



A Study on Rural Entrepreneurship with Sivaganga District

H. Bhuvanewari

Lecturer in Commerce, R.D. Govt, Arts College. Sivaganga.

Dr. S. Raju

Associate Professor, Department of Commerce, The M.D.T.college. Thirunelveli.

ABSTRACT

This paper mainly deals with functions, needs, problems and bow to develop measures in rural entrepreneurship. Rural entrepreneurship can simply be defined as establishing industrial units in the rural areas with rural entrepreneurship. In other words, entrepreneurship emerging in rural areas is rural entrepreneurship.

KEYWORDS :

1. INTRODUCTION

Rural entrepreneurship can simply be defined as establishing industrial units in the rural areas with rural entrepreneurship. In other words entrepreneurship emerging in rural areas is rural entrepreneurship. The definition of village industry has been recently modified by the government so as to enlarge its scope. Accordingly, any industry located in rural area, village or town with a population of 20,000 and below and with an investment of Rs.3crores in plant and machinery is classified as a village industry. Rural development is more than ever before linked to entrepreneurship. Individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process. Furthermore, individuals seem to agree on the urgent need to promote rural enterprises: development agencies see rural entrepreneurship as an enormous employment potential; politicians see it as the key strategy to prevent rural unrest; farmers see it as an instrument for improving earnings; and women see it as an employment possibility near their homes which provides autonomy, independence financial empowerment and a reduced need for social support. To all these groups, however, entrepreneurship stands as a vehicle to improve the quality, families and communities and to sustainable development.

2. OBJECTIVES

The present article "An Overview of Rural Entrepreneurship" mainly deals with following objectives.

- To identify the need for rural entrepreneurship.
- To discuss the types of rural entrepreneurship.
- To reveal the functions and problem faced by rural entrepreneurship.
- To identify the factor in fluency rural entrepreneurship.
- To take effective measures for development of rural entrepreneurship.

3. METHODOLOGY

The data were collected from secondary sources, i.e various journals, standard text books, magazine, websites and District SSI Unit.

4. NEED OF STUDY

Rural industries also help protect and promote the art of creativity.

Development of industries in the rural areas also helps build up village republics.

These industries encourage dispersal of economic activities in the rural area and thus promote balanced regional development.

- Creating employments opportunity in equal.
- It is stop the migrations from rural areas.
- It helps to eradiating the rural poverty.
- It helps to co friend business.

5. FEATURES OF RURAL INDUSTRY

Agriculture and rural development are the main stay of India's growth

strategy. As far as meaning of rural industrialization is concerned, there are conceptual difficulties in defining it as such. However it is generally taken as a group of traditional industries like handloom, khadi, handicraft, sericulture, bricks works, flower mills, soap make, pupate making coir. All these are classified as rural industries although some of them like hand loom, handicrafts, coir etc. are located in urban areas as well. A rural industry are have following features,

- Use of locally available raw material.
- Decentralized production system.
- Use of traditional skills.
- • Very low in investment.
- Low gestation period.
- Caters to limited markets.

6. Fund availed for Entrepreneurship in Sivaganga District

year	Number of Entrepreneurial Fund available	
	Physically	Financially (₹ Lakhs)
2004-05	13078	814.66
2005-06	4438	607.19
2006-07	2069	1167.35
2007-08	2212	1053.85
2008-09	3398	1702.21
2009-10	7525	1497.68
2010-11	3546	3594.55
2011-12	3311	3620.00
2012-13	3550	3950.00

Source: Annual report; District Annual Reports

Table 1 Shows that the Entrepreneurship taking up entrepernal activities as that base rural oriented Entrepreneurship. In the table Indicate that it was in 2004-2005 highest number of 13078Enterprenur program receive funds to Extend of 814.66 million followed by 7525 programs in 2008 – 2009 for which entrepreneurs activities availed fund for ₹ 1497.68 lakhs. During the other years the number of Entrepreneurs and the amount of funds availed various from year to year.

7. TYPES OF RURAL ENTREPRENEURS

7.1. Farm Entrepreneurs

Farm entrepreneurs are such persons whose main occupation is farming, their main source of livelihood is agriculture. This type includes these persons who have no land of their own but are willing to be stay in the village and aid agriculture. These people possessing large piece of land in the village but staying in the towns are excluded from this category.

7.2. Artisan entrepreneurs

This category includes those persons who possess some kind of skill

like masonry, black smithy, carpentry, repair of pump sets, battery charging, art board painting etc. such skill can be inherited and refined or acquired, through professional training.

7.3. Merchants and Traders:

As the very name indicates, it includes businessman who commercialize in various products mainly needed by the local population of the village and around. They may be producing the goods themselves or acting as middlemen.

7.4 Service oriented Entrepreneurs

This category include those persons who services some kind of services to the people.

7.5. Other Entrepreneurs

These, include all those who are not mentioned above, for example, high school drop outs, educated unemployed, persons of schedule castes etc.

