Entrepreneurship as a Tool for Rural Development

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Abstract

Crisis gives birth to solution, rural people becomes grassroots innovators to solve their and community’s problems by coming up with solutions for sustainable development. This paper addresses to discover these innovators in two district of Bihar, studying the usability of the innovations and impact of the innovations in lifestyle of rural people. Paper focuses on how entrepreneurship and its trails are found in rural people and they solving their issues with its help.. The result shows that maximum innovations are in filed of agriculture, rural energy and technology based. So far the local area is benefitting from the technology and innovation not much support is there from government to promote.

Keywords: Entrepreneurship, Innovators, Rural, Sustainable Development, Technology.

1. Introduction

Entrepreneurship is often conceived as innovation, creativity, the establishment of new organizations or activities, or some kind of novelty. (Klein et al, 2010). Entrepreneurial development can often be a cost effective economic development strategy. The most entrepreneurial regions have been shown to have better local economies than the least entrepreneurial, with 125 percent higher employment growth, 58 percent higher wage growth and 109 percent higher productivity during the decade from 1990 to 2001. Entrepreneurship can be a vehicle for leveraging existing community strengths and diversifying local economies, while also challenging existing businesses to be more efficient and innovative (Southern Growth Policies Board, 2011).
Entrepreneurship in rural areas is finding a unique blend of resources, either inside or outside of agriculture. This can be achieved by widening the base of a farm business to include all the non-agricultural uses that available resources can be put to or through any major changes in land use or level of production other than those related solely to agriculture. Thus, a rural entrepreneur is someone who is prepared to stay in the rural area and contribute to the creation of local wealth. Moreover the economic goals of an entrepreneur and the social goals of rural development are more strongly interlinked than in urban areas and relatively has large impact on a rural community (Nandanwar, 2011).

Rural entrepreneurship implies entrepreneurship emerging in rural areas. There is a growing need for rural entrepreneurs because industrial units undertaken by rural entrepreneurs are providing much employment to men than machines. Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process (Saxena, 2012).

There are several reasons for the increasing interest in entrepreneurship in rural regions and communities. First and foremost, the traditional approaches of recruitment and retention are just not working for most places, and leaders are looking for viable alternatives. Second, there is a growing body of evidence from the Global Entrepreneurship Monitor, prepared annually by Babson College and the London School of Economics, on the critical role that entrepreneurs and small businesses play in driving local and national economies. Third, the structure of rural economies is essentially composed of small enterprises, which are responsible for most of the job growth and the innovation, and in any event, small businesses represent an appropriate scale of activity for most rural economies (Dabson, 2005). Dabson has identified four principal components of a successful entrepreneurship development strategy that are: there has to be a community culture of support for entrepreneurs, the strategy has to be entrepreneur-focused, a systems orientation has to be central to the strategy, and make available funding for innovative financing models.

Rural entrepreneurs have successfully diversified into or started new businesses in markets as diverse as agro-food, crafts, recycling, leisure and health. Diversification into non-agricultural uses of available resources such as catering for tourists, blacksmithing, carpentry, spinning, etc. also fit into rural entrepreneurship (Nandanwar, 2011).

Rural development is a key element of strategies to reduce poverty and create income and employment opportunities (UNIDO, 2003). It is important to unleash and harness the creativity of grassroots entrepreneurs but they are posed with many challenges, the biggest being these grassroots inventions don't scale up. To overcome these challenges and promote rural entrepreneurship, support roles are required. Such as: Infrastructure development by the government to increase the possibility for business service provider and industrial sector to enhance the entrepreneurship of women, Micro finance assistance by government to rural women in larger scale,
Entrepreneurship as a Tool for Rural Development

Marketing assistance by marketing the products, Conduction of trade fairs specifically to advertise the work of rural women entrepreneurs (Chakravarty, 2013).

A few examples of Rural Entrepreneurs/innovations are:

Usman Shekhani from Kanker, Chhattisgarh developed an incense stick-making machine. The unique handy cutter consists of a wooden bracket, high-speed steel blades, adjustable screws and spring loaded pushing roller. This device helps in cutting a bamboo strip into five sticks at a time and thus improving the efficiency of stick making and reducing the cost per stick. The quality of sticks produced using this cutter is better than that made manually. In addition the device is inexpensive, easy to operate and easy to repair.\(^1\)

Mansukhbhai Prajapati (44), a traditional clay craftsman, has developed an entire range of earthen products for daily use in the kitchen. These products include water filters, refrigerators, hot plates, cooker and other such items of daily use.\(^2\)

The rural markets in India represent a significant opportunity for continued growth of the mobile industry, and for the economic health of the country as a whole. However, the research indicates that operators must overcome significant challenges in providing mobile coverage profitably to the rural population. These challenges include an acute shortage of technical infrastructure across rural India, which slows the pace of mobile expansion and makes it more expensive; Diverse cultures, educational standards and technical knowledge in rural areas; Frequent power shortages across India, and the more rugged environmental conditions in rural areas. The research also found that the perspectives of mobile industry executives about the needs of rural customers differed significantly from that of the opinions expressed by some of those customers themselves when enquired about the rationales for making buying decisions. While it matched considerably in regard to barriers to mobile take-up in rural India (Falk et al 2009).

The research suggests that operators have yet to create and implement business models capable of driving profitable growth through a rural expansion strategy. An important prerequisite in the creation of successful business models is an understanding of the needs and buyer values of the emerging rural consumer and develop a more accurate understanding of the mobile value proposition in rural communities. Operators must engage in more detailed customer segmentation based on different needs and attributes and provide appropriate after sales services. This can lead to successful customer acquisition and retention. Operators are considering different ways to overcome the infrastructure challenge—acting individually, in partnership with an infrastructure provider, or cooperating as part of an industry-wide, collaborative initiative to provide one network to rural India. Partnerships or an industry-wide collaborative strategy seem more likely to be successful (Falk et al 2009).

\(^1\)http://nif.org.in/awards/awardprofile-details_radio.php?profile_id=250&page=1&search=Usman%20Shekhani&radiobutton=or
\(^2\)http://www.mitticool.in/
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