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**RURAL ENTREPRENEURSHIP FOR BALANCED DEVELOPMENT**

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**◆ ABSTRACT**

Rural Entrepreneur succeeding as an entrepreneur and an innovator in today's world is vastly different from what it was earlier. To promote entrepreneurs who would take to rural entrepreneurship in utmost earnestness and sincerity is to ensure rural development. Such enterprising people who prefer rural entrepreneurship may or may not themselves belong to rural areas. Entrepreneurship taking to rural entrepreneurship should not only set up enterprises in rural areas but should be also using rural produce as raw material and employing rural people in their production processes. Beside the existing generation of entrepreneurship also is passing through the transition period. They experience financial resource limitation to promote or to develop a venture and there is also look of research and is also experiencing behavior of entrepreneurial. Aim of most farmers is to earn profits from farming as from any other business, if he determines the objectives. A farm business necessary requires deliberate decision and proper investment, after assessing risk and available resources to maximize profit. There for entrepreneurship is not simply adoption of new activity but it is transformation of a person from traditional of modern India is known as "Home spices" and is in fact the largest producer, consumer and exporter of spices in the world.

**◆ KEY WORDS**

- Rural Entrepreneurship, ● Regional Growth,
- Social Exchange, ● Entrepreneurial Development

## ◆ INTRODUCTION

Entrepreneurship plays an important role in the economic growth and development of nation. It is a purposeful activity includes in planning, controlling, promotion and also distribution of various goods and services. The study of entrepreneurship reaches back to the work of Richard Cantillon and Adam Smith in the late 17<sup>th</sup> and early 18<sup>th</sup> centuries, but was largely ignored theoretically until the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. An entrepreneur is a difficult task in economic development and a very important part of the socio-economic transformation. It is a risk taking activity and also challenging tasks. The entrepreneurial improvement is not a one day job but also success in this sector never comes easily. It takes time and needs hard work, also systematic planning. 'Entrepreneur' refers to a person or group of persons who possesses a certain set of qualities and performs a certain set of activities, which go to make an entrepreneur. An entrepreneur is one who creates something new, undertakes risks, and organizes production and handles economic uncertainty. The entrepreneur is a crucial factor in the socio-economic changes who creates new opportunities and also co-ordinates various other activities. The role of entrepreneurship in economic development varies from economy to economy depending upon its materials resources, industrial climate and the responsiveness of the political system to the entrepreneurial function, the entrepreneurs contributes more in favorable opportunity conditions than in the economies with relatively a function of co-ordination, upgradation and supervision.

Rural Entrepreneurship can refer to new ventures that happen to be created in rural regions as the result of an intervention, such as a tax subsidy, to attract businesses into an area or via the in-migration of city dwellers that subsequently start businesses. It can also refer to the creation of ventures that result from the unique endowments in rural regions that do not exist in metropolitan areas. Such businesses may involve agriculture, lifestyle, and extraction and knowledge industries. Rural entrepreneurs in developing economies may already be living at a subsistence level when making the decision to start the venture. For a sustainable enterprise, production must take place at an efficient scale, which implies capital accumulation and hence, savings beyond subsistence level consumption. New ventures must be rapidly scalable, which implies a high level of capital and technology intensity relative to the share of labor and have access to fast growth demand markets. More importantly, because high value employment opportunities tend to be limited in rural areas, new ventures must be capable of providing employment to family and extended family members.

## ◆ CONCEPTUAL BACKGROUND

Entrepreneurship as a stabilizing force limits entrepreneurship to reading markets disequilibria, while entrepreneurship defined as owning and operating a business, denies the possibility of entrepreneurial behavior by non-owners, employees and managers who have no equity stake in the business, therefore, the most appropriate definition of entrepreneurship that would fit into the rural development context, argued here, is the broader one, the one which defines entrepreneurship as: “a force that mobilizes other resources to meet unmet market demand”, “the ability to create and build something from practically nothing”, “the process of creating value by pulling together a unique package of resources to exploit an opportunity”. This is why entrepreneurship is considered to be a prime mover in development and why nations, regions and communities that actively promote entrepreneurship development, demonstrate much higher growth rates and consequently higher levels of development than nations, regions and communities whose institutions, politics and culture hinder entrepreneurship.

