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RURAL AGRO-ENTREPRENEURSHIP PROBLEMS & CHALLENGES



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Introduction:

The Rural Population earns their livelihood from agriculture and income from other services to community. The incomes of rural people are very low except the land lords. The urban population on the other hand earns more income due to the entrepreneurial spirit. The Entrepreneurship Development is lacking in the midst of rural population. Whatever the measures are taken by the Government; unless people take the benefits; the government efforts only would lie on paper. People need to be innovative in developing their production and service activities.

The quality of service rendered all need to be more appropriate and more economical and acceptable to society. This would lead to reduction of poverty and uneven distribution of income in the country. In this context the study will be prepared using Innovation as a strategic tool for development of Entrepreneurship. Innovation can be used as a strategic tool for development of Rural Entrepreneurship. Since most of the Indian populations reside in rural villages, entrepreneurship awareness has to be created among them. The multidimensional

aspects of Rural Entrepreneurship are studied with the help of small sample size.

Innovation and Quality of life—A small innovation in the rural area would catch up the most of the population and that would lead to the improvement of livelihood of rural people. It would facilitate to produce competitive products and increase the income of rural people. Unemployment is the main problem in Rural India. So it is necessary to become familiar with the multidimensional aspects of rural entrepreneurship. Entrepreneur has the ability to perceive latest economic opportunities and device innovative strategies to increase the demand for their goods. Technology, competition and work forces are ever changing in today's business environment and it has become most difficult challenge for new entrepreneurs.

The art of inventing or introducing something new in the production system or in any functional areas of management could be called as innovation. To tackle the problems of rural population innovative technology is needed. This business imitative is an essential attitude for a progressive entrepreneur who wants to succeed in his entrepreneurial career.

Invention aims at transferring thoughts into ideas. Innovation is using the ideas to the end user and canalizing the creative idea into a useful product to society. It is nothing but application of invention and commercializing the ideas. Invention is a scientific fact and innovation is an economic fact. An Entrepreneur is sum of invention and innovation. Therefore, innovation helps to bring in new products to increase the standard of living.

Promotion of Rural Entrepreneurship

—The promotion of rural entrepreneurship is vital in the context of generating gainful employment and minimizing the widening of disparities between rural and urban population. For reducing poverty and to overcome low productivity in the farm sector rural entrepreneurship is necessary. The local politicians, the village administrators and the senior persons in rural villages who want things to improve only can implement the innovative rural development programs on target groups. Voluntary efforts are getting due recognition and new thrust has been given in policy support of Government. Government also has programmes like IRDP, TRYSEM, JAWAHAR, ROZJAR, and YOAJANA & PMRY etc., which are recommended by the local senior people in rural village.

Need for Rural Entrepreneurship Campaign—People are united in the rural areas to attend to various family functions, but on the industrial management side, they lack the managerial skills and hence Management Training is to be imparted to create awareness of innovative spirit among the entrepreneurs. For this purpose, Government is conducting frequent camps in rural areas and select entrepreneurs to train on innovative technologies found else where in the world. Innovations can be learnt and practiced to a

larger extent which would give lot of scope for improvement in small scale industry thereby giving more employment opportunities for young people who could not get gainful employment in MNC's. Innovations are created by individual and not by Government. The individual must take initiative in developing new product and services after the scanning the environment and it becomes more important since employment in MNC's are getting saturated.

About 75% of populations who live in villages have to utilize the village resources and they are abundantly available and people are not utilizing it effectively due to mass ill- literacy. For example the Wind- energy can be fully exploited for rural electrification. The risk aversion people can be transformed into risk taking innovative entrepreneur by proper training and can be allowed to modernize the agricultural production. The inputs and innovative methods of cultivation can be adopted; this will dynamite the rural economy and lead to improved quality of life. Hence promoting good farm management techniques, better use of drip-irrigation, use of better manures from the local sources by using latest technology and promoting agro-base industries, cottage, and small scale industries would serve the purpose of rural entrepreneurship development.

Identifying Rural Entrepreneurs—The young group of talented people in the local community need to be selected, Identify the strength and weakness of small businessman and a chance need to be given for selling their Business Plan. Then they have to be trained to become entrepreneurs. Especially the young generation of engineering entrepreneurs who have specialized in different branches of engineering would be ideal people who can be

asked to expand the production capacity of the existing manufacturing units with the help of high-tech machineries.

