

## Rural Development through Entrepreneurship

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### ABSTRACT

Rural development has traditionally centered on the exploitation of land-intensive natural resources such as agriculture and forestry. However, changes in global production networks and increased urbanization have changed the character of rural areas. Increasingly tourism, niche manufacturers, and recreation have replaced resource extraction and agriculture as dominant economic drivers. The need for rural communities to approach development from a wider perspective has created more focus on a broad range of development goals rather than merely creating incentive for agricultural or resource based businesses. Education, entrepreneurship, physical infrastructure, and social infrastructure all play an important role in developing rural regions. Rural development is also characterized by its emphasis on locally produced economic development strategies. In contrast to urban regions, which have many similarities, rural areas are highly distinctive from one another. For this reason, there are a large variety of rural development approaches used globally.

**Keywords:** *Rural Development, Entrepreneurship, Develop, Rural*

The term village refers to a small area with a small population which follows agriculture not only as an occupation but also as a way of life. A village is a small settlement usually found in a rural setting. Village people primarily depend on agriculture activities for their livelihood.

India is also an agricultural country. Agriculture produce contributes of about one- fifth of gross domestic product (GDP) in India. To increase our agriculture productivity & our economy we need to develop rural areas. Thus we need entrepreneurship opportunities in rural areas as well. So what is exactly entrepreneurship?

Entrepreneurship is a venture taken by a person who is called entrepreneur who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services and business or procedures.

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**Received: October 20, 2016; Revision Received: November 14, 2016; Accepted: December 25, 2016**

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### *Aims and Objectives*

Rural development aims at improving livelihood of rural areas and people in a sustainable growth manner, both socially and financially, through better access to resources (natural, physical, human, technological and social capital), and services.

The basic objectives of Rural Development Programmes is to mitigate poverty and unemployment through development of basic social and economic infrastructure, provision of employment to rural youth and marginal Farmers/Labourers and to discourage migration to urban areas.

Rural entrepreneurship is defined as entrepreneurship whose origins lie in the rural areas but has a lot of prospective to drive various accomplishments in business industries agriculture, etc. and lead to the economic development of the country. In India Nearly 70% of its major population reside in villages and their means of support is sustained by agriculture and allied activities. Thus the nations' economic development depends largely on the standard of living of the rural people and development of rural areas.

In order to increase the agriculture economy government has been running several programs for rural development in India. The ministry of rural development takes responsibility for formulation policies, regulations and acts pertaining to the development of the rural sector, Agriculture, handicrafts, fisheries, poultry farms and diary are the primary contributors to the rural economy.

### **NEED FOR RURAL ENTREPRENEURSHIP:**

- a) Reducing unemployment. The occupation provided by rural entrepreneurs would serve as eradication of unemployment.
- b) Reduce income inequalities.
- c) Reducing unwanted migration of rural people to urban areas.
- d) Balancing regional development.
- e) To build up village republics.
- f) Preserve the culture & tradition of the country through art and legacy.
- g) This leads to economic development of the rural parts and nation on a macro level.

PM's 'Make in India' project has encouraged major initiatives, policy changes and many reforms that has put India on the global industrial map as one of the fastest growing economies and one of the most striking investment destinations globally. There is huge benefit to promote entrepreneurship in a large scale, reaching out to every edge of our country. Many other government schemes like Deen Dayal Upadhyaya Grameen Kaushalya Yojna were also launched to refinance micro business and rural development. It can also create a balanced growth, disperse the concentration of industrial units in urban areas and promote rural development.

Rural entrepreneurship has the prospective to endorse artistic activities. A large section of the bearers of traditional heritage and culture lives in rural areas. They create antique handicraft pieces and are equally good India & global markets. The very old rich heritage & culture of rural India can be preserved by protecting and promoting art and tradition through rural entrepreneurship.

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### ***Challenges for rural entrepreneurs: -***

There are a number of difficulties faced by rural entrepreneurs which create problems in rural development such as:

- a) Lack of technical support and knowledge in the rural areas.
- b) Financial restrictions.
- c) Lack of training units and support amenities.
- d) High cost of production.
- f) Storage and warehouse problems
- g) Lack of marketing and promotional techniques.
- h) Poor education levels.

### ***Risk faced by Rural Entrepreneurs:***

A rural entrepreneur also faces many kind of risks. These risks should be brought down to a certain level for smooth development and sustenance of rural entrepreneurship the risks faced by rural entrepreneur may be classified as technical risks, economic risks, social risks and environmental risks.

- i. ***Technical Risks:*** When the individual does not have enough knowledge about the technical knowhow, raw materials used, etc. and also when he does not know how to alleviate these problems.

For example, in a village in South India. Handloom weavers who produced blankets called 'Kambli' using traditional techniques like pit loom and spinning wheel. This process was very time consuming and less productive. A cooperative handloom society helped them with the improved Fly shuttle Frame loom which was used in cotton weaving and spinning wheel. But the loom required for this machine was not easily available locally. The equipment like raw-material, and the product were totally new and they had to depend on this co-operative society for the same. These local weavers faced technical risks which were beyond their acceptance level. Hence, they could not use the new loom method, though it improved the productivity.

- ii. ***Economic Risks:*** Risks due to market instabilities and hindrances relating to raw materials and finished products. These are risks of opportunity costs, alternative economic opportunities, product mixes, finances, etc. In the above example of woollen handloom weavers, they could sell their final product to the co-operative society only if they used the new technology. The buyers were not available to the product manufactured with new technology locally. Hence, they faced economic risk also. This was another restriction for them to use the new technology.

- iii. ***Social Risks:*** Social risks are the risks in-built in development of the new relationships. When an entrepreneur starts a new activity, he comes in contact with the people pursuing the same activity. Another social risk may lie in the village communities & castes. For example, in study many entrepreneurs in few states of India who started Gobar Gas plants had to face reservations of society. More than the technical risk, they were came across social resistance. In one of the village near Delhi, the rural entrepreneur was subject of social anger and was disliked. In Rajasthan, a voluntary institution, initiated

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entrepreneurial work with rural weavers. The moment made few people not to accept the proposed enterprise of weaving on a modern loom, the whole society put up resistance in many ways. Money lenders exercised their power in this regard, and people discouraged the entrepreneur separately.

- iv. ***Environmental Risks:*** These are risks arising from the environmental changes. A person has to deal with marketers who are unfamiliar to him. He may have to approach a bank for a loan which he never did earlier. He might have to carry out his business in totally a new environmental circumstances. He is then exposed to the risks involved in dealing with new people, cultures, rates of change, systems, cost etc.

To conclude, in this era globalization entrepreneurship in the context of rural development is challenge. Micro & small scale enterprises have existed in rural India since ages in the form of traditional skill. Recently entrepreneurship has emerged as a dynamic concept. It helps in generation employment opportunities in the rural areas with low capital, raising the real income of the people, contributing to the development of agriculture by reducing disguised unemployment, reducing poverty, migration, economic disparity and unemployment.

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### Acknowledgements

The authors profoundly appreciate all the people who have successfully contributed to ensuring this paper in place. Their contributions are acknowledged however their names cannot be mentioned.

### Conflict of Interest

The author declared no conflict of interest.

***How to cite this article:*** Sharma S. (2016). Rural Development through Entrepreneurship. *International Journal of Social Impact*, 1(4), 183-186. DIP: 18.02.024/20160104, DOI: 10.25215/2455/0104024