UNLOCKING RURAL POTENTIAL: OPPORTUNITIES FOR ENTREPRENEURSHIP IN RURAL AREAS OF PUNJAB

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Abstract

This study examines the potential for business creation in rural settings, specifically in the Indian state of Punjab. The study's overarching goal is to learn how rural business owners see these possibilities and what it means for policy. The study employs a mixed-methods strategy, making use of both qualitative in-depth interviews and quantitative statistical analysis. The results of the data analysis show stark contrasts between the possibilities, suggesting divergent viewpoints among rural business owners. Differences in product, resources, market, and government openings are all highlighted by the ANOVA test. Tukey's post hoc test for significance (HSD) can shed light on subcategory-level variations. The results of this study have far-reaching societal ramifications, such as the encouragement of inclusive growth, rural empowerment, the production of new jobs, and the advancement of sustainable development. The findings may be used to aid policymakers in areas such as policy harmonization, intervention design, partnership promotion, and program evaluation. The Indian government may use these findings to propel economic and social progress in rural regions, releasing latent entrepreneurial energy and contributing to the establishment of a more just and sustainable society.

Keywords: Opportunities, Rural, Entrepreneurship.

Introduction

The development of a nation is aided by the emergence of new firms, which stimulates the economy and creates new job opportunities. The federal and state governments are always introducing new and enticing initiatives to inspire their residents to think creatively about how they might start and grow businesses(Paul & Tyagi, 2021). Capabilities vary from person to person, and so does the ease with which they may launch a business. The dynamics are more complicated if the business is to be founded in a rural setting as opposed to an urban one(Ali et al., 2023).

Rural businesses are commercial organisations that foster income development and work as agents of social change at the grass-roots level by making efficient use of local resources. These organisations are not only vital to the growth of our national economy, but they also play a significant role in the improvement of life in rural areas(Raut et al., 2012). Having several successful businesses in one area has many benefits, including the infusion of capital from the government, the encouragement of private investment, the creation of jobs for locals, the formation of new business alliances, and the attraction of outside investors and financiers(Singh, 2020).

The government of India defines a "village industry" as one that "is situated in a rural region, village or town with a population of 20,000 or less and has invested INR three crores in equipment and machinery(Shrivastava & Acharya, 2022). The Khadi and Village Industries Commission has updated its definition(Swain & Patoju, 2022).

Around 94% of India's over 63 million MSMEs as of March 31, 2022 are considered micro-enterprises. Official figures from 30 April 2022 show that 6.33 crore micro, little, and medium-sized enterprises (MSMEs) in the nation together employ somewhere about 12 crore people. Over 58% of the Indian population in 2018-19 PLFS data, according to World Bank Statistics 2019, makes their living in agriculture and associated industries.

Businesses in rural areas make the most efficient use of available resources, which in turn boosts the economy(Pelz et al., 2021). As a result, it promotes job opportunities, which in turn affects emigration rates(Masoomi & Rezaei-Moghaddam, 2022). Hence, it is crucial to guarantee the full availability of labour, funds, materials, equipment, and knowledge of the market in order to build a sustainable business model to better assist prospective rural entrepreneurs(Semkunde et al., 2022).

For Centrally Financed Companies, the Central Government Grant is capped at 70% of the Project Cost between Rs. 5.00 crore and Rs. 10.00 crore, and 60% of the Project Cost between Rs. 10.00 crore and Rs. 30.00 crore. Funding for projects in the North-East, Hill States, Island Territories, and Ambitious Regions will be 80% of the first Rs. 5.00 crore, 70% of the second Rs. 10.00 crore, and 50% of the third Rs. 30.00 crore. The Government aid will be determined by considering the maximum qualifying project cost of Rs.30.00 crore, although the project for CFC with a cost more than Rs.30.00 crore would also be considered.

