



# ENTREPRENEURSHIP: A CATALYST FOR ECONOMIC DEVELOPMENT OF BANKA DISTRICT

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## ABSTRACT

These last several years have seen a significant increase in India's efforts to encourage entrepreneurship. Many initiatives have been implemented by the central government of India and several Indian states to encourage entrepreneurship. Made in India and Atmanirbhar Bharat are two of the most important projects introduced by the government of India. The achievement of the MDGs is vital to long-term growth and prosperity. Maintaining a functioning economy, society, and environment depends on rural areas that are expanding sustainably. As the majority of the world's poor live in rural areas, this is a significant step in the fight against poverty.

Individuals who have moved from the country or the suburbs to the city may discover better opportunities in the country. The results of this research helped company owners in rural areas appreciate the possibilities and threats they face. The report continues to discuss the many challenges faced by rural company owners in areas such as product promotion, financial conveniences, and the accessibility of water, electricity, transportation hubs, liveliness, etc.

**Keywords:-** Growth, difficulties, opportunities, people, and programmes all have a place in the world of entrepreneurship.

## INTRODUCTION

Those who have made the shift to the city from the countryside or the suburbs may find that life is better back where they started. This study's findings provided important insight for business owners in less-populated regions

about the opportunities and challenges they face. A number of issues, including product advertising, financial conveniences, and the availability of water, energy, transit hubs, liveliness, etc., are discussed further in the paper as hurdles that rural business owners must overcome.

While the concept of entrepreneurship as a driver of social and economic change was initially proposed in the 1930s, it wasn't broadly recognised until the 1960s. Throughout the last decade, researchers focusing on entrepreneurship have devoted particular attention to startups, SMBs, and MSBs. Artisans and farmers, who are often the driving forces in rural development, have recently seen the effects of this trend. Working in a rural area has no negative effect on a person's entrepreneurial skills. You may want to think about becoming an entrepreneur if you are uncomfortable with the roles that society assigns you but long for independence. The development and improvement of rural areas depends critically on the initiative and initiative of their residents.

### **RURAL ENTREPRENEURS IN INDIA: THEIR ROLE AND IMPORTANCE**

New business opportunities may arise at the point where existing markets meet human interaction and technological advancement. The ecosystem perspective acknowledges that opportunities are fleeting and that changing environmental variables may encourage or discourage the growth of value chains. In light of these considerations, the problems and difficulties encountered by rural entrepreneurs in emerging countries like India are analysed and discussed.

Knowledge gaps are more common in rural regions, which might stifle innovation. To what degree this is the case, however, depends on the kind of enterprises and the environment in which they emerge. It's possible that startups founded by outsiders who moved there to take advantage of the area's natural resources will struggle because their leaders don't understand the region's specific geography and culture, while indigenous startups may falter because their leaders aren't familiar with the local customer base.

(B) Financial resources are crucial to the success of any enterprise. Most businesses in rural areas can't access capital markets because they lack the tradable security and credit history that city businesses take for granted. Furthermore, rural firms might get frustrated with the credit facility application procedure because of the length of time it can take to complete. The government does provide subsidies in rural areas, but the high price tag makes them inefficient. The hopes of rural business owners have not been met by programmes like the Composite Loan Scheme, the Tiny Unit Scheme, the Scheme for Technical Businesses, etc. The difficulty of acquiring money through equity owing to a lack of financial experience and a limited financial corpus has demonstrated to be a significant obstacle to the expansion of rural entrepreneurship, since loans are the primary source of finance for rural entrepreneurs.

In undeveloped countries, agricultural progress is stymied by a lack of access to technology and infrastructure. Companies may have difficulties expanding due to a variety of factors, including a lack of desire, a failure to coordinate, a poor geographical location that makes it difficult to reach customers without incurring significant

transportation expenses, etc. It is difficult to acquire riches or develop novel ideas in such regions since there are no economies of scale or breadth.

