

Problems And Prospects Of Rural Entrepreneurship- An Empirical Study

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Abstract

The current empirical study investigates the issues faced by rural entrepreneurs, concentrating on elements like market accessibility, financing availability, insufficient infrastructure, and a lack of training and education. The three villages in the Mandya district contributed to the study with its primary data. The study examined the 80 respondents' valid responses. The study outlined the main obstacles that prevent rural businesses from growing, such as a lack of funding and support, inadequate infrastructure, a lack of marketing opportunities, a lack of entrepreneurial skills, a lack of community support, and a lack of knowledge and awareness. The study also examined the prospects of rural entrepreneurship, highlighting the potential for growth through government initiatives, adequate infrastructure, digitalization, networking, technology assistance, leadership, and community-based support systems. The findings underscore the need for targeted interventions to empower rural entrepreneurs, thereby enhancing rural livelihoods and contributing to the overall development of the rural economy. This study offers insights into the policy framework and strategic measures required to foster a conducive environment for rural entrepreneurship, ensuring long-term sustainability and inclusive growth.

Keywords: Rural Entrepreneurship, rural entrepreneurship, problems, challenges, prospects

INTRODUCTION:

In many countries, especially developing ones where a sizable portion of the population lives in rural areas, rural entrepreneurship has emerged as an important driver of economic development. Rural entrepreneurship pertains to the launch and administration of commercial endeavors inside rural regions to produce economic activity, open up job opportunities, and advance the general development of these areas. Rural entrepreneurship has great promise. It also faces many obstacles, such as poor infrastructure, restricted access to capital, limited market opportunities, and sociocultural divides. On the other hand, it also offers a wealth of chances because rural areas are frequently endowed with rich resources, traditional knowledge, and distinctive cultural history that are used to leverage successful entrepreneurship.

For rural areas to flourish sustainably, rural entrepreneurship is essential. It helps to diversify the rural economy by lowering reliance on agriculture, which is frequently vulnerable to unpredictability due to factors like volatile market prices and unfavorable weather. Rural entrepreneurship raises the standard of living and stabilizes rural

incomes through encouraging non-farm activities. Rural entrepreneurship also stimulates creativity and innovation by promoting the innovative and fruitful use of regional resources. Additionally, because traditional trades and skills are frequently in danger of disappearing due to urbanization and industrialization, it helps to preserve them. The amenities in the rural area; the cottage industry, small-scale manufacturing, agriculture, agro-industry, and handicrafts; the restructuring of entrepreneurship to fit the needs.

CONCEPT OF RURAL ENTREPRENEURSHIP:

The process of starting and running enterprises in rural areas to generate employment opportunities and promote development in these places is known as "rural entrepreneurship." Rural entrepreneurship works in an environment marked by fewer resources, different cultural settings, and particular problems, in contrast to urban business, which frequently benefits from better-developed infrastructure, access to financing, and larger markets. Rural entrepreneurship has the potential to lift rural women out of poverty and promote general growth by giving them new economic options. In the present, it offers a huge chance for the growth of individuals who migrate from rural or semi-rural areas to urban areas (Retesh Kumar Gautham, et. al, 2016)

REVIEW OF LITARATURE:

The foundational role that rural entrepreneurship plays in economic development establishes the framework for addressing the diverse issues that rural entrepreneurs confront. Financial limitations, marketing obstacles, managerial difficulties, and human resource issues are among the issues. These issues are made worse by poor worker skill levels, a disapproval of entrepreneurship, and a lack of technology expertise. Concessional financing, the provision of raw materials, training, and joint marketing campaigns are the remedies (Sandeep Sexena, 2012). Rural Entrepreneurship suffers from financial constraints, absence of essential amenities, technical challenges, and policy barriers. Opportunities like entrepreneurship development initiatives, government support schemes, and the importance of creating a conducive atmosphere for entrepreneurial success can facilitate the growth of rural entrepreneurship. The study also highlights the potential of India's talent pool and the pressing need for government support along with skill and capital accessibility to nurture entrepreneurs (Brijeshkumar Mukeshbhai Patel et. al, 2013). In developing nations like India, where the economy is still in its infancy, rural entrepreneurship is crucial to progress. For institutions to effect change, they must prioritize fostering synergies between education (including contemporary vocational education training and skill development), innovation (turning ideas into money and jobs), and entrepreneurship (Moghana Lavanya et. al, 2014). The study by Vijaya kumar delved into rural entrepreneurship's significance in Indian rural development, addressing challenges like lack of capital and innovation. Emphasizing employment creation and economic upliftment, it advocates for tailored policies, skill development, and infrastructure to bridge rural-urban gaps, aiming for sustainable growth and reduced disparities in India's economy (Vijaya Kumar, 2016). several sectors in rural areas that have potential for growth, such as rural tourism and entertainment, and suggests methods to develop entrepreneurship, including training and market orientation for the rural population. Lastly, it emphasizes the importance of managing a rural enterprise in terms

of production, financial management, and optimizing resource use (Swathi Sharma et. al, 2011). Social entrepreneurs and civil society organization struggle to apply their innovation because of poor reach and lack of absorption (Ranjan, 2013). Training and ongoing support networks that offer all required help are essential to inspiring rural entrepreneurs to pursue entrepreneurship as a vocation. There is currently more room for the growth of entrepreneurship in India thanks to rural entrepreneurship. Rather than many chances for entrepreneurship, the nation faces obstacles in its progress. Indian entrepreneurs face two major challenges: inadequate infrastructure and a deficiency of business skills. (Singh et. al, 2017)

RESEARCH GAP:

The existing research on rural entrepreneurship highlighted the challenges and opportunities, yet several research gaps remain. Available research often focuses on broader issues like finance and infrastructure but overlooks other challenges faced by rural entrepreneurs. There is limited research on the role of emerging technologies and digital platforms in rural entrepreneurship. Addressing these gaps is crucial for developing targeted policies and interventions that can effectively support and enhance rural. The present study attempted to analyze the ground-level problems faced by the rural entrepreneurs of sample villages and to know their expectations to overcome such challenges.

RESEARCH METHODOLOGY:

The present study is empirical in nature. The study is conducted based on secondary sources and primary sources. Secondary data was secured from the existing published sources, and primary data was collected from the 100 rural respondents in the three villages of Mandya District. Three villages selected for the study included Purigali, Kirugavalu, and Belakavaadi villages in the Malavalli Taluk of Mandya District. The personal Interview method was used to collect the data from the respondents. Out of 100 respondents, 20 confirmed that they are not rural entrepreneurs, and these respondents are excluded from further analysis. Descriptive statistical tools like frequency and percentages are used to analyze the data.

OBJECTIVES:

- a) To identify and analyse the problems faced by rural entrepreneurs.
- b) To know the prospects of rural entrepreneurs for the development of rural enterprises.

DATA ANALYSIS AND INTERPRETATION:**Table 1: Demographic Profile of Respondents**

	Category	Frequency	Percentage	Cumulative Percentage
Age (in years)	Below 18	12	15.00	100
	18-30	22	27.5	
	30-50	27	33.75	
	50-70	11	13.75	
	Above 70	08	10.00	
Gender	Male	49	61.25	100
	Female	31	38.75	
Education	No formal education	14	17.50	100
	Secondary	10	12.50	
	Higher secondary	32	40.00	
	Undergraduate	17	21.25	
	Postgraduate	07	08.75	
Occupation	Student	05	06.25	100
	Farmer	26	32.50	
	Trader	28	35.00	
	Service provider	12	15.00	
	Self-employed	09	11.25	