8. PROBLEM FACED BY RURAL ENTREPRENEURSHIP

One of the major problem's faced in developing entrepreneurship in rural areas is lack of awareness and knowledge. Lack of infrastructure facility, non-supportive financial institution, lack of technical knowhow, lack of communication facility and market information, lack of storage and ware housing facilities. According to the 9th plan, the major problems faced indeveloping entrepreneurship in rural areas are,

- Inadequate flow of credit.
- Poor quality standards.
- Use of obsolete technology, machinery and equipment.
- Lack of raw materials
- Skilled Labour
- Problem of Electricity
- Lack of infrastructural factors
- Lack of road facilities

9.FACTORS INFLUENCING RURAL ENTREPRENEURSHIP

9.1. Make regions attractive

Initiatives should be developed to attract entrepreneurial people from other areas to set up businesses, using marketing and promotion of the districts to a targeted entrepreneurial audience and taking advantage fo the local contacts they may have. Local people currently living outside the districts but who maintain family linkages should be a particular target group for such measures, because they will find it easier to recognize the quality of life and business opportunities the districts have to offer (e.g. lower living costs, access to grants, natural beauty) and may also have social reasons to return.

9.2. Focus on identifying local and regional assets and converting them into entrepreneurial activity.

There is a tendency in economically challenged communities, including those in rural areas, to emphasize their problems and deficiencies, often as a means fo attracting public sector investment and support. As a consequence, it becomes difficult to see opportunities that may translate into economic advantage. An intentional mapping of local land regional assets-even the poorest rural communities have some as-sets whether human, social, physical, or financial-can yield possibilities that might attract entrepreneurial interest and help improve economic competitiveness.

9.3. Embed entrepreneurship education into the school and college curricula, and into workforce training programs.

Broadening education and career preparation to increase creating and growing businesses is potentially a powerful way to retain young people in rural communities. It also opens up new possibilities for dependent employees in trades and other professions, as well as those in agriculture and forestry, to consider how they can create their own business, particularly when they are not getting adequate rewards from their current employment and do not want to move away to the cities for better prospects.

9.4. Generate local community support for entrepreneurship to increase the chances that entrepreneurs will be successful in their ventures.

If people trying to start and expand their businesses are treated with suspicion or are not valued in the community, they will either abandon

their venture or move elsewhere. Rural entrepreneurship has to be embraced by community leaders as an effective alternative to attracting companies to relocate from other places.

9.5. Organize support services for entrepreneurs into effective networked systems for providing resources such as technical assistance and training, access to capital, land and buildings, and regulatory guidance.

The aim should be to bring in ways that increase efficiency and reduce transaction costs while maintaining or improving quality outreach to dispersed rural entrepreneurs.

Relationships and networks will be critical in ensuring that integrated and comprehensive support is available for those entrepreneurs with the motivation to create jobs and wealth in rural communities. Particular attention will have to be paid to regulatory frameworks and the time it takes to obtain regulatory approvals.

9.6. Connect rural entrepreneurs to external markets, regionally, nationally, and internationally so that they are not dependent upon stagnant local markets for their goods and service.

Strategies are likely to include the use of information and communication technologies for e-commerce, collaborative marketing strategies that might be sector, geographic, or both, and the fostering of networks sand exchanges between entrepreneurs across regional and national boundaries.

9.7. Foster grass roots innovation

More should be done to encourage innovation in agricultural and food industries basic industries and services and in smaller, less capital intensive companies.

9.8. Expand technology support and activities

The establishment and further development of external R&D services could help SMEs in rural areas to innovate. It might be that a district perceives itself as too small to create by themselves the innovation support infrastructures necessary for SMEs. In this case, collaboration with neigh boring Districts or thematically related higher education institutions should be sought.

10. MEASURES FOR DEVELOPMENT OF RURAL ENTREPRENEURSHIP

1. Finance is considered as lubricant for setting up and running an industry, funds, therefore need to be made available on time at soft terms and conditions to those who really need it.
2. Proper provisions need to be made to impart the institutional training to orient the entrepreneurs in specific products and trades so that the local resources can be harnessed properly.
3. Our accumulated experience bears ample evidences to the fact that the non-governmental organizations, popularly known as NGO's can prove instrumental in developing rural entrepreneurship in the country.

11. Training for rural entrepreneurship

The training for development of rural entrepreneurship has to be different form the entrepreneurship development training in urban areas. This is the reason that government initiated the integrated rural development programs. In Integrated rural development programs, apart form providing the training to potential rural entrepreneur, an "industrial area potential survey" is undertaken to estimate the kind of industries that could be set up in that particular rural region.

Industrial area potential survey has all the details about the cost of the project, availability of technology gestation period and return on investment for the projects that could be sets up in that region. The District Industrial Centre conducts these area potential surveys for usage of potential entrepreneurs.

12. CONCLUSION

In conclusion, let me just say that finding, encouraging and motivating entrepreneurs in rural areas is not an easy proposition. However, to the real entrepreneur looking on the dark side of the situation is fatal. Optimism ;is the heart and soul of the entrepreneurs. While strategic planning, feasibility and market studies and analysis are necessary parts of new business start-up very few real rural entrepreneurs.

It is quite clear that rural entrepreneurship cannot be developed without significant training. Therefore, instead of just schemes (financial and developmental) as the carrot for entrepreneurship development an intensive training needs to be provided to the youth in rural India. What's required is to create a devoted team to take up rural entrepreneurship training as per integrated rural development program.

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