Resources, Human: (d) Employers often struggle to recruit skilled workers who are prepared to relocate to less populated locations. The majority of the workforce is illiterate, making it difficult for the company owner to provide training in the local language if they lack the requisite skills. Not only do people in rural areas lack the knowledge and skills to take advantage of entrepreneurial opportunities, but they also don't have the social and financial support systems to help them succeed in this field.

e) Administration: Because of the lower literacy rate in rural areas, people there rely more on internal linkages to promote the free flow of goods, services, information, and ideas. Even if family and friends are there to provide a helping hand, they may also get in the way of creating useful business contacts, which, when coupled with the fact that local politics can sometimes prevent leaders from making important decisions, can slow the growth of a firm.

Some of the most difficult things for rural company owners to deal with in the commercial world are the increasing standardisation of products and services and the rising competition from large-scale companies. These large firms make it difficult for startups to succeed by restricting their access to capital and limiting the amount of money they can spend on sales and marketing. Marketers and communicators who want to reach clients in remote locations will need to think outside the box. Rural areas also have a smaller readership for print media like newspapers and magazines. Those who are fluent in English or Hindi are the exception rather than the rule among rural residents. The result is difficulty in conveying ideas and information to one another.

## REVIEW OF LITERATURE

Below is a synopsis of some of the most important books presently on the market. In their book "The Second Industrial Divide," Piore and Sable (1984) laid out a framework for fostering the expansion of small businesses, arguing that economic expansion is more likely to succeed within a political environment. This finding suggests that government can be an effective ally for entrepreneurial endeavours of any size.

**Sherief (2005)** researched the elements that make rural communities so conducive to entrepreneurship and tried to isolate the growth-promoting aspects. Studies have shown that fostering an entrepreneurial spirit is essential for accelerating economic development in rural areas.

**Ramalingam and Gayatri (2009)** said that putting an emphasis on innovation as a growth strategy for entrepreneurs may be a good idea. The study indicated that the quality of life of many people will improve when rural regions gradually caught up with the rest of the country in terms of technological advancements.

**Sharma, Swati, Vyas and Divya (2011)** shown that rural areas in developing countries like India face a wide range of social, economic, political, and ecological challenges. Impacts on domestic production, employment, etc., have been substantial. One possible answer to these problems might be found in the expansion of rural

Indian entrepreneurship.

It's crucial that ranchers can access the resources they need, recognise their potential, and put them to good use.

### 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 understand the overview of entrepreneurship and their role in development in Banka District.
- To analyse the performance of entrepreneurs of Banka District.
- To analyse the performance of entrepreneurs in empowerment of Banka District.
- To study the major challenges faced by entrepreneurship in Banka District.

### RESEARCH METHODOLOGY

This study analyses data from a wide range of primary and secondary sources. The majority of the study's primary data came from interviews with fifty company owners in rural regions of Bankai District. Various approaches were used to analyse the secondary data. Methods from mathematics and statistics, such as percentages and rates of growth, are used.

### DATA ANALYSIS & INTERPRETATION

Data analysis is an important part of any research as per the data gathered from primary sources, it is analysed. First stage of data analysis is Demographic profile of Entrepreneurship established and working in Banka District.

**Table 1:** Demographic Profile of Respondents

Profile of Entrepreneurs	No. of Respondents	Percentage (%)	
<b>Age group</b>	Below 26 years	19	38
	26-33 years	18	36
	Above 33 years	13	26
<b>Education Level</b>	Up to Higher Secondary	21	42
	Graduate	17	34
	Post Graduate	12	24
<b>Marital Status</b>	Married	23	46
	Single	15	30
	Widow	12	24

<b>Family Type</b>	Single	22	44
	Joint Family	28	56
<b>Training Status</b>	Trained	26	52
	Untrained 24		48
<b>Work Type</b>	Dairy products	24	48
	Bamboo products	14	28
	Fisheries	12	24
	Total	50	<b>100</b>

*Courtesy:* Primary Sources

The following table provides a summary of the demographic characteristics of among people in terms of age, education, marital status, family composition, and level of formal education. A breakdown by age range reveals that 38% of female business owners are under the age of 26, 36% are between the ages of 26 and 33, and 26% are aged 33 and older. In terms of education level, 42% of female business owners fall into the high secondary or below secondary category, 34% fall into the Undergraduate category, and 24% fall into the Postgraduate category. About half of all female business owners are never married, 24% are widows, and 46% have husbands. There is a correlation between the family structure in which an entrepreneur was raised and her level of success. When it comes to entrepreneurship, just 30% of women obtained training from the government or other organisations that offered training to entrepreneurs, while 48% did not. As per the data given in the table, 24 or 48% entrepreneurs established dairy products manufacturer, 14 or 28% Entrepreneurs made bamboo products. 12 or 24% Entrepreneurs sales fishers or products related to fishes.