Indian farmers are naturally organic in character. Organic products are beginning to make a dent in the world food market. This change in attitude is mainly due to environment and health conscious people. Many Indian farmers are applied traditional techniques as innovation in their farms and produce the agro products and sell them in the Indian and abroad markets. In the context of this global and Indian scenario, it is clear that organic products are going to win the world market.

In this connection promotion of organic farming will have enough scope for potential entrepreneur to take up new ventures to produce natural manure. At present there is a tremendous scope for modernization of agro based entrepreneurship both for primary as well as secondary processing and further value addition. Since 70 percent of the Indian population lives in villages, and development of agro entrepreneurship at the farm level is going to help rural farmers at the maximum.

Role of Government in Development of Rural Entrepreneurship—The different between rural and urban entrepreneur is only a matter of degree rather than the content. Many successful entrepreneurs are prospering in the cities who are hailing from rural areas.

It is essential to have a balanced regional development of the country and to avoid the concentration of industry in one place. Rural areas must try for better utilization of human resources to improve the rural economy.

Government has moral responsibility in designing, promoting, innovating rural entrepreneurial development Programme for the up- liftment of the rural economy on which the urban economy is build upon.

Implementing Innovative Technologies in Rural Village—To built rural entrepreneurship certain past experience and other observations need to be taken into account. The rural entrepreneur represent complex heterogeneous group and any innovative technology found must be publicly announced to give reassurance to rural entrepreneur.

Incase of group approach, the entrepreneurs may be artisans, small and marginal farmers, women, people trained in technical schools, tribal and specialized communities. All the approaches need to be on a group basis according to the product specialization, project specialization, or in the service area specialization. For product area specialization, every effort is to be taken to import innovative production technologies and similarly in project implementation new ways of completing the project is to be taught. In case of area approach wherever the facilities are not available they have to identified and efforts to be made to improve the same. Efficient rural entrepreneurship involves transferring of local business culture and convincing residents in villages. It has to be embedded in schooling and rural youth needed to be exposed to entrepreneurship education. Real entrepreneurship can be understood by action learning. “I can do attitude and developing the attitude of Innovation in business for long term survival in business”. Rural Entrepreneurship not only concentrates on improvement of products by use of local force or by artisans but also has significant environmental and social impact by developing eco friendly and appropriate solution to local problems. Innovation technology could be used in storing vegetables & fruits and preserving it for a longer time using solar energy. This would help farmers to get better price and earn extra

income. In any field whether cooking or singing or dancing or producing variety of potteries, energy production, manufacturing leather bags; people want new and new varieties calling for innovative ideas of entrepreneur and the end user simply appreciate the innovation technology. So innovation is an important asset of rural entrepreneur.

Improvement of Credit Facilities for development of Rural Entrepreneurship—

Provision of essential infra-structural facilities like land, power, raw materials and finance at concessional rates to entrepreneurs by Government agencies, and financial institutions will be of immense use for promoting innovative spirit in rural areas. Monitoring rural development programs by providing right information at right time and providing timely credit with sufficient amount of finance and continuous motivation of bankers, panchayat union leaders, and voluntary service organization will build the rural entrepreneurship. Poor and uneducated people are literally scared to approach banks resulting in a poor loan repayment culture and market distortion led to a decline in the provision of financial service to rural areas. Commercial lending institutions focus on large-scale farmers and ignore small-scale farmers because of transaction costs, collateral and risks involved agricultural credit. Rural people tend to be very mobile between rural and urban areas which could easily facilitate debt evasion. The loan officers are not ready to travel to remote villages and often do not “speak the same language” of the poor

farmers. Credit history information of rural entrepreneur is not available and not operative in rural branches because of the high transaction cost and this has to be developed. Recently the self help group scheme of micro-finance has taken a new shape and found to be more successful and the key point is to deliver the finance based on bottom up approach as opposed to top down approach. Participative approach showed itself to be highly effective in developing the rural financial market. The project needs to be adequately researched by conducting feasibility studies and eventually training needs to be planned before the actual implementation.

Conclusions—The Rural entrepreneurs want to earn more income, but most of them are not aware of innovative ways of selling their ideas and services to customers in a productive way. Most of them are lethargic and their beliefs are to earn minimum return or want to minimize losses. Their attitude towards innovation is negligible. Many in rural areas are having depleted hopes of surviving and much less thinking towards innovative strategies for bringing hope and sustainability. The rural entrepreneurs are isolated and they are not aware of the latest happenings around the world and a network of entrepreneurs needs to be done to share the success stories of each of them in their pursuit with other rural village enterprising people. Hence Rural Entrepreneurship Awareness Camp becomes more essential.

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