

ENTREPRENEURSHIP DEVELOPMENT

SYLLABUS

UNIT-I

Entrepreneur: Traits and functions – Innovation – Entrepreneurship Motivation – Rural Entrepreneurship.

INTRODUCTION:

The dictionary meaning of the word Entrepreneur is given as a person ‘who starts a business’. It also adds that an entrepreneur is a person ‘who starts an enterprise, business or a firm.’ He works for himself and also provides employment to others. He is his own boss. The term Entrepreneur is derived from the French word ‘Entreprendre’ which means to undertake. Entrepreneurs are the principal agents of change.

The entrepreneur is defined as someone who has the ability and desire to establish, administer, and succeed in a start-up venture along with risk entitled to it, to make profits.

DEFINITION- ENTREPRENEUR:

“An entrepreneur is someone who conceives an idea, creates a path to success, does whatever it takes to succeed and tries to dominate their market!” - **Matthew Toren**

“A person who has so much passion for an idea that they’re willing to risk almost everything, to make their dreams a reality.” - **Jared Tanner**

“An entrepreneur is an innovative, risk-taking individual who identifies a need in a market and finds a way to fill it, whether by using his or her own expertise and passion, the knowledge of others, or a combination of the three. More simply stated, an entrepreneur is someone who sees an opportunity and invests in it in order to turn a profit or provide a solution to some larger issue in the world.” - **Andrew Schrage**

“An entrepreneur is one who always searches for a change, responds to it and exploits it as an opportunity.” – **Peter Drucker**

“An entrepreneur is an innovator who carries out new combinations to initiate and accelerate the process of economic development”. – **Joseph A. Schumpeter**

TRAITS / CHARACTERISTICS / FEATURES OF AN ENTREPRENEUR:

Entrepreneurs possess a unique set of traits that enable them to successfully start and run businesses. These traits include:

1. **Innovative:** Entrepreneurs often think outside the box and come up with new ideas, products, or services. They have a creative mind-set that helps them find unique solutions to problems.
2. **Risk-Taking:** Entrepreneurs are willing to take calculated risks. They understand that risk is inherent in entrepreneurship and are prepared to face uncertainty and potential failure.

3. **Visionary:** They have a clear vision of what they want to achieve. Entrepreneurs can see the big picture and set long-term goals for their business.
4. **Leadership:** Entrepreneurs possess strong leadership qualities. They can inspire and motivate others, make important decisions, and guide their team towards achieving the business objectives.
5. **Self-Motivated:** They are driven by their goals and have a strong sense of personal responsibility. Entrepreneurs are proactive and do not need external motivation to pursue their business ambitions.
6. **Resilient:** Entrepreneurs are resilient and can handle setbacks and failures. They have the perseverance to keep going despite challenges and obstacles.
7. **Adaptable:** The ability to adapt to changing circumstances is crucial for entrepreneurs. They are flexible and can pivot their strategies when necessary to stay competitive.
8. **Decisive:** Entrepreneurs can make decisions quickly and efficiently. They are able to weigh the pros and cons and take action without hesitation.
9. **Resourceful:** Entrepreneurs are skilled at making the most of limited resources. They can find creative ways to solve problems and achieve their goals.
10. **Passionate:** Passion drives entrepreneurs to work hard and remain committed to their business. Their enthusiasm can also inspire their team and attract customers and investors.
11. **Networking Skills:** Building and maintaining a network of contacts is essential for entrepreneurs. They use these networks to gain support, advice, and business opportunities.
12. **Financial Acumen:** Entrepreneurs have a good understanding of financial management. They can manage budgets, forecast financial performance, and secure funding.
13. **Customer-Focused:** Entrepreneurs understand the importance of meeting customer needs and providing excellent service. They are committed to creating value for their customers.
14. **Ethical:** Successful entrepreneurs operate with integrity and adhere to ethical standards. They understand the importance of building trust with customers, employees, and stakeholders.
15. **Problem-Solving Ability:** Entrepreneurs are natural problem solvers. They can identify issues quickly and develop effective solutions to overcome them.
16. **Competitive:** Entrepreneurs have a competitive spirit. They strive to be the best in their industry and are always looking for ways to improve and outperform their competitors.

These traits collectively enable entrepreneurs to navigate the challenges of starting and running a business, drive innovation, and achieve success.

FUNCTIONS OF AN ENTREPRENEUR:

An entrepreneur performs a variety of functions essential to the success of their business venture. These functions include:

1. Idea Generation and Business Concept Development:

- ✦ Identifying market opportunities.
- ✦ Creating innovative products or services.
- ✦ Developing a viable business concept or model.

