



THE ROLE AND CHALLENGES OF ENTREPRENEURSHIP IN SUSTAINABLE RURAL DEVELOPMENT

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Abstract:

This paper explores the role of entrepreneurship in sustainable rural development, a crucial aspect of economic development in developing countries. It highlights the importance of agricultural growth, infrastructure development, fair wages, housing, public health, education, and communication in rural areas. Rural development is a multi-dimensional concept, involving collective efforts from government and voluntary agencies, making it essential for national development in countries like India. Rural entrepreneurship plays a crucial role in sustainable development in rural areas, addressing joblessness, promoting regional economic expansion, and generating revenue. It also fosters local capacity building, community empowerment, and environmental sustainability through eco-friendly projects. Rural entrepreneurs also contribute to the digital divide by facilitating technological advancements in healthcare, communication, agriculture, and education. They also reinvest in infrastructure, enhancing the standard of living for rural residents. Entrepreneurial activities also promote community cohesion and social fabric, building the social fabric of rural communities. By providing opportunities for women, minorities, and marginalized groups, entrepreneurship promotes inclusive growth and a more equal economic development. Therefore, policymakers should prioritize programs fostering and supporting entrepreneurship in rural areas to maximize the benefits in various domains.

Key word: *Entrepreneurship, Rural Development, Entrepreneurship Development Programmes*

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Introduction:

Nearly 69% of India's 121 crore population, or 83.3 crore people, still live in rural areas, according to the 2011 Census. Therefore, one of the main challenges is how to use the land and water resources that are available while meeting the needs of India's growing population and rising income. Arguments about economic development have always been heavily influenced by rural development, especially in developing countries. Most

people in emerging countries come from rural areas, as do residents in several former communist republics. Rural development and entrepreneurship are now more intertwined than before. In the modern era, institutions and individuals that advocate for rural development see entrepreneurship as a tactical intervention that could expedite the process. It seems that both individuals and institutions agree that supporting rural enterprises is critically important. Farmers see it as a way to increase



farm earnings; development agencies see it as a huge source of employment opportunities; politicians see it as a vital strategy to quell unrest in rural areas; and women see it as a chance for close-to-home work that offers autonomy, independence, and a reduced need for social support. However, entrepreneurship is seen by all of these groups as a way to improve the standard of living for people individually, in families, and in communities, while also preserving a healthy economy and environment. The entrepreneurial approach to rural development recognises that other development-related components would be lost or neglected in their absence and that entrepreneurship is the engine of economic growth and development. However, acknowledging entrepreneurship as a major force behind development by itself cannot lead to the development of rural areas or the expansion of rural enterprises. In rural areas, an environment that encourages business is also essential. A conceptual framework that clarifies the nature and origins of entrepreneurship is necessary for the effectiveness of laws that encourage rural entrepreneurship. Such laws primarily depend on one another.

Meaning of Entrepreneur:

The French term "entreprendre," which meaning to begin or undertake, is where the English word "entrepreneur" originates. The Frenchmen who planned and oversaw military missions were known as "entrepreneurs" at the beginning of the sixteenth century. One common definition of an entrepreneur is someone who starts their own company or sector of the economy. He aspires to great things and possesses initiative, drive, skill, and an innovative attitude. The person who spots an opportunity, acquires the required resources, and bears final responsibility for the organization's performance is the entrepreneur. Entrepreneurs are driven, action-oriented people who take chances to accomplish their objectives.

Concept of Entrepreneurship:

The deliberate pursuit of profit by an individual or a group of related individuals via the production or distribution of goods and services is known as entrepreneurship. Many times, being an entrepreneur is linked to being adventurous, taking risks, being creatively innovative, etc. It is focused on implementing innovative production techniques, creating new uses for materials, and making dynamic adjustments to the production process. It is a way of thinking that involves taking measured chances in order to achieve specific goals. It also refers to performing things in an improved and novel way.

"Entrepreneurship is neither a science nor an art," claims Peter F. Drucker. A knowledge base is present. Entrepreneurship knowledge has a purpose. In fact, the goals, or the practice, define a substantial portion of what constitutes knowledge in practice.