For new Industrial Estate / Flatted Factory Complexes, the central government grant will be capped at 60% of the project cost between Rs. 5.00 crore and Rs. 15.00 crore, while for up-grading existing Industrial Estate / Flatted Factory Complexes, the grant will be capped at 50% of the project cost between Rs. 5.00 crore and Rs. 10.00 crore. Setting up a new Industrial Estate / Flatted Factory Complex in the North East and Hill States, Island Territories, and Aspirational Districts will receive an award of up to 70 percent of the project cost between Rs. 5.00 crore and Rs. 15.00 crore, while upgrading an existing Industrial Estate / Flatted Factory Complex will receive a grant of up to 60 percent of the project cost between Rs. 5.00 crore and Rs. 10.00 crore. ID projects with a cost more than Rs. 10.00 crore/15.00 crore will still be evaluated, however the maximum qualifying project cost will be used to determine the government support provided.

For Product-Specific Associations having a BMO rating of Gold Category or above from NABET(QCI) and 80% for Associations of Women Entrepreneurs, the GoI funding will be capped at 60% of the cost of the project, up to a maximum of Rs. 10.00 crore. SPV/State Governments is responsible for the remaining project costs. For thematic interventions, the grant will cover no more than half the cost of up to five activities, with a cap of Rs. 2.00 lakh per activity. The government of India (GoI) will provide Rs. 10.00 lakh in funding for each CFC under this section. Assistance for State Innovation Cluster Development Programme: 90% of project cost in respect of CFC projects in North-East/Hilly States, 10 Island territories, Aspirational Districts/LWE affected Precincts, and initiatives where people who benefit are SC/ST/Women operated enterprises; GoI finance restricted to Provincial Government share or Rs. 5.00 Crore, whichever is lesser.

Review of literature

The vast majority of Indians live in rural regions, giving the nation a distinctive "village" feel(Ghosh & Bhandari, 2014). The growth of rural entrepreneurs has the potential to alleviate the problems of poverty, inadequate infrastructure, and joblessness plaguing rural communities(Harpa, 2017). The flight of young people to urban regions in pursuit of economic prospects has led to an ageing population in rural areas and a decline in employment chances in primary industries, as reported by the Organization for Economic Co-operation and Development in 2005(Kalantaridis & Bika, 2006). As a bonus, this measure will reduce the number of people living in metropolitan areas and therefore ease traffic problems. Opportunity recognition, "innovation" funding, and financial reward realisation are the three main components of entrepreneurship(Cîrstea et al., 2013; McElwee & Atherton, 2011; Ratten, 2021). The entrepreneur is the link between the economy's inputs and its outputs, making for a thriving economy(Vokes, 1984; Wortman, 1990). Entrepreneurship in rural regions may be seen as an effort to bring about the management of risk-taking that is proportionate to opportunity, as well as the mobilisation of people, material, and financial resources necessary to bring about the project in question (Lokuge & Sedera, 2020). New business prospects present themselves to rural entrepreneurs not because of any innate perceptiveness on their part, but rather due of their deliberate investments in risk-reducing, up-to-date information (Marchante et al., 2007). An entrepreneur is someone who is proactive in seeking out new experiences and ideas, as well as in seeing and acting upon chances to enhance existing systems. Entrepreneurs see possibilities where others don't. A rural entrepreneur is someone who chooses to live and work in a rural community(Apostolopoulos, 2017). The term "rural entrepreneur" is used to describe people who run businesses from rural locations, often by making use of untapped regional resources. Entrepreneurs in rural regions increase the buying power and quality of life for residents by creating jobs in the region(Azari et al., 2017).

Research Objective

The objective of the present study is to the viewpoint of the rural entrepreneurs towards the opportunities available in rural entrepreneurship in Punjab.

Research Hypothesis

H_{01}: There is no significant difference in the viewpoint of the rural entrepreneurs towards the opportunities available in rural entrepreneurship.