Source: Primary Data

Table 1 reveals that 33.75% of the sample respondents of rural entrepreneurs belong to the age range of 30-50 years, 27.5% come under 18-30 years, 15% are in the range of below 18 years, 13.75% are in 50-70 years and 10% are in the range of above 70. The study highlighted that rural entrepreneurs are emerging young entrepreneurs. Proper guidance and required support help young rural entrepreneurs attain sustainable growth. Of the valid 80 respondents, 65.25% are male and 38.75% are female. It states that Male entrepreneurs are more than women entrepreneurs in rural areas. 40% of the rural entrepreneurs have only education up to higher secondary, 21.25% are holders of an undergraduate degree, 17.5% do not possess any formal education, 12.5% studied up to secondary education and 8.75% are post-graduates. This implies that 70% of the sample respondents do not have a good educational background. They need financial, marketing, strategic planning, technology, training, and skills to make them compete. Sample respondents belong to different prime occupations. 35% are traders, 32.50

are farmers creating jobs for others, 15% are engaged in the service industry, 11.25% are self-employed and even students are also into rural entrepreneurship with 6.25% of sample respondents. The different occupations and focus area requirements also differ. The policymakers must consider the requirements of rural entrepreneurs representing this occupation.

Are you a rural entrepreneur?

Chart 1: Rural Entrepreneur

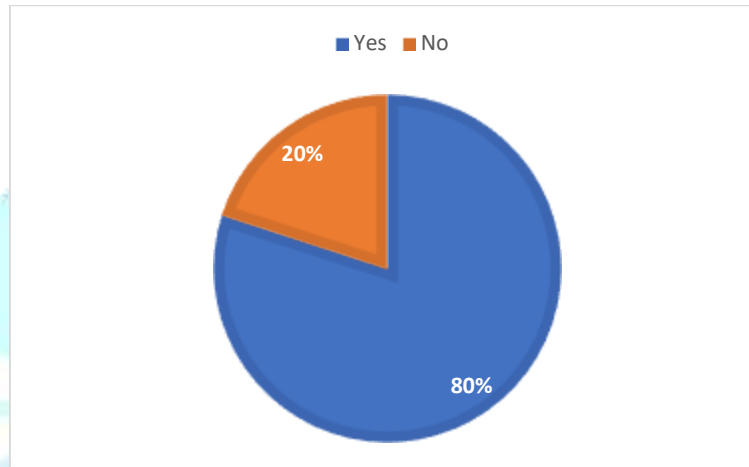
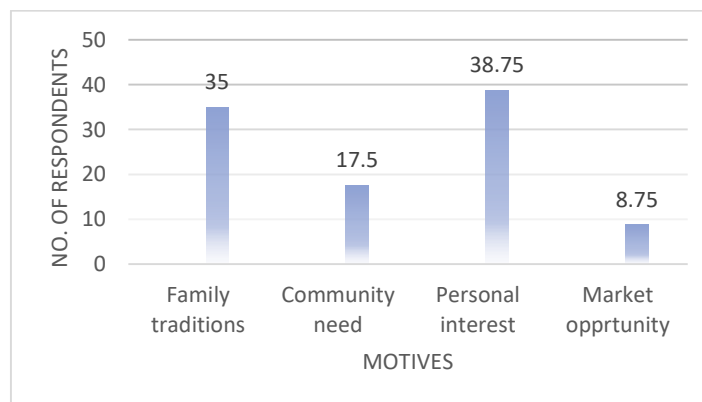


Chart 1 states that, out of the 100 respondents, 80% confirmed that they are rural entrepreneurs, and only 20% are not rural entrepreneurs. The Study considers responses from only 80% of the respondents for further analysis to achieve the objectives.

What is the motive for you became a rural entrepreneur?