Meaning of Rural Development:

According to the UN, rural development is a process of change that unites the efforts of the populace and government agencies to enhance the economic, social, and cultural circumstances of communities within the country and to empower them to fully participate in national initiatives. The process of changing a rural community's traditional way of life to a more progressive one is known as rural development. It can also be described as a progressive movement.

The Scope and Significance of Rural Development:

Mostly focused on the rural areas, rural development is a dynamic process. These include expanding agriculture, building social and economic infrastructure, paying fair salaries, providing housing and building lots for landless people, developing villages, public health, education, functional literacy, communication, and so on. For the reasons listed below, rural development is critical to India and a national requirement. Since around 25% of India's population lives in rural areas, rural development is essential to the country's overall development. India's rural areas mostly depend on agriculture, which



generates about half of the nation's income. Approximately 70% of India's workforce is employed in agriculture, and the country's rural and agricultural sectors provide a large portion of the raw materials used by industry. The motivation of the rural people and their increased purchasing ability to purchase industrial goods are the only factors that can justify an increase in the industrial population. Political instability may result from an increasing gap between the rural poor and the urban elite.

Goals of Rural Development:

Improving the economic and social standing of the rural populace is the primary goal of the programme for rural development.

1. To grow the village community, public service, farm, and residence.
2. To improve the living conditions of animals and the production of crops.
3. To enhance rural residents' quality of life, including their health and educational opportunities.
4. To better the villagers via self-improvement.
5. To enhance village correspondence.

Need and Significance of Rural Development:

For the reasons listed below, rural development is both vital and essential for India as a whole.

1. To advance the culture, society, economy, technology, and health of the entire rural area.
2. To create a living that denigrates the rural masses.
3. To cultivate women, children, and youth in rural areas.
4. Developing and empowering rural human resources in terms of their knowledge, skills, attitudes, and other abilities.
5. To enhance the rural area's infrastructure.
6. To supply the rural masses with the bare minimum of transportation, electricity, drinking water, education, and communication facilities.
7. To establish rural institutions such as credit, banking, cooperatives, post offices, and panchayats.

8. To offer financial support to support the growth of rural craftsmen, farmers, unskilled labourers in agriculture, and small and large rural business owners in order to boost their local economies.
9. The aim is to foster the growth of handicrafts, small-scale industries, village industries, rural crafts, cottage industries, and other associated rural economic activities in order to build rural industries.
10. To advance animal husbandry, agriculture, and other relevant fields.

Rural Entrepreneurship Development Programmes:

Promoting entrepreneurship and opening up opportunities for self-employment in rural regions is the major goal of Rural Entrepreneurship Development Programmes (REDPs). In order to complement their income, the project also offers gainful employment in agriculture to excess labourers and labourers without land. The most efficient way to reduce poverty is to create jobs. The formation of self-employment becomes the best option available given the rapidly approaching constraints on employment in the organised sector and the rising density of workers in the unorganised sector. The youth unemployment in rural areas was specifically addressed by certain organisations (financial, developmental, and nodal agencies) and their sponsored schemes/programs. The strategy is straightforward but very successful in addressing the issue of unemployment in the critical age range. It entails giving training and the necessary startup funds to start a business that generates self-employment. India, the second most populous country, is primarily an agriculture-based country, with 75% of its population living in rural areas. Agriculture contributes to 37% of the national income. Despite 70 years of independence, 60%-70% of the rural population lives in primitive conditions, making Rural Development programmes urgent for rapid economic growth. Rural areas are facing major challenges today which arise mainly from globalisation, demographic change and the rural



migration there are many obstacles in the rural development programmes which are as under:

1. **Electricity in Rural India:** A new report from the Council on Energy, Environment and Water, Columbia University, and the Shakti Sustainable Energy Foundation reveals that nearly 96% of India's villages are electrified, but only 69% of homes have electricity connections. The data shows that a significant portion of India's electrification and energy access is on paper, with Bihar being the worst performer, with only 56% of homes having electricity connections. The report also found that power demand has risen 94% over seven years, with only 20% of rural households using electricity as their primary source of lighting.
2. **Literacy rate in Rural India:** India's literacy rate is a major issue, with a wide gender disparity. In 2011, effective literacy rates were 82.14% for men and 65.46% for women. This low female literacy rate negatively impacts family planning and population stabilization efforts. Studies show that female literacy is a strong predictor of contraception use among married Indian couples. The census showed that female literacy rates (11.8%) were faster than male literacy rates (6.9%) in the 2001-2011 decadal period, suggesting a narrowing gender gap. Rural literacy rates were 71% last year, compared to 86% in urban areas. Nearly 99% of households reported availability of primary school within 2 kms from their homes. However, a lower proportion of households in rural areas reported higher education levels.
3. **Roads Conditions in Rural India:** Roads are vital for economic development, social benefits, and fighting poverty. Rural connectivity is crucial for socio-economic development, providing access to amenities like education, health, and marketing. Investments in rural roads lift people above the poverty line and reduce poverty levels. Poor communities face isolation due to distance, bad road conditions, and inadequate transport. The Central Government of India's scheme, PMGSY, aims to improve rural road conditions by connecting over 500 individuals in rural areas with weatherproof paved roads.
4. **Employment:** Unemployment is a significant issue in rural India, with 80% of the population living in villages. Unemployment refers to the lack of work opportunities for those who are fit for work. Economic growth relies on the skills and knowledge of the people, and optimal utilization of human resources leads to economic development. Unemployment is particularly prevalent in rural areas, where 54% of the population is below 25 years old and has limited employment opportunities. Untrained and inexperienced staff in extension linkage cannot provide satisfactory help to rural peoples.
5. **Sanitation and Health:** Rural India faces major problems such as lower toilet numbers, water stagnation, and poor drinking water quality. Sanitation is a crucial aspect of human life and health, and inadequate access to facilities can impact individual, family, and community health. Child under-nutrition in India is among the highest globally, with 47% of children under five dying daily due to diarrhea. Sanitation-related diseases drain productivity and incomes, and scavenging, primarily involving women, is a major issue. Improving access to sanitation is essential for the Millennium Development Goals.
6. **Water:** Poor water quality in India leads to significant health and economic burdens, with 37.7 million Indians affected annually, 1.5 million children dying, and 73 million working days lost. Chemical contamination, particularly fluoride and arsenic, affects 1,95,813 habitations, with most issues occurring in rural areas.



- 7. Migration to urban:** Some of the main causes of migration in rural India are economic factors, a lack of opportunities for earning income in the rural sector, urban job opportunities, social issues, health, education, and financial factors, and a lack of infrastructure. Everyone wants to live in the city, hence policymakers continue to overlook the needs of rural residents.
- 8. Land reforms:** For the benefit of rural farmers, the British in India had no interest in implementing progressive land reform policies. This was a fantastic chance for the big landlords and zamindars to greatly exploit the rural poor. The complete and ongoing lack of land relative to the population that depends on it, the slim chance that people will shift to non-agricultural jobs, and the requirement to boost output in tandem with job growth all contribute to the almost convincing case for a land ceiling.
- 9. Poverty:** The recently-released India Rural Development Report, which is endorsed by the government, says 7% of the rural population is 'very poor'; villages in eastern Indian states are the worst affected.

Conclusion:

The study concluded that, rural development in India is crucial for addressing poverty and empowering impoverished people. By providing basic amenities and reducing urban-rural disparities, rural banking can serve as a backbone for economic reforms. However, implementing these programmes effectively is essential. With 75% of the world's poor living in rural areas, reducing urban-rural disparities and gender inequalities is crucial for poverty reduction. Mobilizing rural people's potential productivity, particularly women, is essential for resilient economic growth and overcoming poverty.

Rural entrepreneurship offers a major opportunity for women to migrate from rural to urban areas, highlighting the importance of rural development in India.

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