



4. Challenging a Change – Reflections on Innovative Promotion of Rural Entrepreneurship

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Abstract

Development of entrepreneurship has emerged as a movement in rural India due to its strengths to solve the twin problems of unemployment and poverty. In fact, the need for development of 'spirit of enterprise' among the rural population intensified more during the nineties with liberalization of Indian economy aiming to penetrate the developmental benefits to the rural masses at grass-root level.

Key Words- *Entrepreneurship, Rural economic development, skills of enterprise, new aptitude development*

Introduction

Entrepreneurship has been a subject of much debate and discussions. It is a vast concept. Hence it has various conceptualizations. While some call entrepreneurship as 'risk-bearing', others view it 'innovating' and yet others consider it as an enterprise aptitude. Entrepreneurship is a process involving various actions to be undertaken to establish an enterprise. It is, thus, process of giving birth to a new enterprise. Innovation and risk-bearing are regarded as the two basic

elements involved in entrepreneurship.

Bases of rural entrepreneurship

1. Human Resources
2. Agricultural Products
3. Forest Products
4. Animal Products
5. Finance
6. Markets
7. Technology

Phases of re development

1. Analyzing environmental set up relating to establishment of



- small industry and small business.
2. Selecting the product/ idea / concept for establishment of small industry and small business.
 3. Formulating the proposal for the enterprise
 4. Understanding the process and procedure involved in setting up a small enterprise.
 5. Knowing the sources of help and support available for starting a small scale industry / business.
 6. Acquiring the necessary managerial skills required to run a small-scale industry/ business.
 7. Knowing the pros and cons in becoming an rural entrepreneur.
 8. Appreciating the needed entrepreneurial discipline by local research & market understanding

The approach of EDPS:

Government tries to help the REs through EDPs by letting the

entrepreneur to set objectives for enterprise and strive towards its realization. It prepares RE to accept the uncertainties/ reservations in running a rural business. It enables to take right decisions at right time by resetting his goals & objectives & overcome entrepreneurial impediments. It enables to communicate clearly and effectively by developing a broad vision about the local business. Programs have to give acquaintance with the industrial policies through developing passion for enterprise with integrity and honesty. The programs make him learn compliance with law of labor, industry, market regulations etc.

Progressive merits of RE

1. Entrepreneurship promotes capital formation by mobilising the idle saving of the public.
2. It provides immediate large-scale employment. Thus, it helps reduce the unemployment problem in the country, i.e., the root of all socio-economic problems.



3. It promotes balanced regional development both rural & urban.
4. It helps reduce the concentration of economic power in only urban areas.
5. It stimulates the equitable redistribution of wealth, income and even political power in the interest of the country.
6. It encourages effective resource mobilisation of capital and skill which might otherwise remain unutilized and idle.
7. It induces backward and forward linkages which stimulate the process of economic development in the country.
8. It promotes country's export trade i.e., an important ingredient to economic development.

Characteristics of a RE

1. **Goal setting-** An entrepreneur should take steps to ensure that the actual activities of running a rural enterprise conform to the plans and goals already set for the enterprise.

2. **Time management** -After a production target is set, he has to set a time frame. Any untoward delays may prove very expensive. Thus time management also assumes significance as proper distribution of time proportionately among all aspects of enterprise ensures success.

3. **Monitoring**-He has to monitor the production process. This practice is called 'controlling' or management skills, which helps managers to monitor the effectiveness of their planning, organizing, decision-making, and actions of running a rural enterprise.

4. **Controlling**-As an essential part of controlling process he has to take timely correct actions, to achieve the entrepreneurial goals. Because only the constant & invariable supervision of the enterprise by entrepreneur helps in steering the enterprise in the right direction. In case, the enterprise is not being run in preferred direction, the entrepreneur should clear the impediments & set changes in the



right direction & help it move towards the set goals immediately.

