

# A Study on Issues and Challenges in Rural Entrepreneurship in India

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## Abstract

*Rural entrepreneurship had been a neglected domain in the past, but with the spread of education and awareness among agricultural enterprisers, this perception has shifted, and the agricultural enterpriser has emerged as one of today's most haunting and sacred entrepreneurs. When we talk about a country, agricultural entrepreneurship plays an important role in economic development and contributes significantly to the country's process. If agricultural entrepreneurship is neglected and stopped from being the primary source of productive activities, the country's development will be extremely slow. The importance of rural entrepreneurship is discussed in this paper, which focuses on the role of rural entrepreneurs in the Indian economy and their contributions to economic development. Enabling the emergence of rural entrepreneurship achieves a variety of broader aims, such as growth with equity. The agricultural entrepreneurship needs to be developed and shaped with entrepreneurial traits and skills. This could affect entrepreneurs' ability to react to shifting trends in both domestic and international markets, as well as develop competences necessary to sustain and strive for greatness. The article as a whole attempts to identify the issues and problems that rural entrepreneurship faces in order to assess its potential. It seeks to focus on the most pressing issues that entrepreneurs confront, particularly in the product commercialization sector, as well as several primary amenities such as water, electricity convenience, transportation, required energy, and financial amenities. This research paper focuses on the market's most major hurdles and issues, as well as the potential and prospects of an analogous to be a prepared and successful entrepreneur in India.*

**Keywords:** Rural Entrepreneurship, Advantages, Issues, Challenges

## Introduction

Concept of Rural entrepreneurship: In the twenty-first century, rural entrepreneurship has evolved as a dynamic concept. Rural entrepreneurship means entrepreneurship that emerges at the village level and occurs in a variety of sectors of endeavour such as trade, business, and agriculture, and serves as a powerful factor for overall economic growth.

Compared to earlier days development of rural areas are connected to entrepreneurship. Which means of entrepreneurship isn't a simple

task. Entrepreneurship means that primarily innovation to some, to others it means that risk taking? To others a market helpful force and to some others it means beginning, managing a owning a little business. associate degree enterpriser may be a one who either begin new combination of production activities like new merchandise, new ways of production, new markets, finds new sources of offer and new merchandise and new structure forms or as someone WHO is essentially willing to require risks or a person who by exploiting market opportunities, eliminates state of affairs between mixture demand associate degreed aggregate offer or together WHO owns and operates an enterprise.

### **Meaning of Rural Entrepreneurship**

According to Mussel man and Jackson, “Entrepreneurship is that the finance and risking of your time, cash and energy to begin a business and build it roaring.”

According to H. Cole, “Entrepreneurship is that the purposeful activities of associate degree people or a gaggle of associated individuals undertaken to initiate, maintain and magnify profit by production or distribution of economic merchandise and services”. This definition states that entrepreneurship is goal-oriented method involving production or distribution of merchandise and merchandise. It should be undertaken by person or by cluster of persons.

### **Objectives of the Study**

- To know the standing of rural entrepreneurship in India.
- To understand the key advantages from rural entrepreneurship.
- To examine the Issus and challenges of rural entrepreneurship in India.

### **Scope of the Study**

This study delves into the specifics of rural entrepreneurship, including its benefits and the factors that influence rural entrepreneurs. This research also aids in the understanding of rural entrepreneurship’s concerns and obstacles.

### **Data Source**

Only secondary data was gathered for this research study from various websites, journals,rural development reports, and news publications, among other sources.

### **Major Advantages from Rural Entrepreneurship**

Some of the key advantages of rural entrepreneurship may be delineated below as follows: Rural entrepreneurship is labour-intensive in and of itself, and it clearly provides a transparent response to the state’s growing downside. The formation of business units in rural areas, primarily through rural entrepreneurship, has a high potential for financial gain and job creation.

