



## Attitude of Youngsters in Kerala Towards Rural Areas as an Avenue for Business Development

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**ABSTRACT**

Majority of the world's poor live in rural areas. And yet, resources and policies continue to be biased in favour of urban development. An imbalance in development is the consequence, with detrimental effects on both rural and urban people. Hence, reducing urban-rural disparities and gender inequalities is a crucial element for any poverty reduction strategy. Mobilizing the potential productivity of rural people and particularly of women is indispensable to achieve economic growth to pull the people above the poverty line. Rural entrepreneurship helps in bringing this change. This study focuses on the reasons for the negligence shown by youngsters towards rural areas

**KEYWORDS**

Rural Entrepreneurship, challenges, Problems, youngsters, rural, amenities

### Introduction

Entrepreneurs play a key role in any economy. These are the people who have the skills and initiative necessary to take good new ideas to market and make the right decisions to make the idea profitable. The reward for the risks taken is the potential economic profits the entrepreneur could earn. It is never easy to become an entrepreneur. Technology and easy access to information have lowered the barriers to entry. But all the entrants may not be able to survive. In fact, half are gone within five years. And many of the ones that survive merely hobble along.

There are many institutions for supporting and guiding the young entrepreneurs with talents and willingness. In spite of the support given by government for the development of rural areas, a major part of the rural areas still remain unaccessed by the entrepreneurs. This study has been made to find out the reasons for the same.

### Objectives

- To throw light on the concept of rural entrepreneurship
- To reveal the problems of rural entrepreneurship
- To study the attitude of youngsters towards rural entrepreneurship
- To study the dependency of attitude of youngsters towards rural entrepreneurship on demographic factors

### Methodology of the study

Both primary and secondary data has been used for the study. The primary data has been collected using a questionnaire from 185 youngsters in rural areas in Malappuram district in Kerala who are interested in the entrepreneurial activities. The secondary data has been collected from newspapers, magazines, journals and websites. Convenience sampling is the method used for selecting samples.

### Entrepreneurship

An entrepreneur is a person who organizes, operates, and assumes the risk for a business venture. Or it is someone who risks their own capital in a business enterprise.

Entrepreneurship is the practice of starting new organizations, particularly new businesses in response to the identified opportunities. Entrepreneurship is often a difficult undertaking the result of which is the failure of the business. Entrepreneurial activities are substantially different depending on the type

of organization that is being started. Entrepreneurship may involve creating many job opportunities.

### Rural entrepreneurship

Migration of people to cities is a great problem in the present world which results in increase in the density of population in cities leading to congestion. People are leaving their rural homeland for want of more facilities and opportunities.

What is needed is to create a situation so that the migration from rural areas to urban areas comes down. Migration is not always undesirable but it should be the minimum as far as employment is concerned. Rather the situation should be such that people should find it worthwhile to shift themselves from towns and cities to rural areas because of realization of better opportunities there. In other words, migration from rural areas should not only get checked but overpopulated towns and cities should also get decongested. If it is so, ways can always be found out. One is by forcibly stopping villagers from settling in the slums of towns and cities, making use of all powers to clear the slums so the villagers are forced to go back. But such practices have not achieved the desired results in the past. Apart from causing suffering to the poor people and adding to the expenditure of the Government, social tensions and economic hardships created by the government officials and their staff in every demolition of slums is not desirable from a sane government. Moreover, when a slum is demolished people do not move out of urban localities. They only relocate to a nearby place because they are entrenched in the economy of the town or city. Though governments have tried out various schemes for generating incomes in the rural areas such as government initiatives have not stopped people from moving out of villages to cities. This is because such government initiatives are not on their own capable of enabling people to earn adequately and ameliorate their conditions. There has to be some committed enterprising individual or a group of people.

