

Prospects and Challenges of Rural Entrepreneurship in Uttar Pradesh

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Abstract- Rural Entrepreneurship is now days a major opportunity for the people who aspire to become entrepreneur. Entrepreneurs are day dreamers and works against all odds to achieve success. There are many examples of social entrepreneurs working at grass root level who are now synonyms of “Success”. They saw bigger picture but started their business as small unit. These social entrepreneurs converted their dream into reality and set example for budding entrepreneurs that there are huge untapped potential available at grass root level but their success was not an easy task rather they set massive goal for themselves and stay committed for achieving them regardless of obstacle which came in their way. They have ambition and unmatched passion towards achieving their goal. It looks fascinating, motivating and attractive after listening stories of entrepreneurs but their success story has faced many obstacle which we call challenges. Overcoming these challenges by looking forwards towards success is key to become successful entrepreneurs. This research paper focuses on challenges faced by rural entrepreneurs and looking forwards on prospect and possibilities to become successful entrepreneur.

Keywords- Rural Entrepreneurs, prospect, challenges, social entrepreneur

I. INTRODUCTION

Rural Entrepreneurship is a new phenomenon which is emerging as dynamic concept especially with the announcement of “Make in India”, “Empowering India” and “Swadeshi”. It can be defined as Entrepreneurship emerging at grass root level which can emerge out of variety of fields such as agriculture, industry, business, handicraft, microfinance, livestock, social entrepreneurship etc. which can act as catalyst for economic growth and development. Although rural development have been linked to entrepreneurship since ancient times but neither was it channelized nor it was getting accelerated for mass benefit rather it was confined to few peoples. Entrepreneurship is now regarded as one of the innovative tool which can bring social transformation. The launch of different schemes by government of India such as “Pradhan Mnatri Kaushal Vikas Yojna” UDAAN’, STAR (Standard Training Assessments and Reward) can be utilized by individual or institutions to accelerate entrepreneurship at grass root level. Entrepreneurship can be used as vehicle to

improve quality of life for individual, families and marginalized societies which will result into sustainable economic growth and development of rural India. Currently most of the rural population directly or indirectly depends on agriculture, fishery, animal husbandry or rural wage labor associated farming, plantation, daily wage labor, ranches along with related activities linked to rural townships.

Rural Entrepreneurship Development aim to provide skills to youth so that rural economic activates can be diversified to them and they can be empowered which will help in transition of informal activities into formal growth sector at grass root level.

II. OBJECTIVES OF THE STUDY

The main objectives of this study are as follows

- To study the problems encountered by rural entrepreneurs in U.P.
- To provide suggestion for development of rural entrepreneurship in U.P.
- To suggest measures and policy recommendations to government bodies for better implementations of schemes for rural entrepreneurship.

III. METHODOLOGY

The data required for study about prospects and challenges of rural entrepreneurship is collected from Primary as well as Secondary source. The Primary data is collected by Structured Questionnaire and Personal Interview methods and the secondary data is collected from various published sources such as magazines, newspapers, journals, books and various government websites. The present study is descriptive in nature.

IV. IMPORTANCE OF STUDY

Rural Entrepreneurship implies entrepreneurship arising at grass root level. In other words rural entrepreneurship is about establishing small industries at village level or it is about rural industrialization. Rural Entrepreneurship is about diversification into non-agricultural uses of available resources such as carpentry, blacksmithing,

spinning, bee farming, poultry farms, horticulture, goat farming, fishery, livelihood etc. as well as diversification into activities other than those which is solely depend on agricultural activities for example use of woodland, water bodies, available cheap labor and skills all fits into rural entrepreneurship. A turnaround is possible in rural areas if government schemes are communicated and implemented properly and basic amenities of life is provided to them. The concept of social entrepreneurship is feasible phenomenon which should be backed by micro finance. The real solution to India's economic problem is not mass production but production by masses as was suggested by Mahatma Gandhi.

V. BENEFITS OF RURAL ENTREPRENEURSHIP

- **Employment Opportunity:** Rural Entrepreneurship is labor intensive and provides remedies to rural unemployment. Development of Industrial Unit through Rural Entrepreneurship has high potential of employment generation and income creation
- **Check on Migration of Rural Population:** Rural Entrepreneurship can fill the big gap and disparities in income of rural and urban population. Rural Entrepreneurship will develop infrastructural facilities like power, road, bridge etc. It can check the migration of people from rural to urban areas in search of job.
- **Balance Regional Growth:** Rural Entrepreneurship brings in balance regional growth by providing opportunity of rural employment and income generation.

