

Incubator of the Economy through Rural Upliftment: A Study of Entrepreneurship Development

¹ Dr. Desh Bandhu

Abstract

This research paper focuses on the role of entrepreneurship development in rural upliftment. Regional inequality increases the unbalanced growth in the country and it is a reality of Indian economy. The Rural development of the economy is the backbone of any country. Rural upliftment can reduce poverty, reduce unemployment and increase the living standard of people, who directly affect the country's economy. It is believed that entrepreneurship development in rural areas can increase the activities of the rural business. The promotion of rural economy is based on entrepreneurship development. But unfortunately, the traditional mentality of society and the state and related authorities is an important obstacle to the development of rural development in India. For this research, the data was collected through primary as well as secondary data. A sample is drawn from the universe Haryana and samples are collected from the only two districts e.g. Karnal and Kurukshetra. The parentage method and convenient and purposive method is used for statistical calculation. The main aim of the research is to know the entrepreneurship development and its impact on rural upliftment. The research shows that with the help of entrepreneurship development we can uplift the rural economy.

Key: Rural Upliftment, Entrepreneurship development, Economy

Introduction

The Government of India has taken several initiatives to promote the Indian economy and has set up policy measures to promote innovation and entrepreneurship culture in the country. The share of primary sectors (including agriculture, livestock, forestry, and fishery) is estimated to be 20.4% of the Gross Value Added (GVA) during 2016-17 at current prices.¹ Nearly 70% of the country's population lives in rural areas.² But still, rural economy, which is the backbone of the Indian economy, is ignored by the policymakers. The more than 70% of the country's population lives in rural areas and India's rural unemployment rate 7.15% and urban stood at 9.62%, BSE index shows.³ Many policies were implemented to reduce unemployment in the country, but the problem is still as it. Entrepreneurship means to identify business opportunities or exploit opportunities through construction and new firm construction⁴. The world economy mainly, developed countries economy is based on the entrepreneurial society and American and European countries reduced the problem of unemployment with the help of entrepreneurial development. But in Indian society is stereotype towards business activity. By 1991, the Indian economy was a closed economy, but after 1991, when foreign companies came to the country, the small rural business was almost over. Employment started to grow rapidly in urban areas rather than rural areas, whereas the entire economy of the country depends only on the rural economy. To overcome the problem of rural unemployment, we need the economy incubator through rural uplift and it is possible to resort to the entrepreneurial environment because entrepreneurship creates employment. *According to Govt. of India*

¹ Assistant Professor, Budha College of Management

any industry located in rural area, village or town with a population of 20,000 and below and investment of Rs. 3 crores in plant and machinery.

Thus, this research fills the gap by proposing a study where entrepreneurship development can incubate the economy and uplift the rural economy. This study seeks to identify the salient role of entrepreneurship development in the rural upliftment. Although entrepreneurial efficiency is the same, due to the differences in the infrastructure and other environments, the rural entrepreneurs are different from the urban entrepreneurs in terms of approaches, aspirations, and objectives.

Rural Entrepreneurs:

Since rural areas have low capital assets, they do not want to take more risks and want to see the concrete results of their entrepreneurial initiative in a very short period. We can categorize rural entrepreneurs according to their objectives and social need

1. Farm Entrepreneurs: Agricultural entrepreneurs are those whose main business is farming. The main source of their livelihood is agriculture, in this way people who have no land but are ready to stay in the village and provide agricultural assistance e.g. Sugar industries, Jaggery, Oil processing from oil seeds, Pickles, Fruit juice, Spices, Dairy products Wood products, Bamboo products, Honey, Coir industry, making eating plates from leaves etc.

2. Artisan entrepreneurs: In this way, those individuals have been included who have any kind of skills such as masonry, blacksmith, carpentry, repair of pump-set, art, repair of board painting, making of wooden or bamboo handicrafts that are local to that area, traditional decorative products, toys and all other forms of handicrafts typical to the region etc. Such skills can be inherited and refined or acquired through professional training.

3. Merchants and traders: It involves traders, who professionally trade in different products, which primarily require local populations and areas around the village. They are themselves producing or acting as intermediaries.

Literature Review:

The world's developed economy makes itself an ideal for all the undeveloped economies of the world, which is considered the entrepreneurial environment as the most powerful weapon for fighting against poverty and unemployment. Obaji, N. O (2014)⁵ stated that from the foregoing, it can be seen that the governments of many countries see entrepreneurship as the basis of industrialization of their economy and thus encourages entrepreneurship. Dr. D.S. Khari (2009)⁶, suggested that small scale business and totally locally controlled business can help the society prosper. Aina, O. I⁷, state that the entrepreneurs are not only rich but have developed the capacity to employ several thousands of people in gainful employment. Businesses do not have to start big but can be small but gainful. The Indian rural economy is the business incubator Center where, physical facility aimed at promoting economic development of its community by supporting start-up companies and their business development. Kabir, M. S. (2011)⁸, the findings of the study, it can be concluded that by adopting the broad approach of socio-economic development through the involvement of rural women with small scale industries, increase in income, higher levels of employment and women in decision-making process Increased participation. As it is known to everybody that Indian economy is based on agriculture, Bairwa, S. L (2014)⁹, it is clear that there is a huge potential for entrepreneurship in agriculture and this capacity can be applied only by effective management of agricultural elements like soil, seed, water, and market needs. The above literature has concluded that entrepreneurship development is the main area where any country can upgrade its rural economy to support the country's economy.