2. Risk Bearing:

- ✦ Assuming the financial risk associated with starting and running a business.
- ✦ Managing uncertainties and potential failures.

3. Resource Mobilization:

- ✦ Securing financial resources through loans, investments, or personal savings.
- ✦ Assembling physical resources such as equipment, materials, and technology.
- ✦ Hiring and organizing human resources.

4. Planning:

- ✦ Setting short-term and long-term goals.
- ✦ Developing strategic plans and business plans.
- ✦ Identifying key milestones and performance metrics.

5. Organization and Management:

- ✦ Structuring the business organization and defining roles and responsibilities.
- ✦ Establishing workflows and processes.
- ✦ Managing day-to-day operations and making strategic decisions.

6. Innovation and Development:

- ✦ Continuously seeking ways to improve products, services, and processes.
- ✦ Staying ahead of market trends and technological advancements.
- ✦ Fostering a culture of innovation within the organization.

7. Marketing and Sales:

- ✦ Identifying target markets and customer needs.
- ✦ Developing marketing strategies and campaigns.
- ✦ Building a brand and maintaining customer relationships.
- ✦ Driving sales and revenue growth.

8. Financial Management:

- ✦ Managing budgets and financial resources.

- ✦ Monitoring financial performance and profitability.
- ✦ Securing funding and managing cash flow.
- ✦ Ensuring compliance with financial regulations and reporting.

9. **Networking and Relationship Building:**

- ✦ Building relationships with stakeholders, including customers, suppliers, investors, and partners.
- ✦ Leveraging networks for business opportunities and support.

10. **Adaptation and Problem-Solving:**

- ✦ Responding to changes in the market and industry.
- ✦ Addressing challenges and solving problems as they arise.
- ✦ Adjusting business strategies to remain competitive.

11. **Leadership and Team Building:**

- ✦ Inspiring and motivating employees.
- ✦ Creating a positive work environment and organizational culture.
- ✦ Providing guidance, support, and development opportunities for the team.

12. **Compliance and Ethics:**

- ✦ Ensuring the business complies with laws and regulations.
- ✦ Promoting ethical practices and corporate social responsibility.

13. **Customer Focus:**

- ✦ Understanding and addressing customer needs and preferences.
- ✦ Providing exceptional customer service.
- ✦ Gathering and acting on customer feedback.

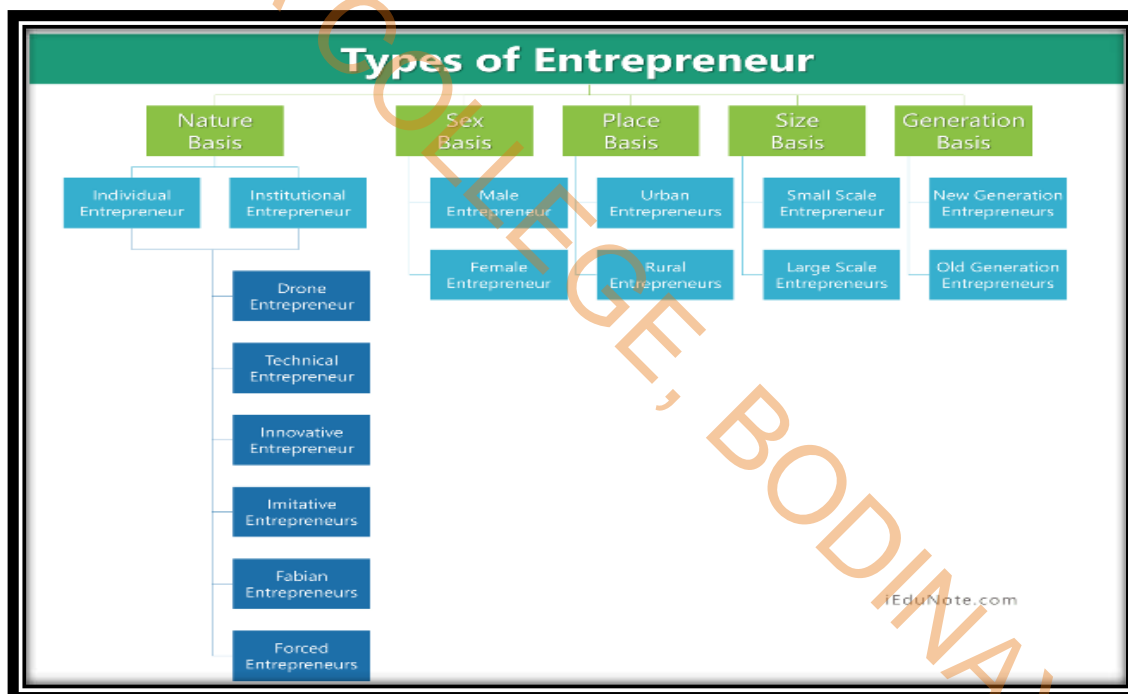
By effectively performing these functions, entrepreneurs can build and sustain successful businesses, drive innovation, and contribute to economic growth.