Graph 1: Motives of rural entrepreneur



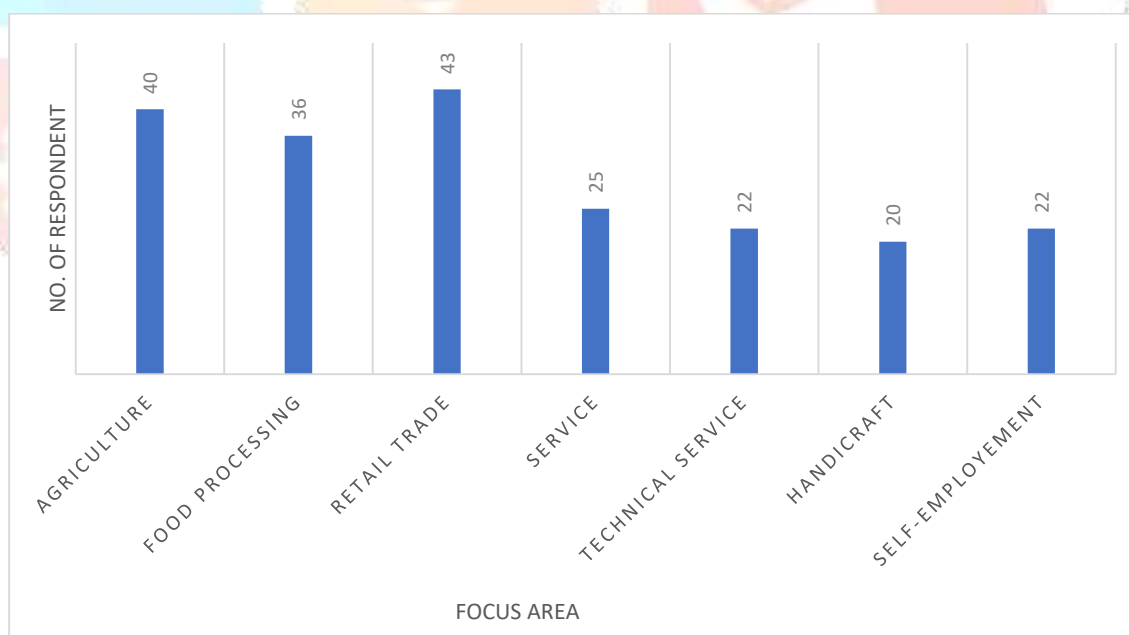
Graph 1 highlighted that, 35% of rural respondents became entrepreneurs motivated by family traditions, 17.5% by community need, 38.75% by their interest, and 8.75 by market opportunity. Family traditions and personal interests are the strong motivating factors to become rural entrepreneurs.

In which focused area are you involved in the rural entrepreneurship?

Table 2: Focus Area of Rural Entrepreneurship

Focused Area	Frequency
Agriculture	40
Food processing	36
Retail trade	43
Service	25
Technical service	22
Handicraft	20
Self-employment	22

Graph 2: Focus Areas of Rural Entrepreneurship



Tabel 2 and Graph 2 shows that rural entrepreneurs are engaged in the different focus areas of rural entrepreneurship. The study revealed that they are affianced in two or three focus areas. The study noticed that out of the 80 sample respondents, 40 are involved in agriculture, 30 in food processing, 43 in retail trade, 25 in service, 22 in technical service, 20 in handicraft and 22 are self-employed rural entrepreneurs.

What are the problems faced by rural entrepreneur?

Table 3: Key Problems of Rural Entrepreneurship

Problems	No. of Respondents
Finance	74
Access to Market	62
Lack of Education	33
Lack of Awareness	64
Lack of Community support	72
Lack of Skills	68
Technology challenges	66
Lack of Infrastructure	59

