possesses the characteristics which could contain focused approach toward that area, then we can cherish our dream of creating employment opportunities in this economically deprived sector for the coming generations. For that matter, we should know about different ingredients that forms the profile of a rural entrepreneur.

PROFILE OF A RURAL ENTREPRENEUR AS ROAD MAP FOR RURAL DEVELOPMENT

It is always the attitude of an individual that matters for development, rather than the availability of resources. If at all, rural youth have the will power to work for common benefits of all, then he can do wonders. The following characteristics are desirable from his persona:

1. He should have group orientation rather than an individualistic approach.
2. He should not consider the rural society as market, but consider it to be his own large family. This holistic approach can bring manifold benefits.
3. He should practice a management system and style where the concern for people is the highest.
4. He should have a strong commitment and dedication for the community for rural development.
5. He shouldn't be interested in usual perks and entertainment allowance. Social gain should be his perk and the smile on the faces of people of that locality should be his only allowance.

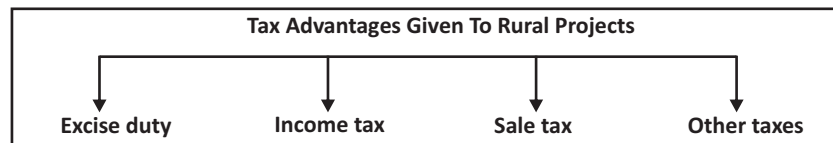
Rural youth can help in providing all social benefits to the people of rural areas only when they themselves live in that area . History is witness that there is migration tendency among the people of rural areas to urban areas for better opportunities. The Youth constitute one third of the total population and of them, 40% is unemployed. Studies have shown how a little bit awareness and impact of learning in the family can help in nurturing entrepreneur skill and can pave the way for the person to be an entrepreneur. So, rural entrepreneurs are required to play a special role for development of rural entrepreneurship. Moreover, they can avail many benefits for initiating their venture in rural areas.

ROLE OF RURAL YOUTH

The potential of rural youth can be used for the sake of developing rural entrepreneurship. Lack of work opportunities in the native place compel them either to work at farms or migrate to urban areas for the sake of earning their livelihood. The need is to create entrepreneurship environment for creating entrepreneurship skill. They should be trained and guided about how they can start a venture by taking maximum advantage of locally available resources. Moreover, they should have easy access to micro finance meant for initiating a new project. They can avail the following benefits of the rural industrial projects.

1. Exemption from paying tax for 5 to 10 years is given to industries established in backward and rural areas. The following different tax benefits are available for rural entrepreneurs.

Figure 5 : Tax Benefits



These tax benefits are in the form of direct and indirect taxes, but for that matter, an individual is required to fulfill certain conditions. These tax benefits are in the form of different tax holidays under section 10a, 10aa, 10b and 10ba.

2. Electricity is supplied at concessional rate of 50%. In some states, it is exempted for initial five years.

3. Water is given to industries initially on 'No profit, No loss' basis or on 50% concessional rate or water charge is exempted for 5 years.

4. Finance is also given for purchasing capital assets. Subsidy of 10-15% is given for giving initial boost. Loans are also given at reasonable rates.

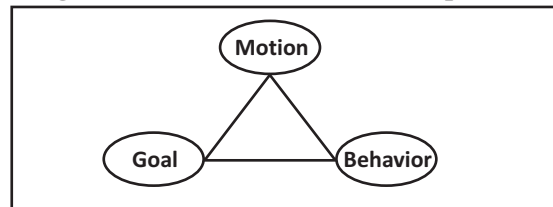
Consequently, a rural entrepreneur can exploit the following situations and resources:

i) Abundance of cheap labour.

ii) Advantage of local and regional resources in case the unit uses them as a raw material.

iii) Prestige and respect among the local community - live example for local youth for taking up entrepreneurial project. He can be a role model for others as he is a highly motivated person- as he had a need and he had channelized his behavior towards that goal.

Figure 6 : Behaviour of an Entrepreneur



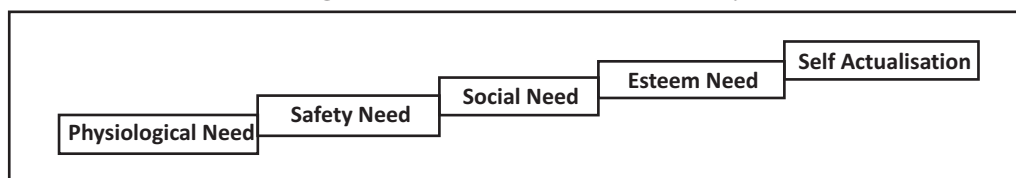
iv) Support and appreciation from local people.

v) Competitive advantage over the big businesses due to the proximity to the raw material and labours.

vi) Employment generation for local people.