ROLES PLAYED BY AN ENTREPRENEUR:

The following are the different roles of the entrepreneur:

- Entrepreneur is a risk-taker and also helps in the business management.
- Entrepreneur plays the role of a business leader as well as an innovator.
- Entrepreneur promotes capital formation & creates large-scale employment opportunities.
- Entrepreneur promotes balanced regional development.
- Entrepreneur reduces concentration of economic power.
- Entrepreneur helps in wealth creation and distribution.
- Entrepreneur contributes to the increase of gross national product and per capita income.
- Entrepreneurial initiatives and actions help in improving the general standard of living.
- Entrepreneurial activities promote country's export trade and helps in import substitution.

TYPES OF AN ENTREPRENEUR:



Nature Basis of Entrepreneurs Classification

Nature denotes here the human characteristics that act as a prime motivator for taking entrepreneurial ventures. On this basis entrepreneurs are classified into two groups;

- i. **Individual entrepreneur:** Person is the pioneer of entrepreneurship in the history of human civilization. When a single person undertakes an entrepreneurial venture then it is termed as an individual entrepreneur.
- ii. **Institutional entrepreneur:** Institutions are-groups of persons with a common goal. When an institution undertakes entrepreneurial ventures then it is called an institutional entrepreneur. Both of the above categories; individual and institutional are further classified into various types of their motivational force.
 1. **Technical Entrepreneur:** The entrepreneur utilizes the modified form of existing technology for producing a good or rendering service is known as a technology entrepreneur. The person familiar to a particular technology may see some of the prospective changes, which will make cost-effective output. This generates/ promotes technical entrepreneurs. These entrepreneurs may enter the business to commercially exploit their inventions and discoveries. Their main asset is technical expertise.
 2. **Innovative Entrepreneur:** These are the ones who invent the new ideas, new products, new production methods or processes, discover potential markets and reorganize the company's structure. These are the industry leaders and contribute significantly towards the economic development of the country. The innovative entrepreneurs have an unusual foresight to recognize the demand for goods and services. They are always ready to take a risk because they enjoy the excitement of a challenge, and every challenge has some risk associated with it.

Ratan Tata is said to be an innovative entrepreneur, who launched the Tata Nano car at a considerably low cost.

3. Imitating Entrepreneurs: The imitating entrepreneurs are those who immediately copy the new inventions made by the innovative entrepreneurs. These do not make any innovations by themselves; they just imitate the technology, processes, methods pioneered by others. These entrepreneurs are found in the places where there is a lack of resources or industrial base due to which no new innovations could be made. Thus, they are suitable for the underdeveloped regions where they can imitate the combinations of inventions already well-established in the developed regions, in order to bring a boom in their industry.

4. Fabian Entrepreneurs: These types of entrepreneurs are sceptical about the changes to be made in the organization. They do not initiate any inventions but follow only after they are satisfied with its success rate. They wait for some time before the innovation becomes well tested by others and do not result in a huge loss due to its failure.

5. Drone Entrepreneurs: These entrepreneurs are reluctant to change since they are very conservative and do not want to make any changes in the organization. They are happy with their present mode of business and do not want to change even if they are suffering the losses.

Thus, this classification is done on the basis of the willingness of an entrepreneur to create and accept the innovative ideas.

Gender Basis of Entrepreneurs Classification

Entrepreneurs are classified based on the natural division of human and therefore, there are two sections of entrepreneurs on the criteria of gender. They are male and female entrepreneurs.

Historically, male entrepreneurs are the dominant entrepreneurial class in our civilization.

Place Basis of Entrepreneurs Classification

The place of entrepreneurial activity is the basis of classifying entrepreneurs into two categories, such as rural and urban entrepreneurs.

Urban entrepreneurs are the persons who initiate their venture in the urban area of a country. They are large in number in all the countries of the world. The balanced growth of the economy requires rural entrepreneurs too.

Rural entrepreneurs take their initiatives in rural areas of the country. They use indigenous resources, which enhance the use of local natural resources and enhance the local standard of living.

