



# ENTREPRENEURSHIP: A GATEWAY FOR RURAL EMPLOYMENT

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## ❖ ABSTRACT

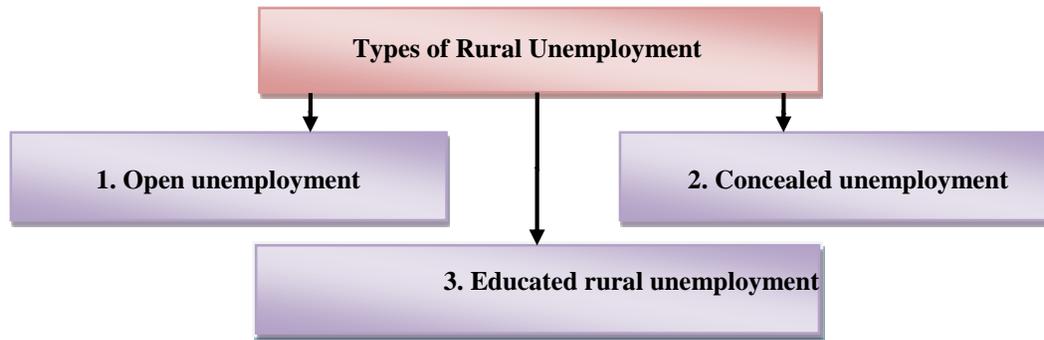
India is a large country having population about 135 crores. Rural population (% of total population) in India was reported at 66.46 % in 2017, according to the World Bank collection of development indicators. We have seen unemployment or underemployment in the villages that has led to influx of rural population to the cities because there are no proper opportunities of livelihood in villages accepted agriculture. In really entrepreneurship plays a vital role in removing poverty by creation of new opportunities for entrepreneur as well as man power. It makes possible to setup new business and job opportunities in both production and service industry. But to start a new business in rural areas facing many challenges and problems. Everything from starting till end is based on funds. Another challenge and serious problem in rural area is to find out technically skilled manpower. Even then our Government and Banks are providing financial support and subsidies to start new business in rural areas. Prime Minister's "Make in India", "NSDC", "MNREGA", "National Swarojgar Scheme", "Mudra" projects has been induced major initiative policies for work and education. One of the major objective of the developmental policies in India is to provide employment to millions of unemployed rural youth but the core of problem in countries like India is surplus agricultural labor and closure of traditional village industries, resulting in increased unemployment in rural areas and migration of rural youth to urban areas in search for job.

**Keywords:** *Entrepreneur and Entrepreneurship, Rural unemployment, Rural Enterprises.*

## ❖ Introduction and literature review

A country's economic growth depends upon the skills of its people and the application of knowledge, inherited or acquired by them. Optimum utilization of human resources undoubtedly leads to considerable degree of economic development of a country. Unemployed human resources; a section of the society without any source of income experience misery and starvation.

**According to Gillin and Gillin,** "Unemployment is a condition in which a person is able and willing to work normally, dependent upon his earning to provide the necessities of life for himself and family is unable to obtain gainful employment."



### ➤ Causes of Rural Unemployment:

1. **Rapid growth of population**
2. **Pressure on agricultural land**
3. **Seasonal nature of agriculture**
4. **Vagaries of Monsoon**
5. **Sub-division of land**
6. **Traditional method of cultivation**
7. **Disappearance of traditional occupation**
8. **Defective social system**
9. **Lack of occupational mobility**
10. **Disorganization of agriculture**
11. **Faulty system of education**
12. **Lack of guidance and consultancy**
13. **Poverty**
14. **Lack of employment policy**

### ➤ Entrepreneur

An entrepreneur is a person who either creates new combinations of production factors such as new methods of production, new products or finds new sources of supply or a person who is willing to take a risk.

“Entrepreneurs” are people who create and grow enterprises.

### ➤ Entrepreneurship

“Entrepreneurship” is the process of creating and growing enterprises.

### ➤ TYPES OF RURAL ENTREPRENEURSHIP

Rural entrepreneurial activity can be mainly classified in four as follow:

#### i) Individual Entrepreneurship

It is basically called proprietary i.e. single ownership of the enterprise.

ii) **Group Entrepreneurship**

Partnership, private limited company and public limited company are mainly covered.

iii) **Cluster Formation**

It covers the following:

**NGOs** ( Non Govt. Organizations )

**NPOs** ( Not for profit)

**VOs** ( Voluntary Organizations)

**CSOs** ( Civil Society Organizations)

**CBOs** ( Community Based Organizations)

**Charitable Organizations.**

iv) **Co-operatives**

An autonomous association of persons having common objective and united voluntarily.

