

# A SOCIO - ECONOMIC STUDY OF RURAL ENTREPRENEURS IN KURINJIPADI BLOCK OF CUDDALORE DISTRICT

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## **Abstract:**

Entrepreneurship can play an important role in rural development. Entrepreneur means one who create a product on his own account, whoever undertakes on his own an industrial/trading Enterprise in which men are employed. If entrepreneurships really encouraged in rural areas, it would, of course be instrumental in changing the face of rural areas by solving the problems of unemployment, poverty, economic disparity, poor utilization of the rural capacity, low level of standard of living. Majority of the population still lives in rural India and large population in urban areas still lives through the learning of a village life. Though Entrepreneurs are playing very important role in the overall development, they face very serious problems in day to daywork. This paper studies with the prospects and problems of rural entrepreneurs and suggestions to improve their role.

**Keywords:** Entrepreneur, Development, Balanced regional development, I

**INTRODUCTION:** Development of a country is a choice loaded on its people, whether rural or urban. It is individuals who shape up a society and decide its progress and performance. Urban and rural are two sides of the same coin of economic development, while the urban sector has witnessed the phenomenal growth and development, fueled by the post -independence era of industrialization, the rural sector saw little corporate growth. Rural development is more than ever before linked to enterprise. Now institutions and individuals promoting rural development see entrepreneurship as a strategic development intervention that could accelerate the rural development process. Furthermore, they agree on urgent need to promote rural enterprises. There are several reasons for the increasing interesting entrepreneurship in rural region and communities. First and foremost, the traditional approaches of recruitment and retention are just not working for most places, and leaders are looking for alternatives. Second, there is a growing body of evidence from the global entrepreneurship monitor, on the critical role that entrepreneurs and small business play inn driving local and national economies. Third, the structure of rural economies is essentially composed of small enterprises, which are responsible for most of the job growth and the innovation and in any event, small business represent an appropriate scale of activity for most rural economies. Four principal components of a successful entrepreneurship development strategy are: There has to be a community culture of support for entrepreneurs, the strategy has to be entrepreneur-focused, a systems orientation has to be central to the strategy, make available funding for innovative financing models.

### **Importance of rural entrepreneurship:**

Rural entrepreneurship is labor intensive and a clear solution to growing problems of unemployment. Development of industrial through rural entrepreneurship has high potential for the employment generation and income creation. Rural entrepreneurship will in infrastructural facilities like power, road, etc., it can help to check the migration of people from rural to urban areas in search of jobs. Rural entrepreneurship can be the concentration of industrial units of urban areas and promote regional development in a balanced way. The age-old rich heritage of rural is preserved by protecting and promoting art and handicrafts through rural entrepreneurship. The growth of rural entrepreneurship can reduce the evil like poverty, growth of slums, etc., and awaken the rural youth and expose them to various avenues to adopt entrepreneurship and promote it as a career. Rural entrepreneurship will also increase the literacy rate of rural population. Their education and self-employment will prosper the community, thus increasing their standard of living. Efficient and effective use of limited resources by the entrepreneurs lead to overall economic development of an area.

### **Problems in Rural Entrepreneurship:**

Entrepreneurs face very serious problems in day to day work. As the thorns are part of roses, similarly every flourishing business has its own kind of problems. Some of the major problems faced by rural entrepreneurs are: limited scale and scope of local market opportunities, compared to urban context, there are fewer opportunities to subcontract out locally, limited access to financing, both for start-ups expanding enterprises, difficulties for women entrepreneurs to get access support and services, lack of expertise in the area of domestic and external marketing, political and economic stability, excessive regulation and formalities, problems relating to acquisition of input, little specialization and training, lack of organization and to undertake associative projects, lack of competitiveness of rural firms, poor infrastructure facility and low skill base of many rural areas, lack of knowledge and self-confidence of the rural people due to limited experience and lack of education.

### **Statement of the problem:**

The entrepreneurs with their ability to analyze and identify opportunities through efficient and effective utilization of national resources act as catalysts for economic development and agents of social transformation and change. According to Joseph Schumpeter, “the rate of economic progress of a nation depends upon its rate of innovation which in turn depends on rate of increase in the entrepreneurial talent in the population.”

