



Rural Entrepreneurship through Skill Development in India: Issues and Challenges

KEYWORDS

Rural Entrepreneurship, Skill Development, Rural Development.

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ABSTRACT

Rural Entrepreneurship is an new approach towards rural development. Rural India offers wide verity of opportunities for rural youths and farmers. To encase and explore such opportunities they need to be equipped with right skills. Empowering rural population such skills in Indian scenario is a massive challenge. This paper addresses such challenges and try to discuss the problems associated with it. Furthers it also focuses on the ways to solve and developing compressive solution to such problems.

I INTRODUCTION

Rural India is the land of opportunities for entrepreneurial activities. The diversity of rural India offers wide range of entrepreneurial opportunities for rural youths. Rural entrepreneurship still holds the key to reducing poverty and increasing the security of livelihood (Petrin & Gannon 1997). All though free market economy poses lot of challenges in reducing poverty and inequality it has also shown that right approaches and political will can transform challenges into opportunities (Petrin & Gannon 1997). Individuals with right skills are capable of winning in the free market economy. Updating the rural people with right entrepreneurial skills is essential for empowerment and to help cope with changes.

In attempting to deal with these issues, the importance of skill development cannot be underestimated (Liu, 2011). The skills to enhance entrepreneurs, improve productivity, increase adaptability to deal with change and crisis, and facilitate the diversification of livelihoods to manage risks are at a premium in rural areas (Mukherjee & Zhang, 2007). In many cases these skills are the issues of survival. Providing these skills effectively is one of the key challenges of developing rural entrepreneurship.

II Review of Literature

Entrepreneurship is the intend act of an individual or a team of individuals, undertake to initiate, maintain or aggrandize profit by production or distribution of economic goods and services.

A rural entrepreneur is one who undertakes business activity in the rural area. It consists of both farm based and non-farm based entrepreneurial activities.

Business opportunities are not created by external intervention they arise from markets and entrepreneurial capabilities. The issue is to enable rural entrepreneurs to take advantage of market opportunities through skill development.

Skill development in the context of seminar dose not focused on developing new skills in individuals, hence rural people has already inherited specific skills (like farmers, potters, artisans are good at production and manufacturing) but lack marketing, technological and other business essential skills. This will enhance inherited skills and to fight change.

Entrepreneurial skills are skills required to transform a rural or traditional idea or concept into a commercial venture. Skill also refers to necessities required to cope with changing economic and technological environment for existing rural entrepreneurs.

III ANALYSIS

Rural India and Entrepreneurship

More than 70% of the total population is from rural India and are engaged in different economic activities. Out of which agriculture and allied activity covers the most. In the last decade this trend is reversing and non-form sector accounts for high incomes in rural India than agriculture, more than 60% of the rural income came from non-farm sector in 2010 and expected to rise up to 70% by 2020 (Monsen, et.al 2012). Field observations have indicated that multiple sources of income for a household are increasingly becoming the norm, with only one family member involved in agriculture as owner or daily wage labour, while other earning member in the family run a small business or shop or work as a salaried employee (Monsen, et.al 2012). These observations are witnessing the expanding scopes of rural entrepreneurship, in turn widening opportunities for taking up entrepreneurial activities. This changing scenario is acting like catalyst to speed up rural entrepreneurship and it is also a topic of discussion among academicians, researchers and policy makers.

Rural entrepreneurship is also seen as means of rural development. Rural development addresses wide range of political, social- cultural and economic issues. Although rural entrepreneurship focuses mainly on economic issues, it can be considered to address issues like poverty, inequality and economic security. Rural entrepreneurship can be used as valuable solution for rural development.

Role of skill development in enhancing rural entrepreneurship

Entrepreneurship is a skill full activity, the success depends on the skill and individual's ability manage the venture. Recent evidences suggested that large number of farm entrepreneurs lack productivity and are also vulnerable to business environmental changes due to lack of skills (Khanduja & Kaushik, 2008). Equipping rural entrepreneurs with the skills to improve production and manage change is therefore an important step in securing livelihoods and reducing poverty. Research has also shown that entrepreneurial skills have a significant relationship with entrepreneurial intention (aspiration to take up entrepreneurial opportunity) through personal attraction, subjective norms and perceives behavioural control. Skill development can be used for two different group, first for the existing entrepreneurs like farmers, artisans and those with inherited skills, and secondly for rural people without inherited skills like land less labours and daily wage workers.

In so far as entrepreneurship training provides management support and commercial awareness, it affords rural entrepreneurs a better understanding of their opportunities and how they might be managed (Khanduja & Kaushik, 2008). Most of the training lacks commercial and market awareness, was a major barrier to achieving market success among rural producers, and emphasising that extension or advisory services targeted at rural entrepreneurs should

therefore include marketing and business advice and understanding of value chains, in addition to technical skills. Along with technical skills, training must focus on entrepreneurial skills, such as market analysis, distribution and business management would support rural entrepreneurs in identifying the technologies that would benefit those most, and would help them to participate in innovation.

Inherited skills and entrepreneurial skills

The literature existing on study inherited skills is limited and is an essential topic of discussion from rural entrepreneurship and skill development context. Inherited skills are those which are transferred by generation to generation, collectively these skills can also be referred as traditional skills. Community specific or tribal specific or occupation specific skills refer to individual set of skills is stated as inherited skills. Inherited skills are unique and specific to particular groups and are the potential sources of entrepreneurial opportunities (Mukherjee & Zhang, 2007). The identification of such skill set and preserving them is of great importance.

The major setback in the transfer process of inherited skills is lack of updation, change is not a factor of consideration in this process due to which individuals with inherited skills fail to cope with changes. This setback of inherited skills can be compensated by entrepreneurial skills, which addresses the business essential skills and the skills required to transform a traditional occupation into a commercial venture (Mukherjee & Zhang, 2007). The synergy between entrepreneurial skills and inherited skills will create a win win situation for traditional knowledge and individuals associated with it.

Rural Woman Entrepreneurship and Skill Development

Women accounts for equal portion of rural population with man and woman in rural India are directly engaged in economic activity. The recent evidence suggests that not only is their productivity constrained by a lack of appropriate skills training but also that they are particularly vulnerable to a range of changes including economic and environmental changes (Pagán, 2002). Understanding the barriers women face in accessing and utilising training is essential to improve the productive situation for rural women entrepreneurs. Generally women face significant barriers in accessing training due to low literacy levels, domestic obligations and training that is targeted primarily at men (Pagán, 2002). Addressing these challenges to improve women access to advanced and more relevant training is an important step in increasing rural entrepreneurship.

IV CONCLUSION

Entrepreneurs are regarded as the most important economic agents for the economic augmentation of any country. Developing entrepreneurs is the major policy issue in most of the developing countries. Skill development and training are the major tools available to address these issues. Rural India offers great potential for entrepreneurship development in all dimensions but the right approach is the important for successful policy initiative. The discussion in the seminar will produce valuable output which will help in developing a right and suitable approach for rural entrepreneurship through skill development.

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