- Rural entrepreneurship will help to dispel the urbanisation of major industrial units while also promoting regional development in a balanced manner.
- Rural entrepreneurship will fill in the gaps and widen the disparities in financial gain between rural and urban residents. Infrastructural facilities such as roads, power, and bridges can be heralded or developed by rural entrepreneurship. It will make it easier to test people’s migration from rural to semi-urban and urban areas in search of work.
- The antique wealthy heritage of rural India is preserved by promoting and protective handicrafts and humanities through rural entrepreneurship.
- The expansion of rural entrepreneurship will cut back social evils like growth of slums, poverty, pollution in cities etc.

- Rural entrepreneurship will awaken the rural youth and additionally expose them to varied avenues to adopt entrepreneurship and put on the market as a career .
- Rural entrepreneurship will increase the accomplishment rate of rural population. Their education and self employment will prosper the community, so increasing their normal of living.

### **Issues of Rural Entrepreneurship**

In India, rural entrepreneurship can be a journey from poverty to prosperity, from total reliance to equality, and from agricultural labour to entrepreneurs in the trade and commission sectors, and finally to chance entrepreneurs. Rural entrepreneurship issues range from mobilising numerous resources to a lack of capital, marketing, staple, sales, labour, technical, competition, new technology, a lack of land, shed, water, power, taxes, and a lack of family as well as state support, among others. The following are some of the issues that have long plagued the rising and established agricultural entrepreneurship:

- A major drawback that the agricultural entrepreneurship faces is that the procurance of raw materials. The failure of the many entrepreneurial units is because of the inadequacy of raw materials. The costs of raw materials are quite high.
- Finance is one of the most important issues that rural entrepreneurs have had to deal with for a long time. Finance is the lifeblood of a business, and without adequate funds, no business can function properly.
- One of key issues that entrepreneurs have faced for a long time is selling. It is not in a position to compel first-hand market data, such as information on completion, taste, and customer dissatisfaction. As a result, upgrading the merchandise to reflect the changing business environment is ineffective. As a result, the product quality of the global organisation compares favourably to the product quality of large-scale industries.
- Most of the entrepreneurship is rely upon recent techniques and instrumentation. These units notice it terribly tough to modernize the plant and machinery because of restricted capability and capital. The standard of merchandise and productivity tend be low within the absence of contemporary technology which too at higher value. Data technology in and of itself isn't quite common in rural areas. Entrepreneurs depend upon internal linkages that that encourage the flow of services, goods, concepts and data. The intensity of family and private relationships in rural communities will typically be substantially useful however they will conjointly gift obstacles to effective and economical business relationships. Business deals might receive but rigorous objectiveness likewise as intercommunity rivalries may scale back the scope for regional cooperation. Lines of authority and method} processes are largely blurred by native politics in rural areas.
- Another long-standing disadvantage of rural entrepreneurship is poor project design. This entrepreneurship does not place a high value on viability studies due to a lack of education and skill. Inexperienced and inept rural entrepreneurs frequently submit unrealistic feasibility reports and incomplete documents, causing delays in the completion of promotional formalities. Due to a lack of financial resources, they cannot afford to hire project consultants.
- In spite of efforts created by government the expansion of rural entrepreneurs isn't terribly healthy because of lack of correct and adequate infrastructural facilities. Meagre quality and amount of transportation, communication and different basic services significantly in backward areas is another drawback. Inadequate infrastructure leads to beneath utilization of capability and wastages. Inadequate infrastructures conjointly adversely have an effect on the standard, amount and production schedule of the enterprises operative in these areas. Therefore, their functioning can become uneconomical and unviable.