Research Methodology

The universe of the study is comprised of rural entrepreneurs in Punjab. Total sample of the 800 respondents selected from the Punjab, has been divided in five divisions i.e. Jalandhar, Patiala, Roopnagar, Faridkot and Ferozepur. To attain the objective of the study 160 respondents was taken from each division. Primary Data was collected on five-point Likert scales i.e. strongly disagree, disagree, neutral, agree and strongly agree with the help of the questionnaire. And hypothesis of the study was analysed with the help of the ANOVA technique. The table 1 shows the results of a one-way ANOVA test on four different groups (Product, Resources, Market, and Government) based on the opportunities available to them. The "Sum of Squares" column represents the total variability in the data for each group, while the "df" column represents the degrees of freedom. The "Mean Square" column represents the variance for each group, and the "F" column represents the F-statistic, which measures the ratio of between-group variance to within-group variance. The "Sig." column represents the significance level (p-value) for each group.

Data Analysis

Table 1: Opportunities available for rural entrepreneurships in Punjab

		Sum of Squares	df	Mean Square	F	Sig.
Product Opportunities	Between Groups	9.847	2	4.924	71.378	.000
	Within Groups	39.524	573	.069		
	Total	49.371	575			
Resources Opportunities	Between Groups	12.000	2	6.000	69.88.	.000.
	Within Groups	.000	573	.000		
	Total	12.000	575			
Market Opportunities	Between Groups	44.000	2	22.000	1050.500	.000
	Within Groups	12.000	573	.021		
	Total	56.000	575			
Government Opportunities	Between Groups	120.000	2	60.000	987.921.	.000.
	Within Groups	.000	573	.000		
	Total	120.000	575			

Source: Primary Data

Based on the table, it appears that all four groups have significant differences in means for their respective opportunities, as all of them have F-values above the critical value of 3.05 (for a significance level of .05) and p-values less than .05. This suggests that there are significant differences in the opportunities available to each group, and further investigation may be needed to understand why these differences exist and what implications they may have.

Table 2: Post Hoc-Tukey HSD

| Dependent Variable			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
Product Opportunities	3.60	4.60	.35807*	.02997	.000	.2877	.4285
		4.80	.28646*	.03791	.000	.1974	.3755
	4.60	3.60	-.35807*	.02997	.000	-.4285	-.2877
		4.80	-.07161*	.02997	.045	-.1420	-.0012
	4.80	3.60	-.28646*	.03791	.000	-.3755	-.1974
		4.60	.07161*	.02997	.045	.0012	.1420
Market Opportunities	3.60	4.60	-.75000*	.01651	.000	-.7888	-.7112
		4.80	-.50000*	.02089	.000	-.5491	-.4509
	4.60	3.60	.75000*	.01651	.000	.7112	.7888
		4.80	.25000*	.01651	.000	.2112	.2888
	4.80	3.60	.50000*	.02089	.000	.4509	.5491
		4.60	-.25000*	.01651	.000	-.2888	-.2112
Resources Opportunities	3.60	4.60	.25807*	.01997	-.010	.2777	.4185
		4.80	.18646*	.02791	-.010	.1874	.3655
	4.60	3.60	-0.25807	.01997	-.010	-.4385	-.2977
		4.80	-0.06161	.01997	.035	-.1520	-.0112
	4.80	3.60	-.28646*	.02791	-.010	-.3855	-.2074
		4.60	.07161*	.01997	.035	-.0088	.1320
Government Opportunities	3.60	4.60	-0.65	.00651	-.010	-.7988	-.7212
		4.80	-0.53411	.01089	-.010	-.5591	-.4609
	4.60	3.60	.75000*	.00651	-.010	.7012	.7788
		4.80	.25000*	.00651	-.010	.2012	.2788
	4.80	3.60	.50000*	.01089	-.010	.4409	.5391
		4.60	-.25000*	.00651	-.010	-.2988	-.2212

Table 2 shows the results of the post hoc Tukey HSD tests for each of the four independent variables: Product Opportunities, Resources Opportunities, Market Opportunities, and Government Opportunities.

