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Rural Development through Entrepreneur Development

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Abstract :

Indian villages are not developed since long. The Rural development is now connected to entrepreneurship. Entrepreneurship Development is a vital driver of economic growth, productivity, innovation, and job creation, and as a key aspect of economic dynamism. This paper focuses on the role of entrepreneurship development in the rural development.

Keywords : rural development, entrepreneurship, urbanization

Introduction :

Most of the rural areas around the world face economic challenges, due to their peripheral locations and also because of their declining economies. With the emergence of globalization and urbanization, many people who lived in rural areas before, have decided to move to urban centers, either for the updated infrastructure that cities have, or in exploration of the employment opportunities that industries in cities offer. This means that majority of rural regions and towns are facing migration and decline.

One response to the deterioration of traditional rural industries, such as agriculture and mining, has been the emergence of tourism orientated entrepreneurial activities. Certainly, many people indigenous to rural areas see tourism as a chance for them to stay and live in their region or town, without reducing their standard of living.

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The motives of the entrepreneurs in rural areas are numerous; meaning that not all of them become entrepreneurs because they are concerned about unemployment. Moreover many entrepreneurs see rural tourism as an opportunity to live a confident lifestyle, and many even move from urban areas to rural areas looking for the opportunity to develop ideas and fulfill their dreams.

The main purpose of this paper is to examine the role of entrepreneurs in rural development, and moreover, to investigate how the 'entrepreneur' impacts on the rural environment, in order to define the entrepreneurs' role in the rural development.

Entrepreneurship in rural areas is becoming a unique blend of resources, either inside or outside of agriculture. This can be achieved by spreading the base of a farm business to include all the non-agricultural uses that available resources can be put to or through any key 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 formation 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 and relatively has great impact on a rural community.

Rural entrepreneurship infers entrepreneurship emerging in rural areas. There is a increasing need for rural entrepreneurs because industrial units undertaken by rural entrepreneurs are providing much employment to men than machines. Institutions and individuals endorsing rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process.

Rural Scenario in India :

Most of the villages in India are still living with the agricultural production. The villagers are not focusing on the agro based allied businesses. There are least processing units of agro products. The youngsters are doing traditional farming or migrating for job. This scenario is now changing or need to change with the entrepreneurship development.

In recent years, Rural area have acquired significance in countries like India, as the overall growth of the economy has resulted into substantial increase in purchasing power of rural communities. On account of green revolution in India, the rural areas are consuming a large amount of industrial and urban manufactured products. The rural markets in India have growing in size, range and sophistication in recent times. Under the changing social-

economic scenario, the rural markets have great potentialities in India and offer bright prospects and attractions to the companies. The rural market is the new driving force of the “Indian Consumption Story”. With only 31.16% of the Indian population living in the urban area and 68.84% residing in the villages. (Census 2011), it is only the matter of time before rural India takes its rightful place in the Indian growth story. Businesses are looking for novel opportunities and avenues as a result of saturation in urban markets. The villages which were once inconsequential are now getting the attention of entrepreneurship.

Entrepreneurship Development :

Entrepreneurship development is the means of enhancing the knowledge and skill of entrepreneurs through several classroom coaching and programs, and training. The main point of the development process is to strengthen and increase the number of entrepreneurs.

This entrepreneur development process helps new firms or ventures get better in achieving their goals, improve business and the nation’s economy. Another essential factor of this process is to improve the capacity to manage, develop, and build a business enterprise keeping in mind the risks related to it.

In simple words, the entrepreneurship development process is about supporting entrepreneurs to advance their skills with the help of training and coaching classes. It encourages them to make better judgments and take a sensible decision for all business activities.

Process of Entrepreneurship Development

The below-mentioned steps will illustrate how to build an effective entrepreneurship development program for an entrepreneur to organize and launch the new ventures.

- **Discover** – Any new process begins with fresh ideas and objectives, wherein the entrepreneur recognizes and analyzes business possibilities. The analyzing of opportunities is a risky task, and an entrepreneur looks out for inputs from other persons, including channel partners, employees, technical people, consumers, etc. to reach an ideal business opportunity.
- **Evaluation** – The evaluation of an opportunity can be done by asking several questions to oneself. For instance, questions like whether it is worth taking a chance and investing in the idea, will it attract the consumer, what are the competitive advantages and the risk linked with it are asked. A reasonable and sensible

entrepreneur will also analyze his skills and whether it matches his entrepreneurial objectives or not.