**Table No. 2 Problems in starting new business**

Opinion	Frequency	Percentage
Financial Problems	20	40.00
Technology Problems	14	28.00
Infrastructure problems	10	20.00
Other problems	06	12.00
Total	50	100

**Sources:- Primary sources**

As polled of different problems faced by Entrepreneurship while starting a new concern it is found that the most of entrepreneurs think that financial problems, Out of 50 Entrepreneurs 20 Entrepreneurs or 40% Entrepreneurs think that the major problem is related with the optimum source of finance for establishing a new entrepreneurship. 14 or 28% Entrepreneurs faced technology problems. Modern era is fully based on technology and technology is modifying continuously and entrepreneurs are facing technology problems while starting a new business. 10 or 20% Entrepreneurs face different types of infrastructure problems it includes roads, electricity, land etc. problems. These are common problems faced by Entrepreneurs while starting a new entrepreneurship.

**Table No. 3 Subsidies or assistance getting from Government for starting own business**

Opinion	Frequency	Percentage
Subsidies given in term of cash	27	54.00
Subsidies in term of tax deduction	23	46.00
Total	50	100.00

**Sources:- Primary sources**

A major theme mainly attract any concern is Subsidies. Central or state government gives subsidy to concern for establishing and running a concern. Out of 50 Entrepreneurs 27 or 54% entrepreneurs polled that cash benefit schemes attracts them for starting and running their firm. 23 or 46% Entrepreneurs attracts with tax subsidies on manufacturing or service Entrepreneurship for establishing or running their firm.

**Table No. 4 Purpose for running a new business**

	Frequency	Percentage
To earn Profit	36	72.00
To do Social welfare	14	28.00
Total	50	100.00

**Sources:- Primary sources**

The most reliable statement asked to Entrepreneurship is the purpose for running Entrepreneurship and two options are given to entrepreneurship first option is To earn Profit and second option is To do Social Welfare. Out of 50 Entrepreneurs, 36 or 72% Entrepreneurs run their Entrepreneurship fir earning profit and 14 or 28% Entrepreneurs run their Entrepreneurship to help the people living on that particular place.

**Table No. 5: Participation of Entrepreneurship in Economic Development in Banka District**

Opinion	Frequency	Percentage
Generation of Employment	37	74.00
Development of Infrastructure	13	26.00
Total	50	100.00

**Sources:- Primary sources**

As polled of the table it is observed that Entrepreneurships are very important for development of Banka District. In this study the debelopment is catogrised between “Generation of employment” and “Development of

Infrastructure.” Out of 50 entrepreneurs 37 or 74% entrepreneurs believe that generation of employment is the most important element of economic development and 13 or 26% Entrepreneurs say that development of infrastructure helps in economic development. As analysis of the data entrepreneurship plays a crucial role in development of Banka District.

## CONCLUSION & SUGGESTIONS

Entrepreneurship plays a critical role for economic progress in emerging countries such as that of India. Entrepreneurship assists in developing the backward regions and thereby alleviating poverty. Government should go for evaluation of rural entrepreneurship development programmes and activities in order to strengthen rural areas and subsequently increasing economic growth. It may be suggested that the reason why entrepreneurship finds it difficult to take off is due to lack of connectivity among the elements necessary to the fostering of capital accumulation, risk taking and innovation. Since this research is performed among Entrepreneurs of Banka District the results indicated that Entrepreneurship are consistently playing a vital part in development of Banka District. Government should introduce additional policies to give better platform for Entrepreneurship. As Banka District a part of Bihar state in India and growth of this district is centred on industries and agriculture.

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