



ROLE OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT OF RURAL AREAS IN SERAIKELA-KHARSAWAN DISTRICT

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ABSTRACT

The rise of a nation's economy may be traced in large part to the efforts of its entrepreneurial populace. It's a way to enhance people's lives, particularly in rural regions where resources are typically in a less-than-ideal state and implementing improvements may be a herculean task. Most rural businesses may still be successful by drawing on their own brand of rustic ingenuity, despite the challenges they face. Considering that 70% of the Indian population resides in rural regions, it is crucial that rural entrepreneurship thrives. It's undeniable that improving rural regions and the rural class's level of life is crucial to our country's economic growth. To help the rural poor find improved employment and living situations, entrepreneurship development programmes may be of great help. Migration out from rural regions may be slowed via entrepreneurship. An effort has been made in this study to shed light on the vital part rural entrepreneurs play in today's complex and competitive business world. This report details the several programmes the government has launched to encourage growth in rural areas. Examining the difficulties, issues, and potential of rural entrepreneurship is the goal of this research.

Keywords:- Rural entrepreneurship, growth, challenges, prospects, rural people, programmes.

INTRODUCTION

More and more individuals are beginning to recognise entrepreneurship as crucial to the expansion of the rural economy. Entrepreneurship is frequently considered as a way to improve one's lot in life for oneself and one's family. Both individuals and organisations are attempting to encourage the expansion of rural economies. People are starting to see entrepreneurship as a tool for development that may speed up rural transformation.

It's true that the great majority of Indians have historically resided in rural settings. The success of rural entrepreneurs is typically cited as a key factor in the development of a nation, and this is especially true in India. Creating employment and preventing youth migration from rural regions are two ways in which rural entrepreneurship helps reduce poverty and improve living circumstances.

After all, there's widespread agreement on the critical need of supporting rural businesses. Farmers see it as a way to get more out of their land, and women see it as a way to find work close to home and become financially secure and one's community; similarly, development organisations see it as a huge job opportunity, politically engaged citizens see it as the primary strategy to support rural growth, and so on.

RURAL ENTREPRENEURS- A SOURCE OF NEW IDEA

One of the most crucial factors in the economic development of a nation and its regions is the rural entrepreneur. Individuals that create industrial and business units in the rural sector of the economy are considered rural entrepreneurs. Rural entrepreneurship is the establishment of commercial and industrial facilities in rural areas. One way to combat poverty, migration, economic inequality, and unemployment in rural areas and underdeveloped areas is through rural entrepreneurship. 5. Different Rural Business Types: The term "rural enterprises" refers to businesses with a maximum population of 20,000 that are situated in rural areas, villages, or towns and that invest up to Rs. 3 core in equipment. These are categorised as follows: 5.1 Agro

Khadi and Village Industries Commission (KVIC) defined rural entrepreneurship as, "Village industry or rural industry means any industry located in rural areas, the population of which does not exceed 10,000 or such other figure which produces any goods or renders any services with or without the use of power and in which the fixed capital investment per head of an artisan or a worker does not exceed thousand rupees". The definition of village industry has been recently modified by the Government of India so as to enlarge its scope. Government of India defined rural entrepreneurship as, "Any industry located in rural areas, village or town with a population of 20,000 and below and an investment of 3 crores in plant and machinery is classified as a village industry".

RURAL ENTREPRENEURS IN INDIA: THEIR ROLE AND IMPORTANCE

Building successful businesses in rural areas is a multifaceted challenge that has implications for government policy and the economy. Entrepreneurs in rural areas are crucial to the country's economic growth. The expansion of rural manufacturing allows more people to work for themselves, spreads economic and industrial activity across

a larger area, and makes the most of the resources and labour that are already in the area. Some of the ways in which rural industries help improve the lives of rural residents and the nation as a whole are listed below.

To put it another way, rural industries boost output by making better use of available resources like raw materials and labour. Mobilizing rural savings through the presentation of a viable business concept might potentially entice investors.

REVIEW OF LITERATURE

The accessible significant written books are quickly outlined as under: Piore and Sable (1984), in their book, "The Second Industrial Divide", gave an approach structure to little business improvement which expresses that development of economy will be more effective when it happens inside a political setting, it promote small scale effort effectively.

Mehta,(2011),in this study showed that Several Indian companies, as well as multinational corporations, have developed commercial infrastructures in order to enter India's formerly untapped rural market. In this way, the research will be useful for a variety of groups as they work out strategies for supporting rural enterprise in India. This has the potential to establish India's rural commercial sector into a global economic superpower.

