

**PROBLEMS OF RURAL ENTREPRENEURS IN TIRUNELVELI AREA****<sup>1</sup>M. Anu**

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**(Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli,  
Tamilnadu - 627012)****ABSTRACT**

The present study is for examining the problems of rural entrepreneurs in Tirunelveli. The results of the study setup that 'shortage of finance', shortage in marketing', 'defined mobility', 'inadequate of managerial skills', 'technical experience', inadequate of modernization', 'work life imbalance, 'lack of awareness', 'lack of skilled manpower', 'inadequate supply of power', 'insufficient supply of inputs', 'cut throat competition', 'inflation' and 'reducing subsidies' are the fourteen problems that have an opposite impact over the growth of rural entrepreneurship in Tirunelveli. The significant value of Kendall Coefficient of Concordance signifies that there is a close concordance among the perceptions of respondents pertaining to the statements designed for the study. The findings of the present study will be very useful for the various stakeholders' viz., centre and state governments especially dealing with the micro and small scale industry, non-governmental organizations etc. to formulate the effective policy for the promotion of rural entrepreneurship in our economy.

**Keywords:** Entr.epreneurs, Problems, Finance

**Introduction**

The economies across the world believes that the active participation of rural entrepreneurs in economy and society contributes directly to the growth and substance of the nation. Apart from depending on agriculture, rural people are also showing the courage to run the entrepreneurship. They're ardently undertaking the entrepreneurial risks and by doing this not only creating employment opportunities for themselves but also for others in rural areas. The statistical sources of India also depict that the status of rural entrepreneurship is important in our economy. The All India Report of (2016) of the Government of India, based on the results of 'Sixth Economic Census' in India shows that the rural entrepreneurship is contributing considerably to the economic development of our economy. The report submits that out of the total 584.95 lakh establishments, 347.96 lakh belongs to the rural establishments which accounts for 59.49 per cent out of the total establishments. It is further noted that utmost all the rural establishments/enterprises are the unregistered enterprises. The analogous report further submits that more than ninety percent rural enterprises are unregistered in India which points out that it is hard for the regulating authorities to approach unregistered rural enterprises to access their problems and to take corrective measures for them.

**Earlier Studies**

As far review of literature is concerned so far various studies have been examined

over the different periods of time in abroad or India for exploring the various problems of the rural entrepreneurs of different levels, scales or types of entrepreneurship. The work of Carter (1980), Hisrich and Brush (1984), Symons (1987), Hisrich and Fan (1991), Malagawakar (1997), Rajendran (1999), Subrahmanyabala (2004), Westhead, *etal.* (2004), Alonso (2009), Khanka (1990), Khanka (1995), Shetty (2008), Saxena, (2012), Datt and Sundharam (2012), Dhar (2013) etc. is noticeable for exploring the problems in the way of rural entrepreneurs. The studies of the different period of time identified several barriers in the form of 'finance', 'marketing', 'mobility', 'managerial and technical skills', 'modernization', 'work-family imbalance', 'awareness', 'manpower', 'supply of power', 'supply of inputs', 'cutthroat competition', 'inflation' and 'reducing subsidies' for the growth of rural entrepreneurship. With this objective, to examine the problems of rural people to be entrepreneurs the present study has been categorized into three sections. Section I deals with the research methodology of the study. Section II discusses the problems of the rural entrepreneurs. Conclusion and recommendations are presented in Section III.

### Objective of the Study

The present study is an attempt to examine the problems of rural entrepreneurship in Tirunelveli.

### Section I: Research Methodology

The present study is mainly based on primary data and secondary data also used. The rural entrepreneurs who have more than two years' experience of entrepreneurship at micro scale level comprised the populace of the study. A sample of 200 respondents was selected and using the convenience sampling interviewed in Tirunelveli. The demographic profile of the respondents is presented in exhibit 1.