Size Basis Entrepreneurs Classification

The size of an entrepreneurial project is taken as a basis for categorizing entrepreneurs into two classes. They are;

1. **Small scale entrepreneur:** Small-scale entrepreneurs are those who have small capital or investment, as well as small production capacity, number of employment and a small area of the market, it denotes the limited operation of a business.
2. **Large scale entrepreneurs:** Large-scale entrepreneurs are those persons or groups of persons who initiate a venture with a large-scale production capacity. They address large aggregate demand and involve with huge investment in production technology. They are small in number in all the countries of the world.

Generation Basis Entrepreneurs Classification

Entrepreneurs are classified in the context of generation too. The enormous types of new ventures initiate this classification.

1. **New generation entrepreneurs:** New generation entrepreneurs are those who utilize technology or idea in their new version. Cybercafé, fast-food shop, virtual universities are a few of the examples of new generation entrepreneurial projects.
2. **Old generation entrepreneurs:** Old generation entrepreneurs are those who do not like change. They normally take the initiation of old styled projects. They are hesitant to new technology but fond of familiar or traditional and prevailing technology.

Thus, these are the classification/types of an entrepreneur.

CONCEPT OF ENTREPRENEURSHIP:

Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses.

In economics, entrepreneurship connected with land, labour, natural resources and capital can generate a profit. The entrepreneurial vision is defined by discovery and risk-taking and is an indispensable part of a nation's capacity to succeed in an ever-changing and more competitive global marketplace.

DEFINITION- ENTREPRENEURSHIP:

Entrepreneurship entails bearing the risk of buying at a certain price and selling at uncertain prices.” - Ricardo Cantillon.

“Entrepreneurship is any kind of innovative function that could have a bearing on the welfare of an entrepreneur.” - **Joseph A. Schumpeter (1934)**

“Entrepreneurship is that form of social decision making performed by economic innovators.” - **Robert K. Lamb (1952)**.

ENTREPRENEUR VS ENTREPRENEURSHIP

The term entrepreneur is often used interchangeably with “entrepreneurship”. But conceptually, they are different yet they are just like the two sides of a coin. Entrepreneur and entrepreneurship are co-related. The relationship between entrepreneur and entrepreneurship is given in the table:

S.No	Entrepreneur	Entrepreneurship
1	Refers to a person	Refers to a Process / Activity / Action
2	Leader	Leadership
3	Planner	Planning
4	Programmer	Action
5	Motivator	Motivation
6	Risk-taker	Risk-taking
7	Creator	Creativity
8	Visionary	Vision
9	Innovator	Innovation
10	Technologist	Technology
11	Initiator	Initiative
12	Organizer	Organization
13	Decision-maker	Decision Making
14	Administrator	Administration
15	Adopter	Adopting
16	Delegator	Delegating
17	Ethical	Ethics
18	Goal Setter	Goal Setting
19	Imagination	Imagining
20	Skilled	Skills
21	Transformer	Transformation
22	Wealth Creator	Wealth Creation
23	Economic Developer Promoter	Economic Development Promotion

ENTREPRENEURSHIP MOTIVATION:

Entrepreneurship motivation refers to the factors that drive individuals to start and run their own businesses. It is the process of transforming an ordinary individual to a powerful businessman, who can create opportunities and helps in maximizing wealth and economic development. These motivations can be broadly categorized into intrinsic and extrinsic factors:

1. Intrinsic Motivation:

- **Passion and Interest:** A deep interest or passion for a particular field or activity can drive individuals to start a business.
- **Autonomy:** The desire for independence and control over one's work life can motivate entrepreneurship.
- **Achievement:** The drive to achieve personal goals and the satisfaction of building something from scratch.

- **Creativity and Innovation:** The need to innovate and create new products, services, or solutions can be a powerful motivator.
2. **Extrinsic Motivation:**
- **Financial Rewards:** The potential for higher income and financial independence can be a significant motivator.
 - **Recognition and Status:** The desire for recognition, prestige, and social status can drive individuals to pursue entrepreneurial ventures.
 - **Market Opportunities:** Identifying gaps in the market or unmet needs can motivate individuals to start businesses to capitalize on these opportunities.
 - **Social Impact:** The desire to make a positive impact on society or address social issues can drive social entrepreneurship.

KEY THEORIES AND MODELS OF ENTREPRENEURSHIP MOTIVATION

1. **Maslow's Hierarchy of Needs:** This theory suggests that individuals are motivated to start businesses to fulfil their needs, starting from basic physiological needs to higher-level self-actualization needs.
2. **McClelland's Theory of Needs:** This theory focuses on three primary needs that drive entrepreneurship: the need for achievement, the need for affiliation, and the need for power.
3. **Push and Pull Factors:**
 - **Push Factors:** Negative circumstances such as job dissatisfaction, unemployment, or lack of career progression that push individuals towards entrepreneurship.
 - **Pull Factors:** Positive attractions such as market opportunities, financial incentives, and the desire for independence that pull individuals towards entrepreneurship.
4. **Self-Determination Theory:** This theory emphasizes the importance of intrinsic motivation and the need for autonomy, competence, and relatedness in driving entrepreneurial behaviour.

