

RURAL ENTREPRENEURS' CONTRIBUTIONS TO GROWTH OF INDIAN ECONOMY

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Introduction

Now a day's entrepreneur's regions role, Indian economy of rural and rural entrepreneurs play a crucial role in the development of the economy. Villages are entrepreneur in the backbone of the involved in many activities to increase their standard of living. Rural entrepreneurs are those who carry out entrepreneurial activities by establishing industrial and business units in the rural sector of the economy. In other words, establishing industrial and business units in the rural areas refers to rural entrepreneurship. In simple words, rural entrepreneurship implies entrepreneurship emerging in rural areas. Rural industries and business organizations in rural areas generally associated with agriculture and allied activities to agriculture. Entrepreneurship plays an influential role in the economic growth and standard of living of the country. As a startup founder or small business owner, you may think that you are simply working hard to build your own business and provide for yourself and your family. But you are actually doing a whole lot more for your local community, state, region, and the country as a whole. Entrepreneurship has a long past and the word '*Entrepreneur*' originated in the French language in the middle of the 17th or 18th centuries. The term "*Entrepreneurship*" describes individual economic sources in the late 19th century. In the past two decades, the word entrepreneurship is widely termed popularly throughout the world by the public to corporate stakeholders. The primary sector of our world & Indian economy is the Allied Service sector, Raw Materials, Unorganized, and Agriculture. The next and versatile sectors are production, trade, fabrication, assembly, construction, etc. to expedite all operations. Finally, the tertiary sector provides infrastructural support such as the service sector, distributed, organized, banking, and Insurance

Rural Entrepreneur

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Help of Rural Entrepreneurs to growth of the Industry.

1. Provide employment openings
2. Check on the migration of rural population
3. Balanced regional growth
4. Promotion of artistic activities
5. Check on social evils
6. Awaken the rural youth
7. Improved standard of living

Challenges of Rural Entrepreneurship

- **Family Challenges:** One of the Most and critical challenges faced by business seekers and promoters are convincing the family. The first question that arises is – Do you have a business idea or any thoughts on making money from a business.
- **Social Challenges:** Family challenges are usually the top most challenges but most of the time faced in the external environment is also social challenges major factors in entrepreneurs mind [4].
- **Technological Challenges:** Educational strategies mostly inspiring graduates technology-wise and gaps too much from the Job industry with online entrepreneurship.
- **Financial Challenges:** Financial challenges is not only for entrepreneurs also for any type of business holders, private or public sector are too and it is a huge issue in India .
- **Policy Challenges:** All period is a lot of changes involved in policies to change in the government or non-government sectors.

- **Opportunities for Rural Entrepreneurship**
- **Support & Inspiration to native people:** Rural area people always motivate and support entrepreneurs to enrich their business to improve socio-economic status as balanced among rural and urban people .
- **Low establishment cost:** Rural business people always planned with less budget and wastage to the urban areas.
- **Competitive advantages:** The majority of rural people are involved in agro-related work, but less income and recognition of the society they migrated as unskilled and semiskilled labour.
- **Government policies and subsidies:** Indian Government is continuously involved in the development of sustainable policies and principles to meet the world markets by providing less interest rate loans and subsidy.
- **Availability of raw materials:** Raw Materials are major essential and issue items in any production. Due to market risk and supply chain management, the availability of resources on-time is hectic to no transportation cost and flotation cost.
- **Cost of production:** Rural entrepreneur's cost of production is very low when compared to the urban industries. The factors of production are available at low cost, automatically the cost of production is also low. Because of this rural entrepreneurs can sell their goods and services at a cheaper cost.
- **Optimum utilization of produces:** Optimum utilization of farm produces is only possible through rural entrepreneurship. Most of the rural entrepreneurs depend upon the farm produces as raw materials.
- **Employment generation for rural youth:** Rural entrepreneurs are providing a hundred percent of jobs for rural youth. If the rural entrepreneurs are succeeding in this activity the migration of the people to urban from rural will be immediately stopped to a maximum extent.
- **Promotion cost:** There is no promotion cost for rural entrepreneurs; the competition is very less. Particularly there is no need for advertising and other promotional activities for their products.