- **Developing a plan** – After the identification of an opportunity, an entrepreneur has to build a complete business plan. It is the most important step for new business as it sets a standard and the assessment criteria and sees if a company is working towards the set goals.
- **Resources** – The next step in the process of entrepreneurial development is resourcing. Here, the entrepreneur recognizes the source of finance and from where the human resource can be managed. In this step, the entrepreneur also tries to find investors for his new business.
- **Managing the company** – After the hiring process and funds are raised now its time to start the operation to accomplish the desired goals. All the entrepreneur will decide on the management structure that will be assigned to resolve the operational problems whenever it occurs.
- **Harvesting** – The last step in this process is harvesting, where an entrepreneur determines the future growth and development of the business. Here, real-time development is compared with the projected growth, and then the business security or the extension is initiated accordingly.

Importance of entrepreneurship are;

1. Growth of Entrepreneurship.
2. Creation of job opportunities.
3. Innovation.
4. Impact on community development.
5. The consequence of business failure.
6. Political and economic integration of outsiders.
7. Spawns entrepreneurship.
8. Enhances the standard of living.
9. Promotes research and development.

Role of Entrepreneurship Development in the Rural Development

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 and relatively has large impact on a rural community (Nandanwar, 2011). Rural entrepreneurship implies entrepreneurship emerging in rural areas. There is a growing need for rural entrepreneurs because industrial units undertaken by rural entrepreneurs are providing much employment to men than machines. Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process (Saxena, 2012).

There are several reasons for the increasing interest in entrepreneurship in rural regions and communities. First and foremost, the traditional approaches of recruitment and retention are just not working for most places, and leaders are looking for viable alternatives. Second, there is a growing body of evidence from the Global Entrepreneurship Monitor, prepared annually by Babson College and the London School of Economics, on the critical role that entrepreneurs and small businesses play in driving local and national economies. Third, the structure of rural economies is essentially composed of small enterprises, which are responsible for most of the job growth and the innovation, and in any event, small businesses represent an appropriate scale of activity for most rural economies (Dabson, 2005). Dabson has identified four principal components of a successful entrepreneurship development strategy that are: there has to be a community culture of support for entrepreneurs, the strategy has to be entrepreneur-focused, a systems orientation has to be central to the strategy, and make available funding for innovative financing models.

Rural entrepreneurs have successfully diversified into or started new businesses in markets as diverse as agro-food, crafts, recycling, leisure and health. Diversification into non-agricultural uses of available resources such as catering for tourists, blacksmithing, carpentry, spinning, etc. also fit into rural entrepreneurship

The rural markets in India represent a significant opportunity for continued growth of the mobile industry, and for the economic health of the country as a whole. However, the research indicates that operators must overcome significant challenges in providing mobile coverage profitably to the rural population. These challenges include an acute shortage of

technical infrastructure across rural India, which slows the pace of mobile expansion and makes it more expensive; Diverse cultures, educational standards and technical knowledge in rural areas; Frequent power shortages across India, and the more rugged environmental conditions in rural areas. The research also found that the perspectives of mobile industry executives about the needs of rural customers differed significantly from that of the opinions expressed by some of those customers themselves when enquired about the rationales for making buying decisions. While it matched considerably in regard to barriers to mobile take-up in rural India.

Conclusion :

Entrepreneurship plays a significant role in rural economic development such as improvement in the standard of living, creation of employment opportunities, easing of poverty, utilization of local resources and reduction of rural-urban migration. Specifically, rural entrepreneurship is an important implementer of economic development especially in the rural areas. Entrepreneurship as a tactical development intervention that could accelerate the rural development process. It seems to be a consensus on the urgent need to promote rural enterprises and see entrepreneurship as a tool to progress the quality of life for individuals, families and communities and to withstand a healthy economy and environment. Rural entrepreneurship is not only an significant means of improving the socio-economic wellbeing of people in the rural areas with low capital cost and rising the real income of the people, but also essential to the development of agriculture and industries to stand-in economic growth in any nation. It is recommended that rural entrepreneurship can be encouraged and promoted through the provision of incentives to rural entrepreneurs in the form of tax relief and concession for some years. Also the Infrastructure in rural areas should be developed and maintained.

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