

## AN OVERVIEW OF RURAL ENTREPRENEURSHIP IN INDIA

ADITYA DEOGIRI

PGDM Number: 22557

Email ID: [aditya22557@sdmimd.ac.in](mailto:aditya22557@sdmimd.ac.in)



Rural entrepreneurship refers to the development and management of small and medium enterprises (SMEs) in rural areas. These businesses, which typically include a wide range of activities like farming, small-scale manufacturing, retail, and administration firms, are owned and operated by people who live in rural communities. Rustic business can play a key role in enhancing financial outcomes and improving the standard of living for people who live in rural areas.

Rural entrepreneurship can take many forms, from small-scale farming operations to cottage industries such as handicrafts and textiles. Rural entrepreneurs may operate their businesses independently, or they may be part of a cooperative or a community-based organization.

Rural entrepreneurship can also be a way for people in rural areas to diversify their income sources and reduce their dependence on traditional agricultural activities. This can be especially important in areas where traditional agriculture is facing challenges such as declining prices or changing weather patterns. In this article we can look at various aspects of rural economics and understand the challenges and opportunities that exist.

## **RURAL ENTRAPRENEERSHIP IN INDIA**

Agriculture, forestry, and hand looming are some of the industries the company targets in rural areas. The inhabitants of rural India's various regions are skilled trades. For instance, Kashmir has rural residents skilled in carpet weaving, whereas Kerala has rural residents skilled in wood carving. These differences in talents from location to place are caused by variables such as resources and traditions. In addition, India's agricultural sector is crucial to the economy because it provided 68% of rural jobs and 44.5% of GDP between 1970 and 1971. But in 2009, the share of non-agricultural industries reached 86% of the GDP, while the agriculture sector shrank to 16.1%.

### **Rural enterprise in India**

There are many various types of rural businesses in India, including cooperatives, self-help groups, and community-based organisations. These businesses are good for the rural economy since they produce jobs. However, there are a few obstacles for business in rural India, including the lack of resources, inadequate labour and skill levels, unstable communication systems, and inadequate transportation infrastructure.

In India, cooperatives represent one of the most widespread systems of rural financing in the world. With the economy evolving, agricultural cooperatives in India still have great room for progress. Rural cooperatives play a crucial role in the hinterland of rural areas by reaching a sizable clientele, farmers (small and marginal farmers), and individuals living in poverty. In India, there are about 450 000 cooperatives, with 220 million members.

### **Challenges and Opportunities**

Another major challenge is the limited access to markets and distribution networks. Many rural entrepreneurs have difficulty reaching customers beyond their local communities. This can make it difficult for them to grow their businesses and increase their revenues. Additionally, the lack of access to markets can also make it difficult for entrepreneurs to obtain fair prices for their products.

For Indian rural business visionaries, a lack of educational and career preparation programmes is a major obstacle. Many rural company owners lack the managerial or specialised skills

necessary to launch and manage an efficient venture. They may find it difficult to compete with more structured enterprises as a result.

Infrastructure is also a major challenge for rural entrepreneurs. Poor road and transportation networks can make it difficult for entrepreneurs to transport goods to markets. Additionally, limited access to electricity and other basic services can make it difficult for entrepreneurs to operate their businesses effectively.

Despite these challenges, rural entrepreneurship in India also presents many opportunities. Government programs such as the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) and the Pradhan Mantri Mudra Yojana (PMMY) aim to provide skill training and financial assistance to rural entrepreneurs. These programs can help rural entrepreneurs to develop the skills and resources they need to start and grow their businesses.

The government's push towards digitalization has also opened new opportunities for rural entrepreneurs. The increasing use of mobile technology and e-commerce platforms has made it easier for rural entrepreneurs to reach customers beyond their local communities. Additionally, the use of digital tools such as mobile banking and digital wallets has made it easier for rural entrepreneurs to access financial services and conduct transactions.

Another opportunity is the increasing focus on organic and sustainable agriculture. As the demand for organic and sustainable products increases, there is an opportunity for rural entrepreneurs to tap into this market by producing and selling organic products.

In conclusion, rural entrepreneurship in India plays a critical role in promoting economic development and improving the standard of living for people living in rural areas. However, it also faces several challenges such as limited access to credit, limited access to markets and distribution networks, lack of education and job training programs, and poor infrastructure. These challenges need to be addressed to unlock the full potential of rural entrepreneurship. Despite these challenges, rural entrepreneurship in India also presents many opportunities such as Government programs, digitalization, and sustainable agriculture. The government and private sector need to work together to provide access to credit, training, and markets for rural entrepreneurs, as well as improve infrastructure and access to basic services to promote rural entrepreneurship and improve the standard of living for people in rural areas.

### **Importance of rural entrepreneurship**

Rural entrepreneurs play a vital role in the overall economic development of the country. The growth and development of rural industries facilitate self-employment, results in wider dispersal of economic and industrial activities and helps in the maximum utilisation of locally available raw materials and labour.