Source: Primary Data

Graph 3: Key Challenges of Rural Entrepreneurship

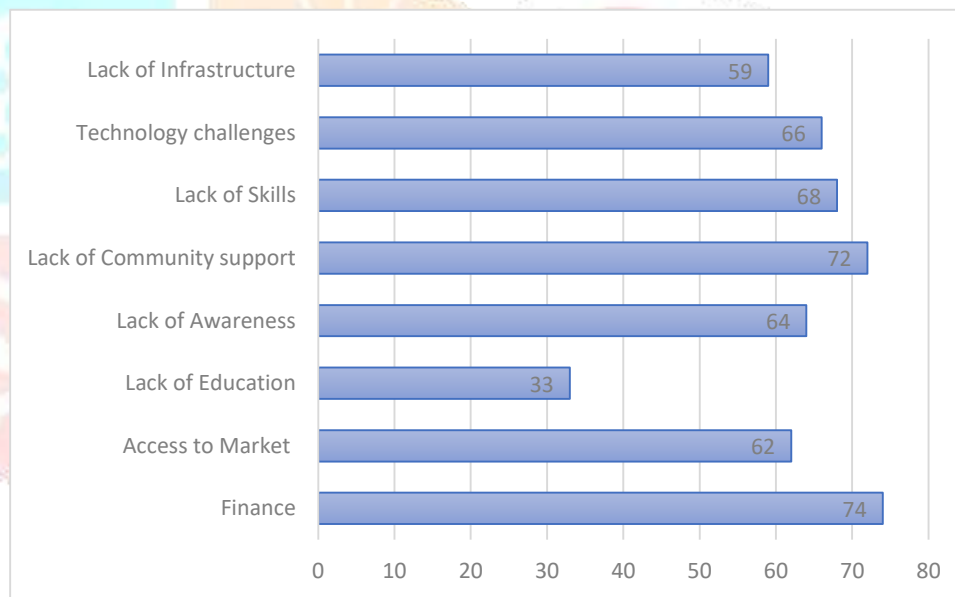


Table 3 and graph 3 highlight the major problems of the rural entrepreneurship of the sample villages. The study revealed that Finance assistance, access to the market, lack of education, lack of awareness, lack of community support, lack of skills, technology challenges, and lack of infrastructure are key challenges of rural entrepreneurship. The study found that 74 respondents stated that access to finance and financial support are the major challenges. 72 opined the lack of community support including the Government to face challenges. 68 respondents opined that lack of skills is one of their hindrances. 66 entrepreneurs stated that the rapid growth of technology also challenges the enterprises of rural areas. 62, 59, and 33 sample rural entrepreneurs expressed that lack of access to the market, lack of infrastructure, and lack of education and awareness also affect rural entrepreneurship.

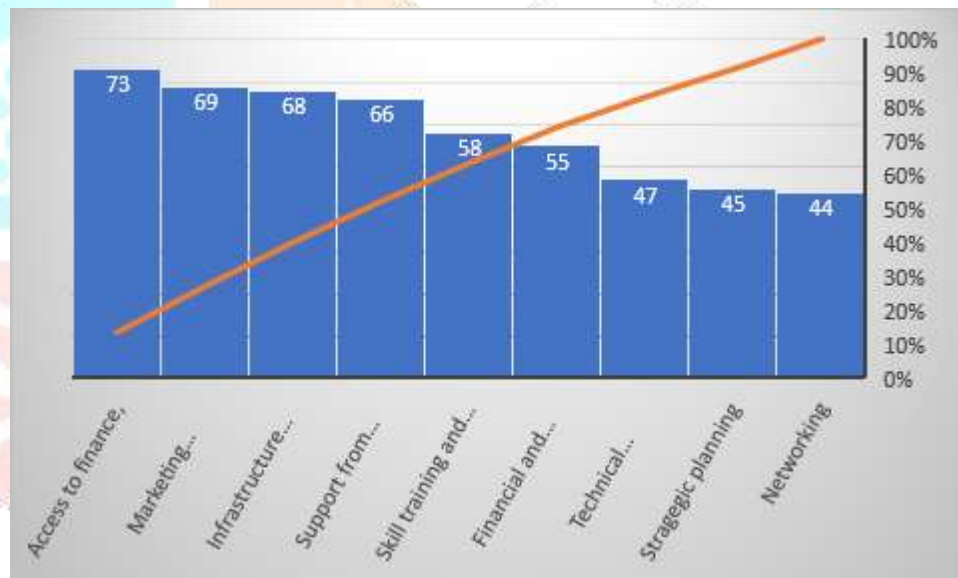
What is your prospectus to face the challenges of rural entrepreneurship?