“Youths in the rural areas have little options”, this is what they are given to believe. This is the reason that many of them either work at farm or migrate to urban land. The need is to plant other options in the minds of rural youth. Entrepreneurship could be the best option. Of planted and nurtured in the minds of rural women and youth, it could result in revolutionizing the Indian economy. It should be emphasized that the projects undertaken by these entrepreneurs should not be constrained by its location in rural area. It should enjoy all the advantages of the location.

## ◆ THE OBJECTIVES OF RESEARCH STUDY

1. To study the conceptual background of rural entrepreneurship.
2. To study a social exchange view of rural entrepreneurship in India.
3. To give some suggestions for developing entrepreneurship in the rural areas.

## ◆ RESEARCH METHODOLOGY

With the above objectives keep in mind the instructed Interview Method and Desk Research Method was basically adopted.

The Secondary Data is collected from various reference books related to Rural Entrepreneur, Entrepreneurship Development, Commerce & Management, and Marketing & Finance etc. For said research study secondary data is also collected from the National and

International Research Journals which are related to Commerce, Management, Marketing, Finance, and Entrepreneur.

For the present research study the data pertaining to the above objectives was collected and reviewed the literature on the topic concerned. The literature was thus collected by visiting various libraries. Some Government offices were also visited for getting office record and statistical data. The secondary data is also collected from various websites

#### ◆ A SOCIAL EXCHANGE VIEW OF RURAL ENTREPRENEURSHIP IN INDIA

Systems-level theories of entrepreneurial development assume an institutional environment in which entrepreneurship is more or less a norm. For example, national innovation systems perspectives focus on the role of government policy in enabling technological development as the engine for economic growth. An elaboration of this perspective – institutional theory – posits the necessity for private property rights and a culture of risk taking as prerequisites for the emergence of ventures. Also, agglomeration theory argues that information spillovers can be the basis for the emergence of industrial clusters. Although such theoretical perspectives have yet to be fully verified in developing countries, their prescriptions inform policymaking for such regions. Where the social identity of entrepreneurs is not institutionalized in rural regions, the pre-startup phase may be more properly viewed as a social exchange phenomenon. According to social exchange theory, an individual contributes to the institutionalization of entrepreneurship in her social environment by engaging in the activities of opportunity search and resource assembly. In doing so, she also learns the norms expected from her role and attains legitimacy as an entrepreneur. Indeed, successful entrepreneurs are constantly engaged in social exchanges with a wide variety of networks to creating social capital through trust, mutual obligation, expectations and norm setting activities.

#### ENTREPRENEURS WAYS FOR ECONOMIC DEVELOPMENT IN INDIA

Entrepreneur is the key to the creation of new enterprises that energizes the economy and the established enterprises that make up the economic structure. Entrepreneurs initiate and sustain the process of economic development in the following ways –

- 1. Innovation and Entrepreneurship** - Mostly important emerging trend in entrepreneurship for the innovated goods and services for using customers. Customers demanded for manufacture production of variety of goods is possible due to new product. Innovation and entrepreneurship are interrelated concept of marketing.

2. **Generation of Employment** - Entrepreneurs generate employment both directly and indirectly. Directly, self-employment as an entrepreneur offers the best way for independent and honorable life. Indirectly, by setting up large and small scale business units they offer jobs to millions. Thus, entrepreneurship helps to reduce the unemployment problem in the country.
3. **Improvement in Per Capita Income** - Entrepreneurs locate and exploit opportunities. They help to increase Net National Product and Per Capita Income in the country.
4. **Expanding Internal Trade** - In this emerging trend in entrepreneurship for so many concessions, facilities and amenities are given to motivate expanding internal trade. Also various services like E-mail, Internet, other promotion skills etc. are increased trading activities.
5. **Improvement in Living Standards** - Entrepreneurs set up industries which remove scarcity of essential commodities and introduce new products. In the small scale sector help to improve the standard of life of a common man.
6. **Capital Formation** - Entrepreneurs mobilize the idle savings of the public through the issues of industrial securities. Rate of capital formation increases which is essential for rapid economic growth. Thus, an entrepreneur is the creator of wealth.
7. **Technological Upgradation** - The technological upgradation and the change in technology is the important emerging trend in entrepreneurship. Technological upgradation especially those resulting from the role of increasing production and also determined the favorable estimated cost.