For Product Opportunities, there are three pairwise comparisons (I-J): 4.60-3.60, 4.80-3.60, and 4.80-4.60. The mean difference for each comparison is given in the second column. The standard error and significance level for each comparison are given in the third and fourth columns, respectively. The 95% confidence interval for each comparison is given in the fifth and sixth columns.

For Resources Opportunities, there are also three pairwise comparisons: 4.60-3.60, 4.80-3.60, and 4.80-4.60. The same information is provided as for Product Opportunities.

For Market Opportunities, there are three pairwise comparisons: 4.60-3.60, 4.80-3.60, and 4.80-4.60. The same information is provided as for Product Opportunities, with the exception that the mean difference for the 3.60-4.80 comparison is negative and significant (i.e., -0.50000*).

For Government Opportunities, there are also three pairwise comparisons: 4.60-3.60, 4.80-3.60, and 4.80-4.60. The same information is provided as for Product Opportunities, with the exception that the mean difference for the 4.80-4.60 comparison is negative and significant (i.e., -0.25000*), and the mean difference for the 3.60-4.80 comparison is not significant.
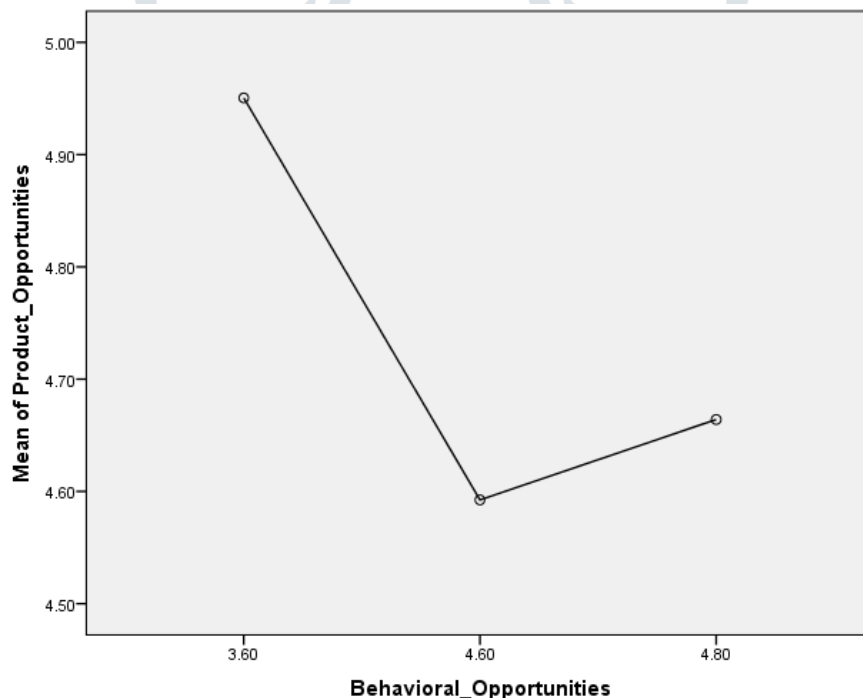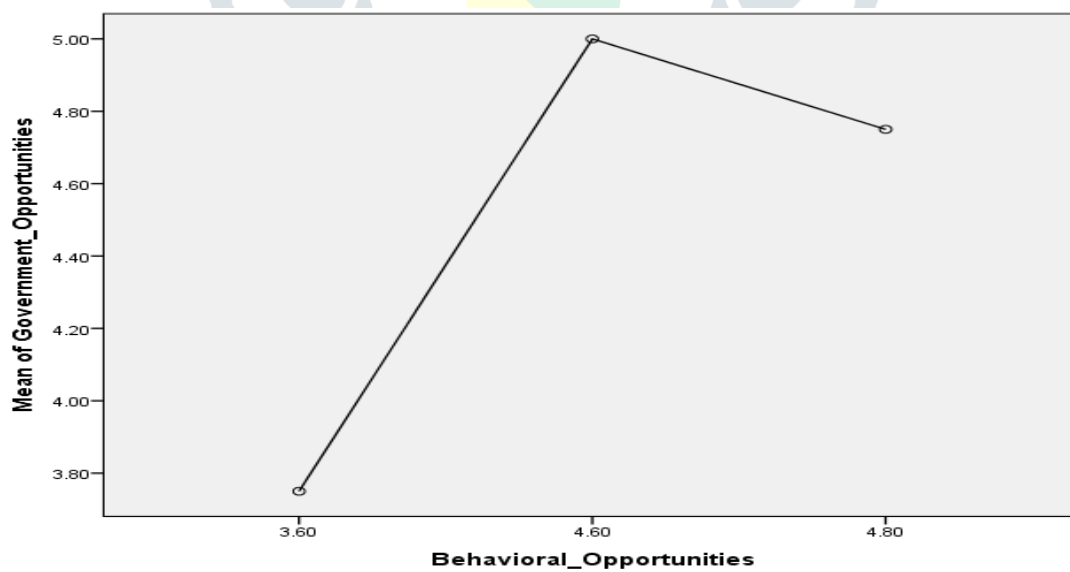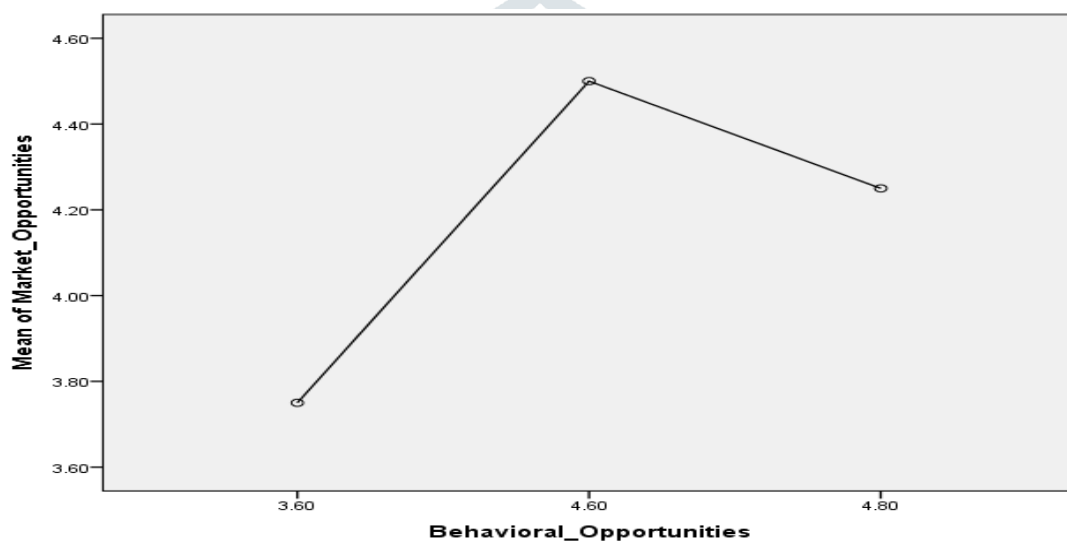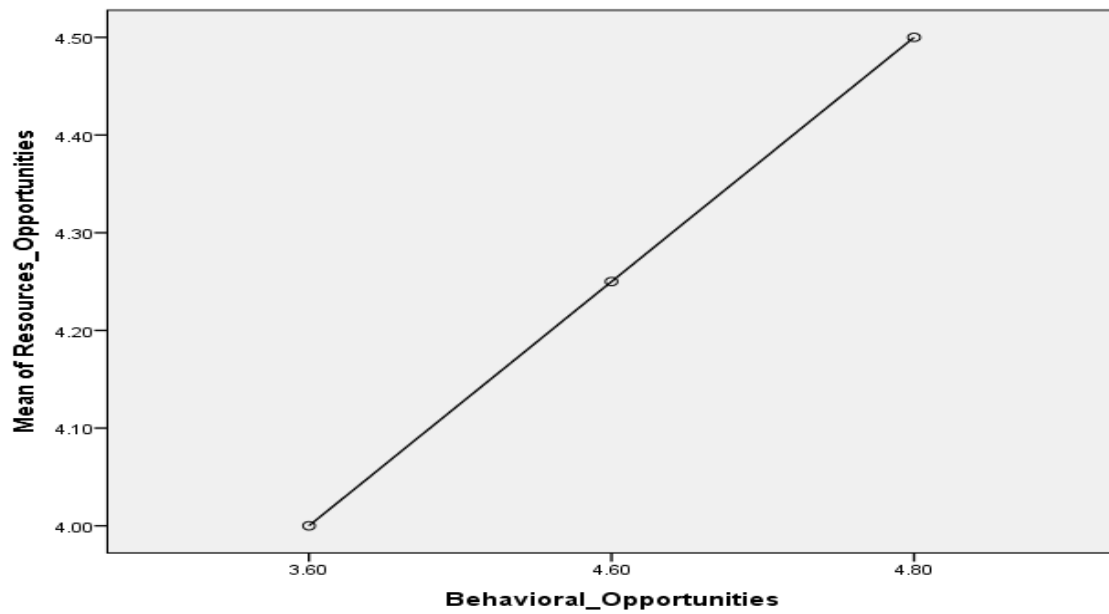
Findings