Table 4: Prospects of Rural Entrepreneurship

Prospects	Frequency
Access to Fnanace	73
Marketing Assistance	69
Skill Training and Awareness	58
Infrastructure development	68
Support from Community	66
Financial and Business Education	55
Technical assistance	47
Strategic planning	45
Networking	44

Source: Primary Data

Graph 4: Prospects of Rural Entrepreneurship



Source: Primary Data

Table 4 and Graph 4 highlighted that of the 80 sample rural entrepreneurs, 73 expressed their opinion on accessing finance. Access to finance includes the facility of long-term and short-term loans from banking and financial institutions with reasonable terms, seed and venture finance for innovative businesses, long-term loans to procure capital assets, and short-term loans to meet mainly working capital requirements. Young entrepreneurs in rural areas involved in social entrepreneurship and start-ups need financial assistance. 69 respondents urge the facility to access the market to market the product of handicrafts, cottage industry, and small-scale sectors. 70% of the sample respondents did not possess the proper skills and training to understand the business strategy and to make problem-solving decisions. 58 sample respondents expressed their opinion about the need for skills and training. Good and adequate infrastructure facility assists the development of rural entrepreneurship. Sixty-eight sample respondents gave their justifications for why infrastructure should be developed in rural regions. The growth of

rural entrepreneurship is significantly influenced by community support. The government, financial institutions, businesses, the market, and most significantly, the general public are the sources of support they look to. To demonstrate their ability to plan strategically, solve problems, and exercise leadership, 55 respondents said they would like to receive financial knowledge and awareness. 45 expressed interests in technical support, and 44 in networking support.

MAJOR FINDINGS:

- Of the sample respondents, 50% are young rural entrepreneurs.
- The percentage of male entrepreneurs is more than female entrepreneurs among the sample respondents.
- 70% of the rural entrepreneurs are not well educated. They are educated up to primary, secondary, or higher secondary school. 14% do not possess any formal education.
- Rural entrepreneurs include entrepreneurs of different occupations.
- Personal interest and family traditions are the key motives for becoming entrepreneurs.
- Rural entrepreneurs engaged in a variety of business. They include retail trade, agriculture, agro-industry, food supply and food-processing, services, technical services, handicraft, cottage industry, and self-employment.
- Lack of access to finance, lack of community support, lack of access to the market, lack of infrastructure facilities, lack of education, lack of skill and training, and lack of technology advancement are the prominent problems that have been faced by the sample respondents of the sample villages. Lack of finance and community support are the crucial problems.
- Financial assistance, subsidy, community support, liberal legal provisions, public support, easy accessibility market both for purchase and sale, development of infrastructure, appropriate business education to face the critical situation and to make them think critically and make problem-solving decisions. They suffer from required skills. Proper skill-enhancing training programs and financial awareness programs for proper finance management are required. Technology advancement, networking, and support for rural entrepreneur to market their product through online marketing are crucially needed.

CONCLUSIONS:

A vital and complex idea, rural entrepreneurship is essential to the socioeconomic advancement of rural communities. It helps preserve the cultural and social structure of rural communities, promotes sustainable development, lowers poverty, and diversifies the economy. Despite the many obstacles they must overcome, rural business owners have the power to significantly improve their communities by embracing innovation, utilizing available resources, and seizing new market opportunities. Promoting rural entrepreneurship is crucial for the economy as a whole as well as for attaining equitable and sustainable growth in rural areas.

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