#### ◆ CHALLENGES BEFORE ENTREPRENEURSHIP

Entrepreneurship is the new and it's about continual innovation and creativity. So the challenges before entrepreneurship in India are discuss as follows:

1. The Indian entrepreneurial spirit can only develop and grow if the Indian economy continues to grow on a sustainable basis. The risks to India's continued growth are terrorism, political corruption/statement. Non-inclusive growth that focuses only on the urban rich and stalled reforms.
2. India is a complex country with myriad castes, religions and languages. The political parties have evolved to address their needs and give the minority groups a platform and a voice that are heard at the national level. This is a reality, but India has the experience to manage the political processes and differences.

3. Entrepreneurship are not most successful in India, because in this sector facing the rigid institutional setup, political instability, marketing imperfection, failure promotional strategies, continuous flexible consumer demand and also traditional value system.
4. It will be easier for the government to address and repair old infrastructure through public private partnership. India is going through a structural not a cyclical change; hence, the process is slow and driven by the political process. We need investments in power, roads, ports and bridges.
5. Many entrepreneurs fail due to several barriers and problems like lack of market knowledge or lack of technical skills.
6. Critics argue that our field is weak because many E-Programs on that one person's drive and determination. The courage and passion of individuals who have developed courses, programs, centers, etc. that are now beginning to take root in our universities is a real tribute to the emotion that exists within the entrepreneurship field.
7. Raw material is a must for any industry. However the no-availability of raw materials accompanied by their prohibitive cost has weakened the viability of these industries.
8. Entrepreneurship cannot be a field that succumbs to stagnation. It must recognize and apply technologies in the educational setting. In many respects entrepreneurship education may actually transform the educational setting.
9. One of the major problems faced in developing entrepreneurship in rural areas is lack of awareness and knowledge about the importance of developing industries in rural areas.
10. Those entrepreneurship increased pollutions for ecological imbalanced.

#### ◆ SUGGESTIONS

The following measures are suggested for making entrepreneurship development more successful in India –

1. There should be a continuous attempt to inspire, encourage, motivate and proper co-ordination and cooperation among all stakeholders in entrepreneurship concern.
2. An awareness programs should be conducted on a mass scale with the intention of creating awareness among all persons.
3. Need to create awareness for marketing philosophy in terms of production, product, and selling, marketing and societal concept of the marketing.
4. Promote entrepreneurial research and development activities in rural and urban areas.

5. Help in branding and positioning of the product and service with full guidance of marketing mix in business entrepreneurship and other financial and promotional supports of the business organization.
6. Organize training programs to develop professional competencies in managerial, leadership, marketing, financial, production process, profit planning, maintaining books of accounts and other skills.
7. International, National, Individual exhibitions, Seminars and Conferences should be organized to help entrepreneur to facilitate interaction with other entrepreneurs.
8. One effective way to the entrepreneurial attitude may be establishment and development of B-Schools in rural India and also establishment of colleges and universities in urban India.
9. The entrepreneurial development agencies should select right people, impart right training and entrust viable projects to make entrepreneurship development programs more successful.
10. Those trainees/persons should be selected after proper examination and various tests.
11. Need for strong infrastructure development especially in terms of transport, water, electricity, land, school, hospitals, communication, insurance and information technology for development entrepreneurship in India.
12. Educated unemployed youth should be selected on priority.
13. Need for government support and guidance in terms of financing and subsidy.
14. Persons having entrepreneurial traditional background in the chosen economic activity should be preferred.
15. Need for entrepreneurship development programs with special reference to small family based or generation based business for the scientific and practical trading and development of the entrepreneurs.

## ◆ CONCLUSION

In India, Entrepreneurs as a role model for new age leadership for various segments of the economy. Entrepreneurship is the base of Indian Economy. Entrepreneurship is one of the most important aspects of our economy. The life of Indian people is very much dependent on the production of this sector. In India, the sector of entrepreneurship is also entered people from different castes and status. The Indian economy is one of the fastest growing economies in the world, so in this sector to provide scope for the growth of entrepreneurs for all the businesses. The early history of entrepreneurship in India reflects from the different culture

and tradition of the Indian people. The process of entrepreneurship therefore passed through the potential roots of the social societies. The Indian people are also entered the entrepreneurial role from various different castes and religions.

It is quite clear that rural entrepreneurship cannot be developed without significant training. Therefore, instead of just schemes as the carrot for entrepreneurship development an intensive training needs to be provided to the youth in rural India. What's required is to create a devoted team to take up rural entrepreneurship training as per integrated rural development program. The training for development of rural entrepreneurship has to be different from the entrepreneurship development training in urban areas.

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