Objectives of the Study:

1. To study the role played by the Entrepreneurship development to generate employment opportunities in rural areas.
2. To suggest the measure to improve the entrepreneurial environment in rural areas.

Research Methodology:

This study makes a clear effort to define entrepreneurial development in rural upliftment. **Research Design:** The research design of this paper was exploratory cum descriptive in nature. Exploratory because it has penetrated into areas with the little knowledge that rural entrepreneur upgrades rural economy. Apart from this, there is also the nature of descriptive research in the present study as it is to find relationships between the development of rural entrepreneurship and its impact on the economic welfare of the rural population. **Data Collection:** the data was collected through primary as well as secondary sources. Secondary data was collected from selected government organizations and their development programs with reference to entrepreneurship development in rural. The primary data was collected from the rural entrepreneurs, those who involved in manufacturing and generating employment from the Karnal and Kurukshetra district of Haryana. **Sampling:** The universe comprised of rural people, between the age of 18 and 40 years and micro-entrepreneurs. **Sampling Method:** In the pursuit of the objectives and need of information, the data for the study has been collected through purposive and simple random sampling method. The percentage method was used to achieve objectives.

Sample size: The total sample size obtained for the study is 150 respondents. Out of these 90.67% (136) found correct and reliable for the study and remaining 9.33% (14) are not fully filled, reliable and correct for our study. The questionnaire was distributed equally in both the districts and collected 92% (69) filled questionnaire and rejected 8% (6) due to incorrectly filled or uncompleted information and as well as the data was collected 89.34% (67) filled the questionnaire and rejected 10.66% (8) due to an incorrectly filled questionnaire or uncompleted information provided by the respondents from the Karnal and Kurukshetra district respectively. The analyzed data has been presented using tables and graphs.

Data Analysis:

Table No. – 1
Unemployment Rate of India

Month	Unemployment Rate (%)		
	India	Urban	Rural
Feb 2018	6.06	6.84	5.65
Jan 2018	5.04	6.35	4.36
Dec 2017	4.76	5.43	4.42
Nov 2017	4.76	5.50	4.38
Oct 2017	5.05	6.12	4.49
Sep 2017	4.65	5.69	4.12
Aug 2017	4.11	5.13	3.58
Jul 2017	3.39	4.21	2.98
Jun 2017	4.15	4.92	3.76

May 2017	4.04	4.89	3.62
Apr 2017	3.89	4.25	3.71
Mar 2017	4.71	5.86	4.11

Sources: <https://unemploymentinindia.cmie.com/> (secondary data)

Interpretation:

The above table number 1 shows the current figures of unemployment rate in India. From the above figures, it can be assumed that the unemployment rate is constantly increasing. In March 2017, the urban unemployment rate was 5.86% and the rural was 4.11%. It grows fast in February 2018 and has reached 6.84% in urban and 5.65% in rural, but India has an overall unemployment rate of 6.06%. In the above table it has been concluded that if the rate of unemployment has increased accordingly, then the Government has no alternative without the development of entrepreneurship.

In order to promote the development of rural economy, the government is taking various policies and programs together to control unemployment, for any government, it is not possible to provide employment to every citizen of the country. Figures in this table make it clear that we need to promote rural entrepreneurship to strengthen the meaning of the country.

Table No.-2
Share of Small Scale Industries in Haryana

Years	No. of SSIs in India (Million No.s)	No. of SSIs in Haryana (Million No.s)	Share of SSIs of Haryana in India
2000-2001	10.11	0.07	0.73
2001-2002	10.52	0.07	0.71
2002-2003	10.95	0.07	0.68
2003-2004	11.40	0.07	0.64
2004-2005	11.86	0.07	0.59
2005-2006	12.34	0.07	0.58
2006-2007	12.84	0.07	0.56
2007-2008	13.37	0.07	0.56

Sources: Directorate of Industries, Haryana, Chandigarh

Interpretation:

From the above table No.-2, the data shows the share of small scale industries in Haryana. In 2000-2001, total no. of small scale industries in India is 10.11 million and .07 millions in Haryana. The total share of SSI of Haryana is 0.73%. If we see the trend of Share of SSI in Haryana is decline slightly. In 2007-2008 it reduced to 0.56% from the 0.73%. It is well known to every country that the small industry is the backbone of industry; the above data is being concluded that jobs created through small scale industries are gradually decreasing. Until then, any government policy cannot succeed unless the small scale industries saved.