FACTORS INFLUENCING ENTREPRENEURSHIP MOTIVATION

- **Personal Attributes:** Traits like risk-taking propensity, resilience, creativity, and self-efficacy.
- **Environmental Factors:** Economic conditions, cultural attitudes towards entrepreneurship, availability of resources and support systems.
- **Social Networks:** Support and encouragement from family, friends, mentors, and professional networks.

- **Education and Skills:** Relevant knowledge, skills, and experience that prepare individuals for entrepreneurial activities.

Thus, these are the factors influencing entrepreneurship motivation.

MASLOW'S NEED HIERARCHY THEORY:

Maslow's theory is based on the human needs. These needs are classified into a sequential priority from the lower to higher. According to him, all human needs are classified into five needs – cluster as shown in the following figure.



Physiological Needs: These needs are basic to human life and include food, clothing, shelter, air, water and other necessities of life. Entrepreneur also being a man needs to meet his physiological needs for survival. Hence, he/ she are motivated to work in the enterprise to have economic rewards to meet the basic needs.

Safety and security needs: These needs are felt as soon as first basic needs are satisfied. These needs find expression in such desires as economic security and protection from physical danger. Meeting these needs requires more money and hence, the entrepreneur is prompted to work more in his/ her enterprise.

Social Needs: Man is social animal. These needs, therefore, refer to belongingness. All individuals want to be recognized and accepted by others. Likewise, an entrepreneur is motivated to interact with fellow entrepreneurs, his employees and others.

Esteem Needs: These needs include self-respect, self-confidence, recognition, appreciation, prestige, power and control. These are also known as egoistic needs and affect prestige and status of individuals. Entrepreneurs derive status and respect through their ownership and control over their business.

Self-Actualization: The final step under the need hierarchy model is the need for self – actualization. This refers to self – fulfilment. Entrepreneur may achieve self-actualization in being a successful entrepreneur. Self-actualization needs which motivate them to work more and more for satisfying them. In Maslow's theory, needs are arranged in a lowest to the highest hierarchy. The second need does not dominate unless first is reasonably satisfied. This process goes on till the last need is achieved. This is because man is never satisfied. If one need is satisfied another

need arises. Once a need is satisfied, it ceases to be a motivating factor. For entrepreneurs, it is mainly social, esteem and self-actualization needs which motivate them to work more and more for satisfying.

Limitations of the Maslow's Theory:

- ✚ It is essential to note that not all employees are governed by same set of needs. Different individuals may be driven by different needs at same point of time. It is always the **most powerful unsatisfied need that motivates an individual.**
- ✚ The theory is not empirically supported.
- ✚ The theory is not applicable in case of starving artist as even if the artist's basic needs are not satisfied, he will still strive for recognition and achievement.

MC CLELLAND'S ACQUIRED NEEDS THEORY

David McClelland built on this work in his 1961 book, "**The Achieving Society.**" He identified three motivators that he believed we all have: **a need for achievement, a need for affiliation, and a need for power.** People will have different characteristics depending on their dominant motivator.

Need for Affiliation:

These refer to needs to establish and maintain friendly and warm relations with others. The people with high need for affiliation have the following characteristics:

- ✚ They have a strong desire for acceptance and approval from others.
- ✚ They tend to conform to the wishes of those people whose friendship and companionship they value.
- ✚ They value the feelings of others.

Need for power:

These mean the one's desire to dominate and influence others by using physical objects and actions. People with a high need for power are people who like to be in control of people and events. These result in ultimate satisfaction to man. People who have a high need for power are characterized by:

- ✚ A desire to influence and direct somebody else.
- ✚ A desire to exercise control over others
- ✚ A concern for maintaining leaders-follower relations.

Need for Achievement:

This refers to one's desire to accomplish something with – own effort. This implies one's will to excel in his / her efforts. McClelland also suggests that these three needs may simultaneously be acting on an individual. But, in case of an entrepreneur, the high need for achievement is found dominating one. In his view, the people with high need for achievement are characterizing by the following:

- ✚ They set moderate, realistic and attainable goals for them.
- ✚ Prefer to situations in which they can find solutions for solving personal responsibility.
- ✚ They need concrete feedback on how well they are doing.
- ✚ They have need for achievement for attaining personal accomplishment
- ✚ They look for challenging tasks.