Alsos (2011) Since most farmers already have access to a wide variety of valuable assets—land, buildings, equipment, labour, systems, and so on—implementing new forms of entrepreneurship in the agriculture sector is a very straightforward task. But having access to top-notch resources is no guarantee of success by itself.

The ranchers' capacity to access, recognise the potential in, and make use of the available resources is crucial.

OBJECTIVES OF THE STUDY:

Research objectives are very important for any research. It provides the real motive of a research. As per this research is conducted, following objectives are observed:-

- To know the concept of rural entrepreneurship.
- To analyse the performance of rural entrepreneurs of Seraikela-Kharsawan District.
- To analyse the performance of rural entrepreneurs in economic development of Seraikela-Kharsawan District.
- To study the major challenges faced by rural entrepreneurship in Seraikela-Kharsawan District.
- To suggest some remedial measures to solve the problems faced by rural entrepreneurs of Seraikela-Kharsawan District.

RESEARCH METHODOLOGY

This investigation draws on both secondary and primary sources for its analysis. Mathematical and statistical tools are used, such as growth rates and percentages. The data comes from the Annual Reports of the Ministry of Micro, Small, and Medium Businesses, which can be found at the Udyog Bhavan in New Delhi. Rural Industries' success in terms of production, sales, and employment is analysed using percentages and the simple growth rate. (GR stands for the study's nominal annual growth rate.

ANALYSIS AND INTERPRETATION

Table No. 1 Production & Sale of Rural Industries Products

| Periods | Production (₹ in crores) | Changes (In percent) | Turnover (₹ In crores) | Changes (In percentage) |
|-----------|-----------------------------|-------------------------|---------------------------|----------------------------|
| 2011-2012 | 21135.10 | - | 25829.30 | - |
| 2012-2013 | 232621.00 | 10.1 | 26818.13 | 3.82 |
| 2013-2014 | 25298.00 | 8.8 | 30073.16 | 12.13 |
| 2014-2015 | 26689.40 | 5.5 | 31965.50 | 6.29 |
| 2015-2016 | 33424.60 | 25.2 | 40384.60 | 26.33 |
| 2016-2017 | 41110.30 | 23.0 | 49991.60 | 23.78 |
| 2017-2018 | 46454.80 | 13.0 | 56672.20 | 13.36 |
| 2018-2019 | 56255.20 | 21.1 | 71113.70 | 25.48 |
| 2019-2020 | 65343.10 | 16.2 | 84664.30 | 19.05 |
| 2020-2021 | 76582.40 | 17.2 | 101307.00 | 19.65 |

Source: Compiled from various issues of MSME annual reports

The accompanying table provides information on the income and production of enterprises located in rural and hamlet areas. Throughout the last year, the village's industrial sector has grown. Sales and production have grown annually, with a total output value rising from 21135.1 Crores in 2011-2012 to 76582.4 Crores in 2020-2021. Similarly, Village Industries' income has grown from 25829.3 Crores in 2011-2012 to 101307.7 Crores in 2020-2021. The annual growth rate in sales for Village Industries was 3.82%, while the annual growth rate in

production was 17.20%.

Table – 2: Occupation under Rural Industries

| Periods | Employment creation (in Lakhs) | Changes (In percentage) |
|-----------|------------------------------------|----------------------------|
| 2011-2012 | 108.7 | - |
| 2012-2013 | 114.1 | 5.0 |
| 2013-2014 | 119.4 | 4.7 |
| 2014-2015 | 123.2 | 3.2 |
| 2015-2016 | 126.8 | 2.9 |
| 2016-2017 | 131.8 | 4.0 |
| 2017-2018 | 135.7 | 2.9 |
| 2018-2019 | 142.1 | 4.6 |
| 2019-2020 | 147.76 | 4.0 |
| 2020-2021 | 154.12 | 4.3 |

Source: Compiled from various issues of MSME annual reports.

Employment trends in rural and small-town industries are shown in the table above. Employment in rural industries has increased during the last many years. Employment outcomes in rural or hamlet-based businesses are shown in the table above. Employment in rural industries has risen over the years, from 108.7 Lakh Artisans in 2011-2012 to an expected 154.1 Lakh in 2020-2021. Nevertheless, the annual growth rate in employment is projected to decrease from 5.0% in 2012-2013 to 4.3% in 2020-2021.