- Rural entrepreneurship in a backward area may not have a problem with unskilled workers, but it should be aware of the issue of a lack of accomplished workers. Successful employees may be hesitant to work in their areas because the company cannot afford to pay them the wages and other benefits they require. Inaccessibility of skilled labour results in lower productivity, deterioration of quality, an increase in wastages, and an increase in various overhead prices, all of which have a negative impact on profit.
- Inadequacies in social control are another significant issue for rural entrepreneurship. Vision, knowledge, skill, power, and wholehearted devotion are all required in today's business world. The ability of the entrepreneur to exercise social control is critical to the success of any venture.
- Other issues, such as society's attitude toward female entrepreneurship, unequal opportunities between rural and urban areas, and, most importantly, a lack of confidence in rural areas, pandemic th entrepreneurs.
- Because of a lack of proper education and data, economic stagnation, and a low risk-bearing capacity, society has a negative view of rural areas.
- Self-motivation, the ability to accept risk and behave in a business society, family support, financial assistance from public and private institutions, and environmental appropriateness for Rural to determine business units are all factors to consider.
- In India, the vast majority of the population is still illiterate. The root cause of socioeconomic disadvantage is illiteracy. Because of a lack of education in the area, people are unaware of business, technology, and market data. Rural people have low action motivation due to a lack of education.
- For rural and young entrepreneurs, training programmes are critical. The programmes improve rural entrepreneurship's ability and potential. For the event of entrepreneurship, coaching and ability are required.
- In addition to the aforementioned issues, agricultural entrepreneurship is hampered by a variety of other factors such as a lack of trained technicians, technological devolution, and an unorganised nature of operation, among others.

### **Plenty of Struggle in Rural Entrepreneurship**

The following are some of the most significant challenges that rural entrepreneurs in India face: Persuading someone to choose business over a job is a difficult task for any individual. The main question is whether you can make more money in your own business or if you will be hired as a successor to a closed corporation.

- Strong family challenges are always at the top because they are the most important, but social challenges are also important from time to time. Consider an Associate in medical scenario in which you and a friend both graduated at the same time. If you choose entrepreneurship while your friend chooses employment. After a few years, he now has a flat, a car, and other possessions because he was able to get them with a loan, but you still don't have anything to show off, and this is where the difficulty arises.
- The Indian education system lags far behind the rest of the world in terms of job creation, but it lags even further when it comes to online entrepreneurship. The question that an entrepreneur must answer is what technology would be ideal and how to use that technology effectively and efficiently.
- This basically refers to a borrowing fund issue. In India, the financial challenges for online entrepreneurs are vastly different. When you're starting out as a bourgeois, you don't want to look for venture capital, but you do want to look for funding for small to medium-sized businesses. Because many nontechnical businesspeople don't see the internet business models

as a whole, obtaining initial business funding from them becomes much more difficult. Another option that entrepreneurs may consider is taking out a loan, but loans are not in the least an option in India for brand new online entrepreneurs.

- There haven't been any changes in the government's policies since then, with issues like TRIMS and journeys posing policy challenges. Major issues include obtaining raw materials, raising equity capital, devolution of indigenous and obsolete technology, increased pollution, ecological imbalance, and exploitation of small and poor countries, among others.

### **Findings**

Researchers discovered in this study that people from rural areas are eager to start their own business. The majority of people in rural areas are involved in agriculture and related activities. In comparison to urban entrepreneurship, rural entrepreneurship must contend with more factors, such as resource availability and awareness, skilled people, training and development, motivation, purchasing power, and investors.

### **Suggestions**

Raw materials are the first and most important input in the manufacturing industry. However, in some rural area the non availability of raw materials is fund As a result, the government should concentrate on developing policies and bolstering the raw material base in rural areas. Finance is once again a critical component in establishing and operating a business. As a result, funds must be made available on a timely basis. Rural people should be trained and better educational resources should be provided because they are unable to compete with high standards and quality due to a lack of knowledge in rural areas. The real issue is not a lack of facilities; rather, it is a lack of awareness of facilities. It is necessary to raise awareness and disseminate information about all of the resources available to rural entrepreneurs. The real problem is not the non-availability of facilities but the problem is non-awareness of facilities. The need is too aware and spread the information about all, what is available for entrepreneurs in rural area.

### **Conclusion**

In developing countries like India, rural entrepreneurship is critical for economic development. Rural entrepreneurship aids in the development of underdeveloped areas, thereby alleviating financial hardship. The government should evaluate rural entrepreneurship development schemes and programmes in order to improve rural areas and thus boost economic development. It is clear that the lack of connectivity among the weather critical to the fostering of capital accumulation, risk taking, and innovation is the reason why rural entrepreneurship finds it difficult to require off. Infrastructure development, education and health services, agricultural investment, and the promotion of rural non-farm activities in which girls and rural populations interact should all be included in agricultural development programmes.

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