As regards the above three needs, McClelland holds the view that all three needs may simultaneously be acting on an individual. But, in case of an entrepreneur, the high need for achievement is found dominating one.

PUSH AND PULL FACTOR THEORIES:

Push Factors

Push factors are internal or external forces that compel individuals to take action to avoid something undesirable or escape from an unfavorable situation. These factors "push" people away from their current state or environment. Examples include:

- **Dissatisfaction:** Unhappiness with current circumstances, such as a monotonous job, poor working conditions, or lack of recognition, can motivate a person to seek change.
- **Stress and Pressure:** High levels of stress or pressure, whether from work, family, or other sources, can push individuals to seek relief or a better situation.
- **Fear of Failure:** The fear of failing or not meeting expectations can drive people to take action to avoid negative outcomes.
- **Economic Necessity:** Financial difficulties or lack of economic opportunities can push individuals to find new ways to improve their financial situation.

Pull Factors

Pull factors are attractive forces that draw individuals toward a particular goal or situation. These factors "pull" people towards something they find desirable or beneficial. Examples include:

- **Opportunities for Growth:** The prospect of personal or professional development, such as career advancement, learning new skills, or gaining new experiences, can attract individuals.
- **Rewards and Incentives:** Potential rewards, such as higher salaries, bonuses, or other benefits, can motivate people to pursue certain goals.
- **Positive Work Environment:** A supportive and positive work environment, with good relationships and a sense of belonging, can attract individuals.

- **Personal Fulfillment:** The desire to achieve personal goals, such as fulfilling a passion, achieving a dream, or making a meaningful contribution, can pull individuals toward specific actions.

RURAL ENTREPRENEURSHIP - MEANING:

Rural entrepreneurs are those who carry out entrepreneurial activities by establishing industrial and business units in the rural sector of the economy. In other words, establishing industrial and business units in the rural areas refers to rural entrepreneurship.

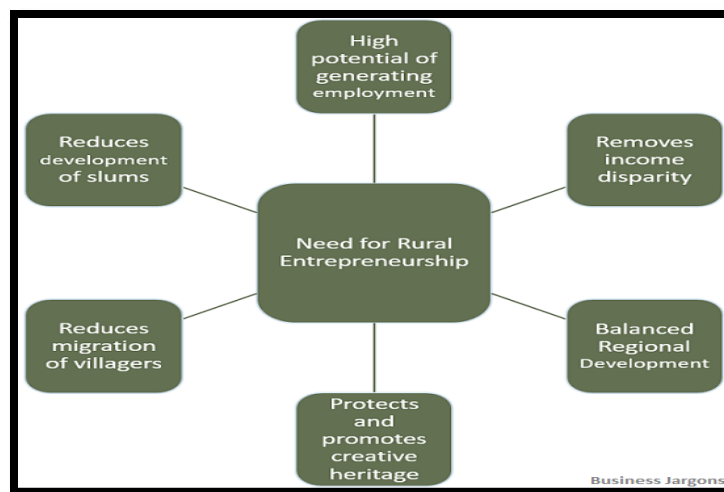
In simple words, rural entrepreneurship implies entrepreneurship emerging in rural areas. Or, say, rural entrepreneurship implies rural industrialization. Thus, we can say, entrepreneurship precedes industrialization.

DEFINITION:

According to KVIC (Khadi and Village Industry Commission), "village industries or Rural industries means any industries located in rural areas, population of which does not exceed 10,000 or such other figure which produces any goods or renders any services with or without use of power and in which the fixed capital investment per head of an artisan or a worker does not exceed a thousand rupees".

According to Government of India, "Any industry located in rural area, village or town with a population of 20,000 and below and an investment of Rs. 3 crores in plant and machinery is classified as a village industry."

NEED FOR RURAL ENTREPRENEURSHIP:



Employment Generation:

Rural Entrepreneurship is a labour intensive and requires large number of human resource. Therefore, it has a large potential of employment generation and can reduce the problem of unemployment in rural area.

Income Generation:



By providing employment, rural entrepreneurship has potential for income generation and thus bridging the gap between the rural and urban disparities.

Rural development:

Rural entrepreneurship helps in setting industries in rural areas and thus leads to the employment generation and income generation which directly help in rural development.

Curbs Rural – Urban migration:

Rural development helps in curbing the rural – urban migration by reducing the unequal growth in cities.

Environment Friendly:

Rural industries are more environments friendly thus leads to the development without damage.

Builds up Village republics:

Development of the rural industries serves as an effective means to build village republics and thus make them more independent.