- **Potential customer:** In this 21st century rural villagers are economically strong and also heavily populated. This heavy population can be converted into potential customers. That is the reason all the MNC's are concentrated in rural villages for their potential [5, 6].
- **Building the goodwill:** Rural entrepreneurs have a lot of scope for building goodwill. Most of the rural entrepreneurs have ethical values and also these people do not work for pure profits.

CONTRIBUTION OF RURAL ENTREPRENEURS TO GROWTH OF INDIAN ECONOMY:

1. Wealth Creation and Sharing: By establishing the business entity, entrepreneurs invest their own resources and attract capital (in the form of debt, equity, etc.) from investors, lenders and the public. This mobilizes public wealth and allows people to benefit from the success of entrepreneurs and growing businesses. This kind of pooled capital that results in wealth creation and distribution is one of the basic imperatives and goals of economic development.

2. Create Jobs: Entrepreneurs are by nature and definition job creators, as opposed to job seekers. The simple translation is that when you become an entrepreneur, there is one less job seeker in the economy, and then you provide employment for multiple other job seekers. This kind of job creation by new and existing businesses is again is one of the basic goals of economic development. This is why the Govt. of India has launched initiatives such as *StartupIndia* to promote and support new startups, and also others like the *Make in India* initiative to attract foreign companies and their FDI into the Indian economy. All this in turn creates a lot of job opportunities, and is helping in augmenting our standards to a global level.

3. Balanced Regional Development: Entrepreneurs setting up new businesses and industrial units help with regional development by locating in less developed and backward areas. The growth of industries and business in these areas leads to infrastructure improvements like better roads and rail links, airports, stable electricity and water supply, schools, hospitals, shopping malls and other public and private services that would not otherwise be available.

Every new business that locates in a less developed area will create both direct and indirect jobs, helping lift regional economies in many different ways. The combined spending by all the new employees of the new businesses and the supporting jobs in other businesses adds to the local and

regional economic output. Both central and state governments promote this kind of regional development by providing registered MSME businesses various benefits and concessions.

4. GDP and Per Capita Income: India's MSME sector, comprised of 36 million units that provide employment for more than 80 million people, now accounts for over 37% of the country's GDP. Each new addition to these 36 million units makes use of even more resources like land, labor and capital to develop products and services that add to the national income, national product and per capita income of the country. This growth in GDP and per capita income is again one of the essential goals of economic development.

5. Standard of Living: Increase in the standard of living of people in a community is yet another key goal of economic development. Entrepreneurs again play a key role in increasing the standard of living in a community. They do this not just by creating jobs, but also by developing and adopting innovations that lead to improvements in the quality of life of their employees, customers, and other stakeholders in the community. For example, automation that reduces production costs and enables faster production will make a business unit more productive, while also providing its customers with the same goods at lower prices.

6. Exports: Any growing business will eventually want to get started with exports to expand their business to foreign markets. This is an important ingredient of economic development since it provides access to bigger markets, and leads to currency inflows and access to the latest cutting-edge technologies and processes being used in more developed foreign markets. Another key benefit is that this expansion that leads to more stable business revenue during economic downturns in the local economy.

7. Community Development: Economic development doesn't always translate into community development. Community development requires infrastructure for education and training, healthcare, and other public services. For example, you need highly educated and skilled workers in a community to attract new businesses. If there are educational institutions, technical training schools and internship opportunities, that will help build the pool of educated and skilled workers.

Conclusion

The rural entrepreneur is a key aspect for any under developing to developed countries as per the latest economic figure. Rural entrepreneurship is one the best tool used by any NGO's and GO's for the conversion of developing to developed level. Non-urban grew up in socio-economic is the solutions for recovering poverty of any countries. Hence any individual or citizens of India must buy/sell any Indian products. Therefore, there should be less stress on the integration of rural as well as the development of the economic status of each stakeholder. The most hectic issues are the participation of youth and curriculum in an institution should mould the students/faculty to speak about the importance of running a business rather than an employee of any organization. On the Government side, more quality support like schema definition, standardization, Quality Assurance (QA), financial agencies, NGOs, Media, and awards will make more contribution of youth in the business environment.

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