**Exhibit 1**  
**Demographic Profile of Sampled Respondents (N = 200)**

Demographic Characteristics		Number of Respondents	Percent age
<b>Gender:</b>	Male	192	96.0
	Female	08	4.0
<b>Age (in Years)</b>	Less than 30	34	17.0
	More than 30	166	83.0
<b>Qualification</b>	Matriculation	160	80.0
	Senior Secondary	22	11.0
	Graduation	18	9.0
<b>Nature of Entrepreneurship</b>	Service	116	58.0
	Manufacturing	84	42.0
<b>Experience (in Years)</b>	Less than 10	44	22.0
	More than 10	156	78.0

The above table shows that 96.0 percent respondents were male and 4.0 percent were female. 17.0 percent of the respondents belonged to the age group of 'less than 30 years' and 83.0 percent belonged to the age group of 'more than 30 years' sampled in the study. 80.0 percent of the respondents were matriculate, 11.0 percent were senior secondary and 18.0 percent were graduates. 58.0 percent of the respondents were running the service sector and 42.0 percent were in manufacturing sector in the study. 78.0 percent have the experience of more than 10 years and 22.0 percent have the experience of less than 10 years experience of rural entrepreneurship.

With the help of a well-structured questionnaire the problems of the smallscaleentrepreneurswereassessedthroughfourteenstatements. Therespondents wererequestedtoexpresstheirlevelofagreement/disagreementonafivepointscale ranging from strongly agreed to strongly disagreed. Suitable weights were assigned ranging from strongly agreed (5) to strongly disagreed (1) to analyze the collected information. The reliability of the scales used was also computed by using the Cronbach Alpha that was .874 for the present scale, which was more than the acceptable level (Cronbach, 1951; Hair *et al.*, 2003). For secondary data, the website of Ministry of Micro, Small and Medium Enterprises of India and Ministry of Statistics and Programme Implementation of India was visited for extracting the data for rural entrepreneurship. For the computation/statistical analysis the SPSS version 11.0 for windows has been used in the present study.

## Section II: Problems of Rural Entrepreneurs in Tirunelveli

This section examines the problems of the small scale entrepreneurs in Tirunelveli. The descriptive statistics of fourteen statements along with their respective weighted average score and standard deviation are shown in exhibit 2.

### Exhibit 2

#### Descriptive Statistics of Statements (N=200)

Label	Barriers (in abridged form)	WAS	S.D.
p1	inadequate finance	4.52	0.79
p2	inappropriate marketing	4.47	0.82
p3	restricted mobility	4.42	0.77
p4	lack of managerial skills	4.36	0.81
p5	lack of technical experience	4.35	0.83
p6	lack of modernization	4.33	0.78
p7	work-family imbalance	4.31	0.92
p8	lack of awareness	4.29	0.87
p9	lack of skilled manpower	4.27	0.86
p10	inadequate supply of power	4.24	0.82
p11	insufficient supply of inputs	4.19	0.82
p12	cutthroat competition	4.15	0.85
p13	Inflation	4.12	0.87
p14	reducing subsidies	4.09	0.86
<b>Overall Weighted Average Score (p1-p14)</b>		<b>4.29</b>	<b>0.83</b>

WAS=Weighted Average Score and S.D.=Standard Deviation.

Table 2 exhibits that respondents have been found agreeing that 'inadequate finance' (weighted average score 4.52), 'inappropriate marketing' (4.42), 'restricted mobility' (4.47), 'lack of managerial skills' (4.36), 'lack of technical experience' (4.35), 'lack of modernization' (4.33), 'work-family imbalance' (4.31), 'lack of awareness' (4.29), 'lack of skilled manpower' (4.27), 'inadequate supply of power' (4.24), 'insufficient supply of inputs' (4.19), 'cutthroat competition' (4.15), 'declining value of money/inflation' (4.12) and 'reducing subsidies' (4.09) are the barriers of rural entrepreneurship in Tirunelveli. The identified problems are closely inter-related with each other. The nature of one problem may be the cause of other problems and so on.

On the basis of the study result it has been found that problem of inadequate finance is one of the significant problems in the way of rural entrepreneurs. The limited financial strength of the rural entrepreneurs deprives them to avail the various opportunities of the business. The poor access of the rural entrepreneurs deprives the rural entrepreneurs to procure the finance at high cost of capital and at rigid terms which finally increases the cost of production of the business. It is also important to note that the problem of finance adversely affects so many other issues of the rural entrepreneurs. It makes it difficult for the rural entrepreneurs to obtain the services of the managerial and technical experts, acquire sophisticated technology, sufficient supply of inputs, and procurement of skilled manpower for their entrepreneurship.