Improved standard of living:

Rural entrepreneurship helps in income generation which helps in prospering the community and thus improves their standard of living.

Balanced regional growth:

Rural entrepreneurship will direct the concentration of industries in rural areas which leads to the balanced regional growth.

Thus, these are the need for rural entrepreneurship.

TYPES OF RURAL ENTREPRENEURSHIP

Rural Entrepreneurship is related to the development and improvement of rural area people by utilizing all the available resources in a proper manner. Various types of opportunities for rural entrepreneurs are there in remote areas if we consider area, population, biodiversity and various agro-climatic zones. Now, we will discuss various types of Rural Entrepreneurship that can be done in rural areas. Let us have a look.

I.FARM-BASED ENTERPRISE:

These types of rural entrepreneurship comprises of different types of farming which are mentioned below:

(A) Organic and Floriculture:

It includes organic farming and floriculture. The demand for all the organic products and goods is increasing day by day across all the corners of the world. When there is the availability of certified organic products, then the export will increase. All the required inputs are available in rural areas and it is a type of entrepreneurship that can be a very good option.

(B) High Tech Agriculture:

It includes the production of all types of non-seasonal vegetables, non-native vegetables, mushroom and so on. The production of these products will increase with the increase in the income of middle-class people.

(C) Medicinal plants:

It is of great benefit to cultivate some medicinal plants as it is required because people believe in natural medicines more as compared to drugs. Moreover, there is a reduction of medicinal plants from the forest.

(D) Aromatic Plants:

The demand for natural perfumes is highly popular among people and they are not harmful to health as compared to chemical products. It will give a great opportunity to natural perfumes as it is a heart-winning product,

(E) Commercial Forestry:

A meagre amount of land is not good from an agriculture point of view and these are easily used for commercial purposes. To exemplify, plants like eucalyptus, poplar, bamboo etc can be cultivated. These items are used widely by paper mills, matchstick manufacturers and furniture makers. Bamboo trees are useful in producing more than thirty products.

II. FOOD PROCESSING AND AGRO WASTE:

It is the most preferred activity and especially in rural areas. The market of this type of entrepreneurship is expanding and tons of agro-waste is burning every day. Here is a very straightforward option of turning the waste into briquettes which can be burnt in rural industries. To exemplify, various products are there such as rice bran oil, Gum from tamarind seeds and others can be extracted. Some other products are also made in rural areas such as handmade paper, board, packing paper and corrugated paper boards.

A) Pesticide products

Presently, we are using the chemical fertilizers for crop cultivation at a great extent. Several types of organic fertilizers such as compost, vermin-compost as well as neem based

fertilizers can be produced for own use and to sell the same in urban areas also. These products are using a very low level of energy and can be easily made out of wastes.

B) Animal Husbandry based enterprise

One of the most organized and popular enterprises are dairy farming and it can begin with two to three animals to thousands of animals. This business is related to the production and distribution of milk. Poultry will be next very popular enterprise as it includes the sale of eggs and the poultry birds as well as the poultry feed industries which are also viable.

In addition to this, there is another option of commercial rearing of animals such as pigs, sheep, rabbits and goats for wool and meat where the grass is easily provided to these animals.

C) Sericulture

Sericulture is also known as apiculture and it is a very old profession. It is undeniable that silk garments are highly popular and it can also be shifted to the commercial level. Moreover, there are no issues with the production of silk and processing silk. It is also beneficial to export the products directly. Apart from this, pollination can also be done with the help of honey bees and maximizes agriculture production.

D) Aquaculture

It can be easily done in any corner of the world where water is easily available. Fish tanks can be established in waste and degraded lands. Moreover, Shrimp or Prawn culture is also popular in coastal areas.

E) Traditional Handicrafts

Every nation is famous for its distinct traditional and cultural art which is originated from rural areas. Rural people have more experience and expertise in the field of historic products and arts. A huge market is there for crafts and traditional products. Small businessman buys products from these markets and sells the same to urban areas at a high price.

F) Handloom

Hundreds of people are working in this industry in rural areas however the benefit has taken by urban areas by selling the products produced by rural people. The rural entrepreneurs can also take up this activity and get the entire profit by directly selling the products to urban areas and export to other nations also.

There are many options for rural entrepreneurs however there is a need to take action regarding the various resources available and its proper utilization.

PROBLEMS FACED BY RURAL ENTREPRENEURS:

Lack of infrastructural facilities:

Rural areas are characterized by poor infrastructural facilities in the field of roads, electricity, street lighting, road transport etc. which hampers the smooth movement of various industrial activities. This is a major problem faced by rural entrepreneurs.