VI. CHALLENGES OF RURAL ENTREPRENEURSHIP

Entrepreneurship plays very important role in economic development of any country but Entrepreneurship is not an easy task. 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 as follows.

- **Financial Problems:** Most of the rural entrepreneur struggle due to paucity of funds due to absence of tangible security and credit in the market. Loan facility to rural entrepreneurs is rarely available and if it available the procedure to avail it is time consuming that its delay often disappoints rural entrepreneurs.
- **Lack of Infrastructure Facility:** Lack of infrastructure facility hampers the growth of rural entrepreneurship in spite of government focus towards entrepreneurship.
- **Risk Involved:** Rural Entrepreneurs have low risk bearing capacity due lack of financial resource, infrastructure facility and proper market.
- **Competition:** Rural Entrepreneurship faces severe competition from established large size organization and urban entrepreneurs. They incur high cost of production due to high input cost. Major problem faced by entrepreneurs are the problem of standardization and competition from large scale units that creates problem of existence for new venture. New venture have limited resource hence cannot afford mush on sales and promotion of products.
- **Middleman:** Rural Entrepreneurs are heavily dependent on middlemen for marketing of their product. Storage facility and poor means of transport system are other marketing problems in rural areas hence middlemen exploits rural entrepreneurs on this front too
- **Poor Knowledge of Information Technology:** Present time is of online business and linkage. Entrepreneurs from rural areas lack in technology usage due to poor knowledge and unavailability of resources that hampers the growth of their business.
- **Legal Formalities:** Rural Entrepreneurship finds it extremely difficult in complying with various legal formalities in obtaining license due to illiteracy and ignorance.
- **Poor Quality of Product:** Due to financial constrains and non availability of standard tools and equipments the product produced by rural entrepreneurs are poor in quality.
- **Lack of Skilled labor:** Finding skilled labor is major problem of rural entrepreneurship. Turnaround rate is also high. On job training is must for workers but training is also very difficult task as most of the workers are illiterate and youth who are literate have mindset that in rural areas there are very less options available so they migrate to urban areas.
- **Family Challenges:** Social stigma attached with families in villages stop individual from starting or taking lead for new venture. It is not easy to convince family members that individual will make more money through new venture than following traditional business or Job.
- **Social Challenges:** Society plays vital role for choosing career between entrepreneurship and Job and individual cannot convince society that how a person who is in job enjoy benefit of house car etc (by taking loan)at quick pace rather than the person who choose entrepreneurship, has struggle to get establish.
- **Technology Challenges:** Technology is major drawback for entrepreneurship especially at village level where there is a lack of infrastructure and basic amenities.
- **Policy Challenges:** Policy parameter is biggest challenge for entrepreneurship. Complex policy and lack of awareness about policies is major hurdle for entrepreneurs.

VII. SUGGESTIONS

- Government schemes should reach to poorest poor and upto lowest strata of society
- Rural people should be given proper training to avail the facilities through different government schemes.
- There must be separate Government fund to support rural entrepreneurship.
- Need of awareness about startup, entrepreneurship and also about different government schemes
- Government should provide basic infrastructure facilities to promote rural entrepreneurship
- Government must promote, motivate and facilitate Good Startup and top entrepreneurs.
- Ground level implementation of different government schemes and programme like “Make in India” “Startup India” Digital India” etc. rather than just advertisement about it.

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VIII. CONCLUSION

Rural Entrepreneurship is basic foundation for economic progress of any country. Rural Entrepreneurship is another way of converting developing county into developed one. Rural Entrepreneurship is best way to remove rural poverty and migration in India therefore there must be ground level focus on integrated rural development programme. The problem with rural entrepreneurship is that neither youth were thinking about entrepreneurship as career option nor government was putting emphasis to create ambience for rural entrepreneurship.

Since present government is focusing on Entrepreneurship therefore rural youths should be motivated to choose entrepreneurship as career with proper training and sustaining support system providing all necessary assistance.

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