Table No.-3
Demographic Profiles of Respondents as Entrepreneur

	Districts		Total
	Karnal	Kurukshetra	No. and Percentage
Age			
18-25	23.20% (16)	29.86% (20)	26.47% (36)
26-32	40.57% (28)	47.76% (32)	44.12% (60)
Above-32	36.23% (25)	22.38 % (15)	29.41% (40)
Total	100% (69)	100% (67)	100% (136)

Gender			
Male	81.16% (56)	73.13% (49)	77.21% (105)
Female	18.84% (13)	26.87% (18)	22.79% (31)
Total	100% (69)	100% (67)	100% (136)
Experiences			
0-10	23.19% (16)	26.87% (18)	25.00% (34)
11-20	33.34% (23)	38.80% (26)	36.03% (49)
Above- 22	43.47% (30)	34.33% (23)	38.97% (53)
Total	100% (69)	100% (67)	100% (136)

Sources: Primary Data

Interpretation:

The above table No.4 revealed the demographic profile of the respondents as entrepreneurs. The data was collected from the person, who has appointed more than 3 people in their rural business. The age between 18-25 shows only 26.47%, between 26-32 ages it is 44.12% and above 32 it is 29.41% person are entrepreneurs. It is clear from the above table is that maximum respondents are from the middle age. The 77.21% respondents are male entrepreneurs and 22.79% are female entrepreneurs. This shows the reality of discrepancy between male and female entrepreneurs. Almost every entrepreneur has more than 22 years of experiences. This shows that the maximum people are involved in family business and have long experiences.

Table No.-4
Types of Rural Entrepreneurs

Types	Districts		Total Percentage
	Karnal	Kurukshetra	
Farm Entrepreneurs (e.g. Sugar industries, Jaggery, Oil processing from oil seeds, Pickles, Fruit juice, Spices, Dairy products Wood products, Bamboo products, Honey, Coir industry, making eating plates from leaves etc.)	48.65% (36)	51.35% (38)	100% (74)
Artisan entrepreneurs (masonry, blacksmith, carpentry, repair of pump-set, art, repair of board painting, making of wooden or bamboo handicrafts that are local to that area, traditional decorative products, toys and all other forms of handicrafts typical to the region)	46.67% (21)	53.33% (24)	100% (45)
Merchants and traders (professionally trade in different products)	70.59% (12)	29.41% (5)	100% (17)
Total	%(69)	%(67)	136

Sources: Primary Data

Interpretation:

Haryana's economy is an agrarian economy; maximum people depend entirely on their livelihood on agriculture. From the above table, Number-4 revealed that in Karnal 48.65% and Kurukshetra district 51.35% were involved in agricultural enterprises. This shows that even the farmer is facing competition with the multinational company, but still, there are many possibilities for job seekers in these sectors.

As we know, Indian culture is very rich since ancient times and Art is a gift given by God. In the village, we met so many people who are directly involved in artist business. It is one of the most important entrepreneurs; In Karnal district 46.67% people was directly involved in this type of business and 53.33% were included in Kurukshetra district.

Before 1991 Indian economy is closed economy. The rural people consume and satisfied their need only from local traders. These people were controlled all the economic activity of the rural areas. Nowadays, we have sufficient opportunities to develop the local traders and can generate employment.

Findings:

The current study found that most entrepreneurs were inducted into agricultural entrepreneurship and artistic entrepreneurship. This study has found that women entrepreneurs are very few compared to male entrepreneurs, more than 30 years of experience of entrepreneurs. The reason for this is that most entrepreneurs have been involved in family business. The percentage of SSI is falling year after year, but unemployment is rising year after year.

Suggestion:

Most entrepreneurs are involved in the business of their family under sole ownership and small scale. With the help of their business, the government has to help them in starting a large scale business on a global scale. The government should organize special training programs for Entrepreneurial development and improvement programs for those entrepreneurs who do not have any skills to compete and increase their productivity.

Conclusion:

From the previous economic history, it can be seen that the governments of many countries see entrepreneurship as the backbone of industrialization of their economy and thus encourages entrepreneurship. The Indian economy also depends on rural entrepreneurship. From this research study, it comes to our attention that through Entrepreneurship Development, not only Haryana's economy, the even Indian economy has a great potential for small-scale industries development. Employment opportunities are growing because of the interference of foreign companies in every field of the economy, but in rural India, employment opportunities for unskilled workers have come down considerably. These unskilled workers can also play an important role in the development of the country. But our policymakers have ignored this class so far. Studies have shown that the total share of SSI is declining year after year. Last but not least, it can be concluded that entrepreneurial development in rural areas has played an important role in upgrading the rural economy and can create employment opportunities for the people living behind. Nonetheless, the success of entrepreneurship of any country depends on the policy behavior of the government. Since most governments, especially in developing countries, are trying to achieve economic development, so they are always bringing support policy programs in various forms.

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