Financial constraints:

Most of the rural entrepreneurs face financial crunch in setting up rural industries because of the non-supportive attitude of financial institutions and banks which work more on papers. The procedures and conditions to avail a loan are so time consuming that its delay often disappoints the entrepreneur. Due to this, the entrepreneurs are forced to take credit from village money lenders who charges exorbitant rate of interest.

Lack of technical know-how:

As rural industries are labour intensive, they cannot afford to introduce sophisticated techniques and methods of production which is very expensive. Lack of technical know-how, appropriate technology and training create immense problem in the growth of rural industries. Without this, productivity and increased profit is a distant dream.

Marketing problems:

Marketing of rural products has not been well developed. Promotion, distribution and implementation of customer feed-back are lacking. Rural industries cannot compete with their urban counterparts. Dealers exploit the rural industries in the traditional sector. Lack of proper communication facilities and marketing information adds to the problem to large extent.

Lack of adequate knowledge and information:

Though information technology has substantially developed in the modern world and has penetrated into the rural areas through internet, rural people hardly availed its benefits. Because, rural people may not have an adequate information avenue. They are not knowledgeable, trained and motivated to achieve more and more in their own sphere.

Raw materials:

Rural industries face a tough task in procuring and storing raw materials. Since rural industries are small they procure raw materials from middlemen at higher prices. Lack of warehousing facilities in the rural sector also costs more towards storing of raw materials.

Legal problems:

Rural industries need compliance of various legal formalities in obtaining the government's approval and license for carrying out industrial activities. But rural entrepreneurs find it extremely difficult to comply with various legal formalities due to sometimes complex legal provisions or illiteracy and ignorance.

Besides the above problems, lack of awareness and knowledge about the importance of rural industries stand as a major problem before rural entrepreneurs. Added to this another problem crops up relates to the disinterest shown by rural people to assume rural entrepreneurship as career. The ninth plan has also sorted out the problems of rural industries as follows:

- ✚ Inadequate flow of credit
- ✚ Use of obsolete technology, machinery and equipment
- ✚ Poor quality standards
- ✚ Inadequate infrastructural facilities.

Thus, these are the problems faced by rural entrepreneurship.

WHAT ARE THE REMEDIAL MEASURES TO DEVELOP RURAL ENTREPRENEURSHIP?

Establishing an industry by an individual is a difficult task as developing entrepreneurship is not one-man activity. An entrepreneur cannot succeed unless the overall industrial and economic environment is conducive to the development and growth of rural industries. Rural industries are facing a series of problems starting from inception till its operation. Therefore, to overcome the problems the following measures need to be suggested for developing rural entrepreneurship in the country.

Provision for adequate infrastructural facilities:

Government should make adequate provision for strengthening and developing infrastructural facilities in the rural sector for proper movement and marketing of rural industrial products.

Provision for credit facilities:

As finance is considered as lubricant for setting up and running an industry, sufficient amount of funds must be available on time at soft terms. Banks and financial institutions must come forward to provide credit to rural industries at concessional and subsidize rate on easy terms and conditions.

Creation of strong raw-material base:

Raw material is must for any industry. However, rural industries face tough problem in procuring and storing of raw materials. Therefore, an urgent policy is called for to strengthen the raw material base in the rural sector on priority basis.

Common Production-cum-Marketing Centre needs to be set up:

Marketing is another area where rural industries are weak. In order to solve the problem of marketing, common production-cum-marketing centers need to be set up and developed with modern infrastructural facilities. This will help in promoting export business on one hand and

bringing the buyers and sellers in close interaction avoiding middlemen in between them on the other.

Provision for entrepreneurial training:

As, most of the rural entrepreneurs join their entrepreneurial career not by choice but by chance, training is” essential for the development of entrepreneurship. There is a need to develop entrepreneurial aptitude and competencies among the prospective entrepreneurs through training. The rural industries need extra training in packing, labelling and marketing areas also.

Creation of awareness of various facilities amongst the rural people:

The rural people are not aware of the facilities available in setting up rural industries. Therefore, it is the need to disseminate information about what is available through vocational training, Entrepreneurs Development Programs, screening of Audio-visual films on various rural related enterprises, etc. This will expose them to modern amenities and facilities available in the rural sector so that they can start their enterprises.

Conclusion:

Besides the above provisions, the government should come forward to introduce entrepreneurial education in schools, colleges and universities in order to inculcate the entrepreneurial acumen and attitude in the minds of the rural people. The government also encourages setting up of Non-Governmental Organizations (NGOs) who prove instrumental in the development of rural entrepreneurship in the country.