**Proper utilisation of local resources:** Rustic businesses help in the proper utilization of local resources by using lovingly unrefined components and working for practical reasons, which increases efficiency.

**Employment generation:** Rural businesses open up a wide range of opportunities for local people.

**Prevents rural exodus:** Lack of employment, heavy population pressure, and neediness prevented rural residents from moving to urban areas in search of employment. It creates rural urban irregularity. In these circumstances, rural businesses serve as a potential source of lucrative business and assist in reducing wage gaps between rural and urban residents. This discourages rural residents from relocating to urban areas.

**Earnings of foreign exchange:** Through the sale of their products, provincial firms play a vital role in increasing the unchartered trade income of the country.

**Producers' goods of consumers' choice:** Rural businesses, including town and bungalow operations, create goods that cater to the preferences and decisions of specific consumers. A variety of buyers' needs are met by the creation of adornments, sarees, and innovative goods according to their preferences, plans, and decisions.

### **Government support**

The Indian government has implemented various policies and programs to support rural entrepreneurship and promote economic development in rural areas. Some examples of these programs include:

1. **Pradhan Mantri Mudra Yojana (PMMY):** This scheme provides loans to small businesses, including those in rural areas, to help them start and expand their operations. The scheme provides loans up to Rs. 10 lakhs and the interest rate is determined by the lending institution.
2. **Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY):** This program aims to provide skill training and placement services to rural youth to help them become

successful entrepreneurs. The program focuses on providing training and placement in sectors that have high growth potential and are expected to generate employment opportunities.

3. **National Rural Livelihoods Mission (NRLM):** This program aims to promote sustainable and inclusive growth in rural areas through building a strong institutional base for the rural poor. The program's main goals include expanding employment opportunities for the rural poor and establishing autonomous employment opportunities.

Apart from these the government has realised the importance to market access and infrastructure in realising the fact that infrastructure, internet, digitalization, and E- Commerce and connectivity to the market plays an equally important role in ensuring the overall development.

Pradhan Mantri Fasal Bima Yojana (PMFBY), Pradhan Mantri Gram Sadak Yojana (PMGSY) are two of the most important schemes when it comes to building infrastructure for the rural economy in our country.

### **SUSTAINIABILITY AND ORGANIC CULTURE**

Sustainable and organic agriculture is a method of farming that focuses on using environmentally friendly practices to produce healthy food while preserving the land for future generations. This type of agriculture emphasizes using natural methods to control pests and fertilize crops, rather than relying on synthetic chemicals.

To promote sustainable and organic agriculture in rural areas, it is important to provide education and job training to farmers and potential entrepreneurs. This can include classes on sustainable farming practices, as well as business training to help individuals start and run successful organic farming operations.

Rural entrepreneurship in sustainable and organic agriculture can be a great way for individuals to create jobs for themselves and their communities, while also promoting sustainable and healthy food production. With the right training and support, individuals can become successful farmers and business owners, helping to create a more sustainable and prosperous future for rural areas.

Village tourism, also known as rural tourism, is a type of tourism that focuses on experiencing the culture, lifestyle, and traditions of rural communities. This can include activities such as visiting local farms and markets, participating in traditional festivals and ceremonies, and staying in traditional accommodations like homestays or ecolodges.

One of the main benefits of village tourism is that it can provide a source of income for rural communities. By welcoming tourists, villagers can earn money from the sale of local products, homestay rentals, and other services. This can help to support the local economy and preserve traditional ways of life.

Village tourism also provides an opportunity for urban dwellers and tourists to experience and appreciate the simple and authentic way of life of rural communities. It also provides an opportunity for visitors to learn about the local culture, history, and customs that they might not have the opportunity to learn otherwise.

In conclusion, village tourism can be a sustainable and beneficial form of tourism for both visitors and rural communities. It provides an opportunity for visitors to experience the authentic culture and lifestyle of rural areas and for villagers to earn income from tourism while preserving their traditional ways of life.

In conclusion, the rural economy plays a vital role in the overall growth and development of a country. Despite facing numerous challenges such as lack of access to markets, credit, and technology, there are various ways to support and strengthen the rural economy. These include promoting sustainable and organic agriculture, supporting rural entrepreneurship, and encouraging village tourism.

Investment in education and job training can help to equip farmers and potential entrepreneurs with the skills they need to start and run successful operations. Support for sustainable and organic farming practices can help to preserve the land for future generations while promoting healthy food production. Encouraging village tourism can provide a source of income for rural communities, preserving traditional ways of life and allowing visitors to experience the authentic culture and lifestyle of rural areas.

Overall, by supporting the rural economy, we can not only improve the livelihoods of rural communities but also contribute to the overall economic development and growth of the country.

## **Conclusion**

Thus, we can conclude that rural entrepreneurship now is going through a slow but positive change, and we can see the rural economy starting to grow at a steady phase. The governments also seem to understand the importance of developing rural economy and is encouraging it. However, the challenges lie in the implementation process and not in realising its importance. If the rural economy continues to grow and then it has potential to solve several problems that exists in the country and significantly contribute to the overall growth of the nation.