➤ **Rural India**

In general, a geographic area that is located outside towns and cities is known as **rural area**. Also called as the 'countryside' or a 'village' in India

The areas having low facilities than the cities or towns.

In rural areas, agriculture along with fishing is the chief source of livelihood

**According to The National Sample Survey Organization (NSSO)**

- A geographic area having a population density of up to 400 per square kilometer,
- Villages with no municipal board,
- Minimum 75% of male population works in agriculture and allied activities.

In micro finance industry, we consider rural India as a place of opportunity for new entrepreneur. Entrepreneurship is the activity of setting up a business or businesses, taking on financial risks in the hope of making profit. We have seen unemployment in the villages that has led to influx of rural population to the cities.

In really entrepreneurship plays a vital role in removing poverty by creation of new opportunities for entrepreneur as well as man power. It makes possible to setup new business and job opportunities in both production and service industry.

This paper makes an attempt to find out need of entrepreneurship in context of rural employment.

❖ **Objectives of the study:**

1. To understand the concept of entrepreneurship.
2. To study about the need of entrepreneurship in Rural India.
3. To show the opportunity areas in India for rural employment.

➤ **Need of entrepreneurship in rural areas**

The need for rural entrepreneurship development is justified as follow:-

1. Rural industries **generate large scale employment opportunities** in the rural sector as most of rural industries are labor intensive.
2. Rural entrepreneurship is **capable of checking rural urban migration** by developing more and more rural industries.
3. Rural entrepreneurship help to **improve the per capita income** of the rural people thereby reduces the gap and disparities in income of rural and urban people.
4. Rural entrepreneurship plays a vital role control concentration of industry in cities and hence promotes **balanced regional growth**.
5. Rural entrepreneurship **creates an avenue for rural educated youth to promote it as a career**.
6. It resolve problems such as **can reduce poverty, growth of slums, pollution in cities and ignorance of inhabitants**.
7. It facilitates **the roads, street lighting, and drinking water** and accessibility to the main market.
8. According to the census of India 2011 about 70% of total population lives in villages that is a great source to find out a huge amount of consumers as well as labor
9. It connects the villages with the latest technological changes.
10. Rural property can be fully utilized.

❖ **Research methodology:**

This paper study process required a lot of attention. Reliable and meaningful information have taken from various secondary data sources such as journals, books, newspapers, news channels, magazines, Government publications, reports, and internet websites.

Various statistics were used to analyze the data like mean, S.D, variance, pie charts etc. with the requirement of study.

➤ **Areas and Opportunities for rural enterprises**

| Goods Sector                     | Service Sector                                             |
|----------------------------------|------------------------------------------------------------|
| Food Processing                  | Repairs of Phones/Mobile Phones and other Electronic goods |
| Dehydrated fruits and vegetables | Entertainment                                              |
| Fruit based beverages            | Rural Tourism                                              |
| Mushrooms                        | Communication and Internet                                 |
| Chikki Industry                  | Financing                                                  |
| Poultry Industry                 | Labor skill trainings                                      |
| Handicraft and cottage industry  | Educational Tutors                                         |
| Pottery                          | Warehousing                                                |
| Oil Industry                     | Transportation                                             |

❖ **Finding/How to develop rural entrepreneurship**

The following measures may prove effective instruments for developing rural entrepreneurship:-

1. Fund should be available on time at soft terms and conditions.
2. A policy formulation for strengthening the raw material base in the rural areas.
3. Measures like common production cum marketing centers be taken to solve the marketing problem faced by rural industries.
4. The NGO's should be encouraged to contribute in development of rural entrepreneurship.
5. Inculcate and develop entrepreneurial aptitude among entrepreneurs to make them successful in their venture.

❖ **Conclusion**

In view of above description we conclude that rural India, entrepreneurship is a major opportunity for the people who migrate from rural areas to urban areas. Rural entrepreneurship is needed to reduce poverty, gap in income and for balanced regional growth in economy but there are many problems in India setting up rural entrepreneurship such as lack of knowledge, poor quality of products, lack of skilled labor, finance, lack of technical knowhow, problem of warehousing, infrastructural sickness, problem of marketing and advertising, poor assistance and power failure etc. despite of all, rural entrepreneurship is growing very fast in our country. Our government and banks are providing financial supports and subsidies to start a new business in rural areas and also promotes small scale industries to improve live-hood in rural India.

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