Similarly, the results of the study further identify that to keep an appropriate equation between work and family is hard for the rural entrepreneurs. The studies explore that generally rural entrepreneurs have large size of families that keep them to be concerned with their families first and later on with their entrepreneurship. The decisions of the rural entrepreneurs are subject to the circumstances of their families. The familial priorities inhibit them to provide adequate time and efforts to their units. This delimits the mobility of the rural entrepreneurs which further confines the awareness level of the rural entrepreneurs. They bound to rely upon and use the local sources for their entrepreneurship.

Due to lack of awareness rural entrepreneurs have to take the help of intermediaries' viz., dealers, agents, brokers etc. for knowing the status of the market of the distant places and trust on their feedback. It might be possible that in many cases such sources would not be able to decency the trust of such rural entrepreneurs. Likewise, the problem of inflation/declining the value of money and reducing subsidies too affects the rural entrepreneurship adversely. This increases the cost per unit of the goods/services of the business which later on fail to handle the cutthroat competition of the market.

Similarly an attempt has also been made to examine the concordance among the respondents for perceiving the statements designed for examining the barriers of the rural entrepreneurship in Tirunelveli. For this purpose, Kendall's Coefficient of Concordance has been applied in the ongoing study. The value of Kendall's (W) is found to be .117 [where ( $n=200$ ); ( $\chi^2=34.279$ ) and ( $df=13$ )] which is asymptotically significant at 5 percent level of significance.

Variables	W	N	$\chi^2$
p <sub>1</sub> -p <sub>14</sub>	.117	200	34.279*

\*The value of p is 0.000032 and is insignificant at 5 percent level of significance ( $df=13$ ).

The perusal of table 3 exhibits that significant value of Kendall Coefficient of Concordance signifies that there is a close concordance among the perceptions of the respondents pertaining to the statements designed for exploring the problems of the rural entrepreneurship in Tirunelveli.

### Section III: Conclusion and Recommendations

The term rural entrepreneurship is important for increasing the wave of industrialization of an economy. India comprised of more than seventy percent of rural population and needs a sound structure of rural entrepreneurship for improving the basic socio-economic indicators of the economy. The overall economic plans, policies and programmes of different times have given a significant role to the rural entrepreneurs for improving their socio-economic conditions of the economy. But unfortunately, despite of all such efforts, there is still most of

theruralpopulationisdeprivedoftheirbasicamenitiesoflife.Theadversefeaturesviz.,poverty,starvation,illiteracy,dependenceonagriculture,seasonaloccupationsandmany has a part of the rural economy even after six decades ofindependenceandcallsforthtoconduct the detailedstudyforexaminingtheproblems/factorsaccountableinthisregard.

Many studieshavebeenexaminedoverthedifferentperiodsoftimeinabroadandinIndiaforexploringthevariousdimensionsofthefactors/problemsinhibitingruralentrepreneurs.Onthebasisof the resultsofthestudy setupthat'shortage of finance', shortage in marketing','defined mobility','inadequateofmanagerialskills','technicalexperience', inadequateofmodernization','work lifeimbalance','lackofawareness','lackofskilledmanpower','inadequatesupplyofpower','insufficientsupplyofinputs','cutthroatcompetition','inflation'and'reducingsubsidies'arethefourteenproblemsthat havean oppositeimpactoverthegrowthofruralentrepreneurshipinTirunelveli.Thesignificant valueofKendallCoefficientof Concordancesignifiesthatthereisacloseconcordanceamongthe perceptions of respondentspertainingtothestatementsdesignedforthestudy.

The regulating agencies have to guide the financial agencies to provideloanstoruralentrepreneursatliberalterms.Suchagenciestooneedtoplayanactiverole in the financial issues of rural entrepreneurs because the problem of financeadversely affects so many other issues of the rural entrepreneurs. Similarly, theMinistryofMicro,SmallandMediumScaleIndustryandMinistryofRuralDevelopment with the help of District Industrial Cells need to establish moreagencieslikeRuralDevelopmentSelfEmployment TrainingInstitutes;RuralIndustries Service Centres; Mahatma Gandhi Institute for Rural Industrialization,Last but not the least the frequententrepreneurial development training programmes or workshops should also beconductedinruralareasforthegrowthofruralentrepreneurships.

Thefindingsofthe presentstudywillbeneficialforthevariousstakeholdersviz.,centreandstate governments especially dealing with the micro and small scale industry, non-governmental organizations, society, local community, etc. to formulate effectivepolicies that can motivate rural people to become entrepreneurs and to remove theproblemsinthewayoftheirentrepreneurship.

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