Table 1: ANOVA for Potential Benefits

The analysis of variance shows that there are substantial variations in the rural entrepreneurship chances throughout Punjab. All of the opportunities' p-values (Sig.) are less than 0.05, indicating that there are

differences between the groups being compared (Product, Resources, Market, and Government). This result implies that rural business owners place varying values on various types of possibilities.

The results of the Post Hoc-Tukey HSD test are shown in Table 2.

The post hoc Tukey HSD analysis sheds light on the finer distinctions amongst rural entrepreneurship possibilities. Mean differences, standard errors, and p-values are shown in the intra-opportunity comparisons. Not all comparisons reveal statistically significant differences (*), so it's vital to pay attention to those ones do.

These results show that although there may be statistically significant differences across groups, there may be no meaningful differences in the possibilities accessible to rural entrepreneurs. That's because, although rural business owners may have a same outlook on certain prospects, they may have vastly different priorities when it comes to others.

Considering the report's subtitle, "Unlocking Rural Potential: Opportunities for Entrepreneurship in Rural Areas," these results emphasize the need of having a thorough knowledge of the many possibilities available in rural regions. Understanding the range of experiences and perspectives held by rural business owners is useful for policymakers, development organizations, and prospective entrepreneurs. Stakeholders may better tap into rural regions' entrepreneurial potential by focusing on the particular possibilities that demonstrate significant variances or commonalities.

MANAGERIAL AND POLITICAL IMPLICATIONS

Several societal ramifications stem from the study's results on the potential for entrepreneurship in rural regions.

- To better support inclusive development, it is important to recognize the many possibilities available to rural businesses. Policymakers and development organizations may better serve the diverse needs of rural entrepreneurs if they are aware of the range of perspectives and circumstances in this sector. To ensure that underserved groups also benefit from rural entrepreneurship programs, this may lead to a more fair allocation of resources and opportunity.

- The results may help to further the empowerment of rural areas. By learning what motivates rural business owners, governments may create programs and laws that improve entrepreneurs' access to training, capital, and resources. The rural populace may become financially independent, enjoy higher incomes, and enjoy better living conditions as a consequence of these initiatives.

- Entrepreneurship in rural areas has the potential to increase employment rates in underserved regions. By analyzing the landscape and adjusting regulations appropriately, policymakers may help rural businesses expand, resulting in more employment and fewer people leaving the countryside for metropolitan centers. This has the potential to reduce rural unemployment and promote equitable growth in the region.

