



---

**RURAL ENTREPRENEURSHIP IN INDIA :  
CHALLENGES & OPPORTUNITIES**

**Ms. Hemlata S. Chaudhari**

Hutatma Rajguru Mahavidyalay,  
Rajgurunagar, Pune

Research Scholar Prof. Ramkrishna More  
Arts, Commerce & Science College, Akurdi,  
Pune.

**Dr. Kishor Lipare**

PDEA's Waghire Arts, Commerce & Science  
College, Saswad, Pune.

**ABSTRACT**

The said research paper is focuses on the challenges and opportunities for rural entrepreneurship in India. Rural Entrepreneur succeeding as an entrepreneur and an innovator in today's world is vastly different from what it was earlier. 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.

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.

**KEY WORDS** - Rural Entrepreneurship, Innovation, Social Exchange, Entrepreneurial Development etc.

**INTRODUCTION**

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.

Such businesses are unique to rural regions since it is the very nature of the destination that attracts the demand market. However, rural regions suffer from their small size and remote access, difficulties in accessing venture capital and technology and lack of technical and managerial know-how to create high-growth businesses. It is now common practice to establish microenterprise programs in rural regions. Maximizing the contribution of microenterprise to sustainable economic development requires policies that achieve macroeconomic stability, high quality physical, legal and communications infrastructures, technical assistance in education and training, access to new or existing markets, financing alternatives and access to capital, and other measures to lower barriers to business creation.

## **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. An entrepreneurial economy, whether on the national, regional or community level, differs significantly from a non-entrepreneurial economy in many respects, not only by its economic structure and its economic vigorousness, but also by the social vitality and quality of life which it offers with a consequent attractiveness to people.

“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.



### **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 study the opportunities and challenges before rural entrepreneurship.
4. 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.

In rural regions where entrepreneurship is not embedded in the identity of the community, a social identity building process is a requisite step in addressing the structural impediments for entrepreneurship. Hence, policy initiatives must take into consideration the

---



---

relationships between the macro and micro impediments to the creation of a sustainable rural entrepreneurial ecology.

## **OPPORTUNITES AND CHALLENGES FOR RURAL ENTREPRENEURSHIP IN INDIA**

The following suggested opportunities and also challenges for developing entrepreneurship in the rural areas in the country:

### **Opportunities for Rural Entrepreneurs:-**

1. Entrepreneurship development institute of India.
2. Rural innovation funding.
3. Social rural entrepreneurship.
4. Crashed scheme for rural development.
5. National rural employment programme.
6. Regional rural development centers.

### **Challenges for Rural Entrepreneurs:-**

1. Lack of technical knowhow.
2. Infrastructure sickness.
3. Poor assistance.
4. Power failure.
5. Capacity utilization.

## **SUGGESTIONS**

The following measures are suggested for developing entrepreneurship in the rural areas:

1. Government should arrange special training programmes for rural entrepreneurship.
2. Rural entrepreneurs should more competitive and efficient in the local & international market.
3. Government should provide separate financial fund of rural entrepreneurship.
4. Use should invite successful rural entrepreneurs from foreign countries.
5. Government should felicitated top ranker for rural entrepreneurs.
6. Some of rural entrepreneurship development programme are arranged Internatinal, National, Individuals exhibitions, Seminars and Conferences should be organized to help rural entrepreneurs.

## **CONCLUSION**

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. 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 entrepreneur, an “industrial area potential survey” is undertaken to estimate the kind of industries that could be set up that region. Industrial area potential survey has all the details about the cost of the project, availability of technology, gestation period and return on investment for the projects that could be set up in that region. The district Industrial Centre conducts these area potential surveys for usage of potential entrepreneurs.

## **REFERENCES**

1. Dr. J. P. Bhosale, “Globalization and Rural Entrepreneurship in India”, 2017.
2. Gopalaswamy, T.P. “Rural and Agricultural Marketing in India”. Government of India, 1984. Committee on trade policies (New Delhi, Ministry of Commerce).
3. Lalita N. (2005) “Micro Finance and Rural Development”, Gandhi Gram Rural Institute, Gandhi Gram, Dindigal, Tamilnadu.
4. Lipi (2009) “Women Empowerment : Globalization and Opportunities” in Empowerment of Rural in India, Kanishka Publishers, New Delhi. Literature, vol.35, September, pp.1320-1346
5. Ram Naresh Thakur (2009) “Rural Women Empowerment in India” in Empowerment of Rural Women in India, Kanishka Publishers, New Delhi.
6. Cantillon, Richard : In Kuby Peter : “Entrepreneurship and Economic Development”.
7. [www.entrepreneurship.com](http://www.entrepreneurship.com)
8. [www.publishyourarticles.org](http://www.publishyourarticles.org)
9. [www.cfowise.com](http://www.cfowise.com)