5. Managing finance-To enable better controlling of the enterprise, the entrepreneur should follow the simple practices of monitoring the cash flows to and from the enterprise. Strict financial management practices help attain better control of the enterprise even at an initial stage.

6. Quality control-Even close supervision and monitoring of production process helps in quality control. To ensure quality, mid-way in the process of manufacturing various components, the entrepreneur conducts various tests, because improper components may not be useful to assemble better final products.

7. Delegation of power-When the scale of operation of an enterprise gets enlarged, the entrepreneur usually has to attend to various activities of the enterprise and is hard pressed for time. Hence he has to delegate some of the work of unit. Thus

delegation of work is another important aspect of RE as the unit grows the work connected with it also grows. After launching a rural enterprise, various entrepreneurial activities are taken up by the entrepreneur for optimizing resource use, maximizing profits and enhancing the efficiency of running the enterprise which needs delegation of powers.(Nandanwar Kalpana (2011), Role of Rural Entrepreneurship in Rural Development).

Constraints of rural entrepreneurship building-

There are several constraints for the development of rural tourism(RE)

Low self-image and confidence

– One of the important & initial problem of RE development is the villagers lack exposure. They suffer from Low self image and confidence. As a motivational experiment the villagers should get exposure to training inputs and experience sharing by successful local entrepreneurs should be made a



handy tool to motivate the villagers.

Lack of knowledge – RE suffers from another major setback. They do not have any prior knowledge about starting a RE they will not be having information about whom

to contact for starting a venture, what official formalities and procedures are to be followed? What are the pros & cons of entrepreneurship building etc Hence they should be provided with proper information inputs on official procedures and formalities initially.

Opportunity identification and guidance- Even though RE is started the entrepreneur will not be knowing whether the identified business is a viable and sound proposition? Since he is not exposed to a expedient market survey RE will not be knowing the problems or issues connected with a RE, he should be guided to prepare a project report with all the issues. (Sandeep Saxena (2012), Problems Faced By Rural Entrepreneurs).

Prospective strategies

1. Government should take measures to maintain a proper distribution of economic power between private and public sector.
2. Government should take measures to encourage the tempo of industrialization by spreading entrepreneurship from the existing centers to other cities, towns and villages.
3. Government should take measures to disseminate the entrepreneurship acumen concentrated in a few dominant communities to a large number of industrially potential people of varied social strata.
4. Government should take measures to emphasis on development of small-scale industries in the country. Several institutions like Directorate of Industries, Financial Corporations, Small-Scale Industries Corporations and Small Industries Service Institute were also established by the Government to facilitate the



new entrepreneurs in setting up their enterprises.

5. As RE serves as a key channel in economic development government should take measures to give tax holidays & tax advantages to rural entrepreneurs (Nandanwar Kalpana (2011), Role of Rural Entrepreneurship in Rural Development).

6. Government should sponsor modification in rural labor legislations so that RE can employ local labor without any hassles. This will also help in running an enterprise without any problems linked to labor.

7. Government should take steps in improving rural infrastructure facilities. This will assist in running RE without any impediments

8. Government should sponsor conducting training in RE

9. Government should develop a network of REs in local areas with the support of technical faculty .

10. Government should take steps to mobilize support from local authorities like grama sabha zilla panchayat etc in arranging regular trainings for RE.

In addition to all these programs the participatory activities of all the stake holders in a community will help the RE to come up with innovative ideas. Arranging group special welfare programs for local labors, tax exemptions for rural products, health insurance schemes etc can alleviate the RE. (Saxena Sandeep. (2012), Problems Faced By Rural Entrepreneurs).

Conclusion

The inculcation, development, and polishing of entrepreneurial skills into a person needed to establish and successfully run an enterprise are needed. Thus, the concept of entrepreneurship development programme should involve equipping the rural people with the required skills and knowledge needed for starting and running a local enterprise. Thus



rural entrepreneurship building is a very urgent need of rural Indian economy.

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