According to Meir and Baldwin, “Development does not occur spontaneously as a natural consequence when economic conditions in some sense are right. A catalyst is needed which results in entrepreneurial activity to a considerable extent. The diversity of activities that characterizes rich countries can be attributed to the supply of entrepreneurs. Thus, they play a vital role for the overall development of a country in the following ways, by the formation of a capital, balanced regional development and general development, improvement in standard of living, national self-reliance, planned production, and benefits from rural entrepreneurship

**OBJECTIVE:**

The objective of the study is to analyse the socio-economic problems of entrepreneurship in Kurinjipadi block of Cuddaloredistrict and togive suggestions to promote entrepreneurs of that district.

**METHODOLOGY:**

To fulfill any task, it is necessary to followa systematic method. Research methodology is the main aspect of research studies. The methodology for the present research is detailed here.The survey was conducted in the Kurinjipadiblock ofCuddaloredistrict. The period of the study is between 2015-2016.The present study is based on both primary data and secondary data. The Primary data was collected directly from the respondents. The secondary data has been collected from books, journals related to entrepreneurs behaviour.

**DATA INTERPRETATION:****TABLE 1: AGE WISE DISTRIBUTION OF THE RESPONDENTS**

The below table shows that 46.66% of the respondents belong to the age group of below 25 and the least is respondents aged above 50 with 1.67%

S. No	Age	No. of Respondents	Percentage (%)
1	Below 25	28	46.66
2	25-35	20	33.33
3	36-50	10	16.67
4	Above 50	2	1.67
Total		60	100

SOURCE: Primary data

**TABLE 2: GENDER WISE DISTRIBUTION OF THE RESPONDENTS**

S.No	Gender	No. of Respondents	Percentage (%)
1	Male	34	56.67
2	Female	26	43.33
Total		60	100

SOURCE: Primary data

It is inferred that majority of the respondents are male with 56.67%

**TABLE 3: EDUCATIONAL STATUS OF THE RESPONDENTS**

S.No	Educational qualification	No. of Respondents	Percentage (%)
1	High School	14	23.33
2	Higher secondary	20	33.33
3	Degree	14	23.33
4	Others	12	20
Total		60	100

SOURCE: Primary data

Majority of the respondents, 33.333% have completed higher secondary, 23.33 % each of high school and degree and others 20%.

**TABLE 4: EARNING MEMBERS OF THE SAMPLE RESPONDENTS**

S.No	Earning members	No. of respondents	Percentage (%)
1	One	10	16.67
2	Two	17	28.33
3	Three	14	23.33
4	Four	19	31.33
Total		60	100

SOURCE: Primary data

The above table shows that 31.33% of the respondents have four earning members, 28.33% with two and three earning members each and one earning member with 16.67%.

**TABLE 5: MONTHLY INCOME OF THE RESPONDENTS**

From the below table, it is clear that among 60 respondents, 41.67 percent of the respondents earn monthly income below Rs. 25,000. 30 percent of the respondents earn Rs. 25,000 – 50,000. 21.67% percent of the respondents earn a monthly income of Rs.50,001 to 75,000 and 6.67 percent of the respondents earn a monthly income of Rs.75,001 to 1,00,000.

S. No	Monthly Income	No.of. Respondents	Percentage (%)
1	Below Rs.25,000	25	41.67
2	Rs.25000-50,000	18	30
3	Rs.50,001 - 75,000	13	21.67
4	Rs.75,000-1,00,000	2	6.67
Total		60	100

SOURCE: Primary data

**TABLE 6: TYPE OF BUSINESS OF THE RESPONDENTS**

S. No	Type of Business	No.of. Respondent	Percentage (%)
1	Hotel	20	33.33
2	Electronic Business	26	43.33
3	General Merchant	04	6.67
4	Others	10	16.67
Total		60	100

SOURCE: Primary data

It is clear from the above table that 33.33% of the respondents run hotel business, 43.33% runs electronic business, 6.67% are general merchant and others 16.67%.