Table 3: Demographic Profile of Entrepreneurs in Seraikela-Kharsawan District

| Profile of Entrepreneurs | No. of Entrepreneurs | Percentage (%) | |
|--------------------------|-----------------------|----------------|-------|
| Age group | Below 23 years | 23 | 38.33 |
| | 23-29 years | 25 | 41.67 |
| | Above 29 years | 12 | 20.00 |
| Qualification | Up to Secondary | 14 | 23.33 |
| | Intermediate/ Diploma | 26 | 43.34 |

| | | | |
|-----------------------|------------------|----|------------|
| | Graduate/ B.Tech | 20 | 33.33 |
| Marital Status | Married | 24 | 40.00 |
| | Unmarried | 22 | 36.67 |
| | Widow/Divorced | 14 | 23.33 |
| Work Type | Wood products | 30 | 50.00 |
| | Bamboo baskets | 15 | 25.00 |
| | Bakery products | 15 | 25.00 |
| | Total | 50 | 100 |

Courtesy: Primary Sources

The data of 60 Entrepreneurs are categorised in the table. As per the data given it is observed that out of 60 Entrepreneurs, 23 or 38.33% Entrepreneurs age is below 23 years, 25 or 41.67% Entrepreneurs belong to age between 23 to 29 years and 12 or 20.00% Entrepreneurs have age above 29 years. As per qualification, 14 or 23.33% Entrepreneurs have studied secondary or less than secondary, 26 or 43.34% Entrepreneurs are Intermediate or have a technical education named as diploma and 20 or 33.33% Entrepreneurs are Graduate or have a B. Tech Degree. 24 or 40.00% Entrepreneurs are married and 22 or 36.67% Entrepreneurs are Unmarried and 14 or 23.33% are widow or divorced. 30 or 50.00% Entrepreneurs are manufacturing and selling products made by woods, 15 or 25.00% Entrepreneurs manufacture and sales bamboo products and 15 or 25.00% Entrepreneurs manufacture and sales bakery products.

Table No. 4: Opinion on reasons towards starting a new business

| Reasons | SA | A | N | DA | SD | Mean | Rank |
|-----------------------------------------------------------------------------------------------|----|----|----|----|----|-------------|------------|
| Dissatisfied with previous job | 12 | 2 | 24 | 10 | 12 | 3.2 | V |
| Encourage by family members, friends to start a new business | 32 | 18 | 05 | 05 | 0 | 4.62 | IV |
| Doing new thing in Business | 39 | 19 | 02 | 0 | 0 | 5.54 | I |
| More career progress | 27 | 26 | 07 | 0 | 0 | 5.2 | II |
| Ability to function independently and with sufficient business acumen to launch a new venture | 27 | 21 | 10 | 02 | 0 | 5.06 | III |

Sources: Primary Data

The reasons why people should establish new businesses are listed above in the table (Table

3). The quality of the arguments was graded from 1 to 5 on a scale from 1 (least convincing) to 4 (most convincing). Assign a number from 1 to 5 to express your level of agreement: (1 = strongly disagree, 5 = strongly agree). Based on the data presented above, it appears that the primary motivation for venturing into business ownership is the desire to become self-employed or the desire to experiment with new products in the rural marketplaces of the Seraikela-Kharsawan District. After that, you'll be able to move up in your company and gain more recognition. They also report a low level of unhappiness with their former career or occupation. This is not a compelling motivation for people to launch a company and immediately begin looking for new employment.

CONCLUSION & SUGGESTIONS

In terms of both the national and rural economies, the role that rural industries play is essential. Entrepreneurs are essential to every economy because they spark new ideas and breathe new life into established enterprises. Hence, Rural Entrepreneurship is crucial not only for its contribution to the development of agriculture and urban industries, but also as a means of generating employment in underserved areas at low start-up costs and boosting residents' actual incomes. Unemployment in rural areas will not be easy to solve unless rural areas begin to embrace industrialisation. Promoting entrepreneurship in rural areas may help reduce unemployment, income inequality, and poverty while simultaneously boosting development in underdeveloped regions.

Given these obstacles, the following recommendations can be made to foster the growth of rural business owners:

- It is imperative that the government allocates special funding specifically for rural business owners.
- It is imperative that all banks and other financial institutions provide timely and sufficient funding for rural business owners.
- It is the responsibility of the government to provide specialised training for rural business owners so that they may increase their expertise.
- Young people who have received an education in rural areas should take the lead in starting businesses
- To be able to compete with large-scale enterprises, they must update their outmoded technology, tools, and implements, and sufficient funding must be allocated to this end.

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