### Rural Entrepreneurship in India

Who should be capable of making use of the government policies and schemes for the betterment of rural people? Some individuals who happen to be local leaders and NGOs and who are committed to the cause of the rural people have been catalytic agents for development. Though their efforts need to be recognized yet much more needs to be done to reverse the direction of movement of people, i.e. to attract peo-

ple in the rural areas. It means not only stopping the outflow of rural people but also attracting them back from the towns and cities where they had migrated. This is possible when young people consider rural areas as places of opportunities. Despite all the inadequacies in rural areas one should assess their strengths and build on them to make rural areas places of opportunities. Young people with such perspective and with the help of rightly channelized efforts would usher in an era of rural entrepreneurship.

**Problems of rural entrepreneurship in India**

Entrepreneurs are playing very important role in the development of economy. They face various problems in day to day work. 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

**Refusal of the family**

The families in the rural areas are not ready to become entrepreneurs either due to their ignorance or due to the fear of loss which makes them discourage the interested youngsters.

**Negative attitude of the society**

The society views the businessman from a different angle due to lack of awareness and knowledge of entrepreneurial opportunities. The young and well educated mostly tend to leave. The society finds it an inferior choice as a result of which they discourage the people from such an endeavour.

**Lack of technical knowledge**

Rural entrepreneurs suffer a severe problem of lack of technical knowledge. Lack of training facilities and extensive services create a hurdle for the development of rural entrepreneurship.

**Financial challenges**

Lack of fund to begin with is another factor which discourages a person from taking up an entrepreneurial activity. Major difficulties faced by rural entrepreneurs include low level of purchasing power of rural consumer so sales volume is insufficient, lack of finance to start business, reduced profits due to competition, pricing of goods and services, Financial statements are difficult to be maintained by rural entrepreneur, stringent tax laws, lack of guarantees for raising up of loans, difficulty in raising capital through equity, dependence on small money lenders for loans for which they charge discriminating interest rates and huge rent and property cost. The legal formalities in the banks and other financial institutions and the difficulty in acquiring fund also restrains them from the same.

**Policy Challenges:**

Now and then there are lots of changes in the policies to change in the government. Problems of TRIPS and TRIMS, Problems of raising equity capital, Problems of availing raw-materials, Problems of obsolescence of indigenous technology, Increased pollutions, Ecological imbalance, Exploitation of small and poor countries etc. makes a person less interested in the entrepreneurship.

**Lack of Infrastructural Facilities**

The growth of rural entrepreneurs is not very healthy in spite of efforts made by government due to lack of proper and adequate infrastructural facilities.

**Risk Element**

Rural entrepreneurs have less risk bearing capacity due to lack of financial resources and external support.

**Marketing Problems**

Major problems faced by marketers are the problem of standardization and competition from large scale units. They face the problem in fixing the standards and sticking to them. The traditionally bounded nature, cultural backwardness and cultural barriers add to the difficulty of communication. People in rural areas mostly communicate in their local dialects and English and Hindi are not understood by many people. The rural

entrepreneurs are heavily dependent on middlemen for marketing of their products who pocket large amount of profit. Storage facilities and poor mean of transport are other marketing problems in rural areas.

**Legal formalities**

Rural entrepreneurs find it extremely difficult in complying with various legal formalities in obtaining licenses due to illiteracy and ignorance.

**Procurement of Raw Materials**

Procurement of raw materials is really a tough task for rural entrepreneurs. They may end up with poor quality raw materials, may also face the problem of storage and warehousing.

**Poor Quality of Products**

Another important problem is growth of rural entrepreneurship is the inferior quality of products produced due to lack of availability of standard tools and equipment and poor quality of raw materials.

**Non availability of skilled labour**

Most of the entrepreneurs of rural areas are unable to find workers with high skills. Turnover rates are also high in this case. They have to be provided with on the job training and their training is generally a serious problem for the entrepreneur as they are mostly uneducated and they have to be taught in the local language which they understand easily.

The following table analyses these factors to find out which is the most importance hindrance for the youngsters.