**TABLE 7: FAMILY MEMBERS EMPLOYED OF THE RESPONDENTS**

S. No	Members employed	No.of. Respondents	Percentage(%)
1	2 or 3 persons	30	50
2	4 or 5 persons	17	28.33
3	5 or 7 persons	13	21.66
Total		60	100

SOURCE: Primary data

From the above table, it is inferred that majority, 50% of the respondents have 2 or 3 family members employed.

**TABLE 8: PERIOD OF TRAINING OF THE RESPONDENTS**

S. No	Period of training	No.of. Respondents	Percentage(%)
1	3 months	9	15
2	6 months	31	51.66
3	1 year	20	33
Total		60	100

SOURCE: Primary data

It is inferred that 51.66% have undergone training for 6 months, 15% for 3 months and 33% for 1 year.



**TABLE 9: SOURCE OF FUND FOR THE RESPONDENTS**

S. No	Sources of fund	No.of. Respondents	Percentage(%)
1	Personal Saving	15	25
2	Private banks	13	21.67
3	Friends and relatives	10	16.67
4	Banks	22	36.66
Total		60	100

SOURCE: Primary data

From the above table, it is clear that source of fund for majority of the respondents are banks 36.66%, followed by personal savings 25%, private banks 21.67% and 16.67% by friends and relatives.

**TABLE 10: INITIAL INVESTMENT OF THE RESPONDENTS**

S. No	Initial investment	No. of Respondents	Percentage (%)
1	Less than 75,000	30	50
2	Rs.75,000-1,50,000	10	16.66
3	Rs.1,50,000 - 2,25,000	10	16.66
4	Above Rs.2,50,000	10	16.66
Total		60	100

SOURCE: Primary data

It is inferred from the above table that majority of the respondents, 50% started with initial investment of less than Rs.75, 000 and remaining 50 % have initial investment more than Rs.75,000.

**TABLE 11: FINANCIAL PROBLEMS FACED BY THE RESPONDENTS**

S. No	Financial Problems	No. of Respondent	Percentage(%)
1	Lack of capital	12	20
2	Lack of loan	10	16.66
3	High rent	08	13.23
4	High interest on loan	30	50
Total		60	100

SOURCE: Primary data

It is inferred that 50% of them have high interest loan, 20% lack of capital, 16.66% lack of loan and 13.23% have high rent.

**TABLE 12: MODE OF SAVING OF THE RESPONDENTS**

S. No	Mode of saving	No.of. Respondent	Percentage (%)
1	Bank	25	41.66
2	Private	13	21.66
3	Chit fund	13	21.66
4	Others	09	15
Total		60	100

SOURCE: Primary data

It is concluded from the above table that 41.66% prefer national banks for savings, followed by chit fund and private bank each 21.66% and in others 15%.

### Problems and Suggestions:

- Governments should provide separate financial fund for rural entrepreneur.
- Government should arrange special training programs of rural entrepreneurs.
- Rural entrepreneur should be more competitive and efficient in the local and international market
- Market information of different products and innovative technology should be publicly announced in order to get its acceptance among the rural entrepreneurs.
- Essential infrastructure facilities like land, power, raw materials and finance should be provided to the rural entrepreneurs at concessional rates.
- Credit history information of the rural entrepreneurs has to be developed so as to enable them to get sufficient amount of loan from the banks at reasonable rate of interest.
- Strength and weakness of small businessman has to be identified and then they should be properly motivated to become entrepreneurs.
- Awards should be given to those entrepreneurs who demonstrate extraordinary success.

### Conclusion:

In India, about 75% of the households live in villages. In recent times, more and more entrepreneurs are realizing the potential of rural market and have started focusing on it. Therefore, promotion of rural entrepreneurship is extremely important in the context of producing gainful employment and reducing the widening disparities between the rural and urban population. Rural entrepreneurship is necessary to minimize poverty and to overcome low productivity in the farm sector. To conclude, monitoring rural development programmes by supplying right information at the right time, providing timely and adequate credit and continuous motivation of bankers, panchayat union leaders and voluntary service organizations will lead to the development of rural entrepreneurship.

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