In a nutshell, when an individual gets direct and indirect benefits from resources of his native place, he can then carve his own niche as he feels more motivated. Furthermore, he can move upward in the ladder of Maslow's need hierarchy and can achieve his self actualisation need.

Figure 7 : Maslow's Need Hierarchy



CONCLUSION

If entrepreneurship is a mission, than an entrepreneur is a missionary. It does not appear to be enough to select, motivate and train the rural entrepreneur for achieving the mission of rural development through rural industrialization. The growth of rural areas demands the specific policies for rural entrepreneurship. The formulation and election of strategic line for industrial activities in rural areas should have to be done in the light of national programme for balanced economic growth of the country. India has a huge hidden potential in all its distant, obscure villages, in the fields of traditional arts and crafts, food industry and the like. The problem is that both the natural and population dividends are not being optimally reaped through proper skill enhancement and incentives. There are very few programs for the training of such rural entrepreneurs, to help them to have the basic understanding of marketing, access to finances, their legal rights & obligations and the pros and cons of other related aspects. These resources have a great empowerment and growth potential. Instead of focusing on acquisition of land for SEZs, the government can more profitably focus on skill development of its existing population in order to reap the benefits of its demographic dividend and diverse natural and traditional resources.

Initiatives should be taken to attract entrepreneurial people from other areas to set up businesses, using marketing and promotion of the districts to a targeted entrepreneurial audience and taking advantage of the local contacts they may have. Local people currently living outside of the districts, but those who maintain family linkages should be a particular target group for such measures, because they will find it easier to recognize the quality of life and business opportunities the districts have to offer (e.g. lower living costs, access to grants, natural beauty) and may also have social reasons to return. What is needed is to create a situation so that the migration from rural areas to urban areas comes down. Migration per se is not always undesirable, but it should be the minimum as far as employment is concerned. Rather, the situation should be such that people should find it worthwhile to shift themselves from towns and cities to rural areas because of realization of better opportunities there.

RECOMMENDATIONS

The training for development of rural entrepreneurship has to be different from the entrepreneurship development training in urban areas. This is the reason that government initiated the integrated rural development programs. In integrated rural development programs, apart from providing the training to potential rural entrepreneurs, an “*industrial area potential survey*” is required to be undertaken to estimate the kind of industries that could be set up in that particular rural. There is a tendency in economically challenged communities, including those in rural areas, to emphasize their problems and deficiencies, often as a means of attracting public sector investment and support. As a consequence, it becomes difficult to see opportunities that may translate into economic advantage. An intentional mapping of local and regional assets - even the poorest rural communities have some assets, whether human, social, physical, or financial - can yield possibilities that might attract entrepreneurial interest and help improve economic competitiveness.

Broadening prospectus of business education and developing entrepreneurship spirit is potentially a powerful way to retain young people in rural communities. It also opens up new possibilities for dependent employees in trades and other professions, as well as those in agriculture and forestry, to consider how they can create their own business, particularly when they are not getting adequate rewards from their current employment and do not want to move away to the cities for better prospects. Rural entrepreneurship has to be embraced by community leaders as an effective alternative to attracting companies to relocate from other places. If people trying to start and expand their businesses are treated with suspicion or are not valued in the community, they will either abandon their venture or move elsewhere.

Fostering entrepreneurship demands strong networks and exchanges between entrepreneurs across regional and national boundaries. Technical assistance and training will need to be retooled to emphasize the importance of accessing broader markets for products and services. With the right support and good ideas, people can be nurtured through commercialization to the point at which they can attract venture capital investment. Using the appropriate networks, rural-based entrepreneurs can be connected to resources and markets outside their own region to create successful businesses. More should be done to encourage innovation in agricultural and food industries, basic industries and services and in smaller less capital-intensive companies.

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increases. The overall aim of ISO 14001 is to support environmental protection, and prevention of pollution in balance with socio- economic needs. By creating a mere image-man ship with a horrendous record of cutting corners and neglecting safety may not be tolerable.

Mineral Foundation of Goa, with the strength of their exclusive programmes, has contributed to economic growth, employment generation, social upliftment of communities and environment conversation in the mining belt of Goa. Health care has been at the heart of the foundation's activities. Efforts have been made to reach out to all the sections of the society, through general and specialized health camps for children and public, association with HelpAge India for the elder ones. Weekly OPD in remote areas, financial assistance for specialized treatment outside the state, and projects, wherein, free cataract surgeries have been taken just to benefit the community.

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