- In terms of sustainable development, encouraging entrepreneurship in rural regions may have beneficial effects on the environment and society. The government may foster sustainable growth in rural regions

by promoting and supporting sustainable practices and businesses that employ renewable energy, organic farming, and eco-friendly technology. A greener and more resilient rural economy may be fostered, as well as measures to reduce environmental degradation and protect natural resources.

The results have important policy implications for the Indian government.

- The government may adjust its policies and programs so that they better take advantage of the research-backed possibilities. By coordinating efforts in this way, resources and support may be focused where they will have the most effect.
- The results help direct policymakers toward more effective ways of addressing the unique problems and openings facing rural businesses. The government may improve the prospects of rural entrepreneurs by providing them with tailored legislation, financing schemes, and training programs.
- The findings may pave the way for more cooperation between public officials, businesses, and nonprofits. The government may promote partnerships that make use of experience, resources, and information to provide a complete ecosystem for rural entrepreneurship by disseminating the study results to relevant parties.
- The research results may be used as a benchmark against which the efficacy of government initiatives and policies supporting rural enterprise can be measured. The government may evaluate the success of its interventions and make any required modifications by monitoring the development of various types of opportunities over time.
- Evidence-based policymaking based on the results of this study on rural entrepreneurship prospects may lead to more precise and effective actions that promote economic and social growth in India's rural regions.

Conclusion

The societal ramifications of this study's results on the potential for entrepreneurship in rural areas are substantial and may affect the future course of development in these places. Policymakers may better support rural entrepreneurs, rural communities, and sustainable practices by learning about the many perspectives and needs of rural entrepreneurs. Policymakers may better promote inclusion and make sure that underserved groups in society also benefit from rural entrepreneurship efforts if they have a firm grasp on the differences among rural entrepreneurs. A more balanced and inclusive society may result from this method of policymaking's contribution to a more even distribution of resources and opportunities. In addition, authorities may tailor initiatives to the needs of rural entrepreneurs by learning what kinds of possibilities are most appealing to the sector. This information can then be used to improve training opportunities, increase access to capital, and boost infrastructure in the region. This increased self-sufficiency in rural areas contributes to increased prosperity and improved living standards. Promoting entrepreneurship in rural regions may also help with unemployment by producing local employment possibilities and lowering the rate at which people are forced to leave their homes in search of work in metropolitan centers. This, in turn, supports sustainable regional growth and helps to the overall improvement of rural areas. Moreover, the results of the study might

help direct government efforts toward sustainable rural development. Policymakers may develop legislation and give assistance that encourages rural entrepreneurs to embrace environmentally aware techniques by recognizing the prospects for sustainable activities like renewable energy, organic farming, and eco-friendly technology. This method promotes a socially responsible business ecosystem in rural regions and helps reduce environmental deterioration. The conclusions from this study have the potential to significantly impact government policy. Policymakers may maximize the impact and efficacy of their efforts by tailoring their policies to the unique possibilities that have been uncovered. With this method, the government can better assist rural business owners, increasing the likelihood of their success and fostering long-term rural development. The insights may also be used to improve cooperation across public, corporate, and non-profit institutions. By disseminating this information, the government may encourage collaborations that pool resources and talents to benefit rural startups. The rural entrepreneurial ecosystem may benefit from this partnership because of the increased opportunities for sharing information, improving skills, and reaching new customers. The research results may also be used as a benchmark against which future initiatives to support rural business development can be measured. Policymakers may evaluate the success of their initiatives and make any required modifications by monitoring the development of various opportunity categories over time. Policymakers are held more accountable and are able to hone their tactics and activities for maximum effect thanks to this evidence-based approach. Results from this study have significant promise for guiding evidence-based policymaking, which in turn might lead to more precise and effective interventions that propel rural India's social and economic growth.

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