**Opinion of youngsters regarding undertaking of business activities in rural areas**

There are various factors which discourages the youngsters from taking up business activities in rural areas. But all these factors may not be equally hindering them. It is essential to study the most hindering factor so that remedies may be taken by the authorities to overcome the barrier and encourage the people towards rural entrepreneurship.

**Table 1**

Factors restraining youngsters from rural entrepreneurship	Rank
Refusal of family	6
Lack of technical knowledge	8
Negative attitude of the society	7
Lack of Infrastructural Facilities	1
Marketing Problems	2
Procurement of Raw Materials	5
Legal formalities	10
Non availability of skilled labour	3
Financial challenges	4
Policy Challenges	11
High risk element	9

Source: Primary data

**Interpretation**

This study found that lack of infrastructural facilities is the main factor that hinders the youngsters from taking up business activities in the rural areas. Marketing problems and non availability of skilled labour are the other important factors restraining them from the same. The least important factor is the policy challenges because of the fact that policies are usually in favour of rural areas as the government aims at upliftment of rural areas.

**Attitude of youngsters towards rural entrepreneurship and their educational qualification**

Education has got a very important role in shaping the personality, perception and attitude of people. The educational institutions provide opportunities for inculcating entrepreneurial talents in their students and also give the information regarding the opportunities available for them. So, it is essential to check the relation between the educational qualification and their attitude towards rural entrepreneurship.

Cross tabulation of Educational qualification and interest in setting up of business avenues in rural areas

Table 2

Educational Qualification	Highly interested	Percentage	Moderately interested	Percentage	Not interested	Percentage
Below SSLC	2	1.08	10	5.41	12	6.49
SSLC	0	0.00	5	2.70	20	10.81
Plus Two	4	2.16	20	10.81	25	13.51
Degree	2	1.08	18	9.73	18	9.73
Post Graduation	2	1.08	14	7.57	15	8.11
Professionals	3	1.62	5	2.70	10	5.41
Column totals	13	7.03	72	38.92	100	54.05

Source : Primary data

**Interpretation**

The above table reveals that youngsters of different qualifications are either moderately interested or not interested in rural areas as an avenue for business development. Only 7 percentage of them are highly interested in setting up business centres in the rural areas.

**Gender and Attitude towards rural entrepreneurship**

There is a chance for gender wise difference in the attitude of people towards risk as majority of the ladies are reluctant to undertake risk. Business opportunities in cities are more attractive than rural areas. Hence, it is crucial to study if such gender wise difference of attitude occurs in the area of rural entrepreneurship.

Cross tabulation of gender and attitude towards rural areas as avenue for business development

Table 3

Gender	Highly interested	Percentage	Moderately interested	Percentage	Not interested	Percentage
Male	8	4.32	32	17.30	58	31.35
Female	5	2.70	40	21.62	42	22.70
Column Totals	13	7.03	72	38.92	100	54.05

Source : Primary data

**Interpretation**

The above table reveals that 31 percentage of male and 22 percentage of female are not interested in business activities in rural areas.

Chi square test was conducted to study whether the attitude towards rural areas depend on the gender of the respondents and the age of the respondents.

$H_{01}$  = The attitude towards rural areas as an avenue for business development and gender of the respondents are independent.

$H_{02}$  = The attitude towards rural areas as an avenue for business development and age of the respondents are independent

The calculated value was less than the table value and hence the null hypothesis was accepted. The interest of youngsters towards rural entrepreneurship is not dependent upon their gender or age.

**Conclusion**

Rural entrepreneurship is a matter of importance as it leads to the development of the rural areas and also uplifts the standard of living of people in these areas. Moreover it is a method of attracting back the people who have migrated to cities in search of better living conditions and career opportunities. In spite of the measures taken for the promotion of rural entrepreneurship, it is still at an infancy stage. The study proves that many factors hinders youngsters from rural entrepreneurship among which the lack of availability of infrastructural facilities is the most influencing factor and that their attitude is not showing any dependency on gender, age or educational qualification of the respondents. Hence, some other means has to be found out for inculcating the interest in rural entrepreneurship among the youngsters.

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