

The Difficulty of being an Entrepreneur from Taluka and Village Level Places in India.

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Abstract

The entrepreneurs play a significant role in the development of any country. The most of the technological startups begin with metro cities because of availability of many facilities in metro city. But over a billion Indians live outside the metro cities. The audience comprising nearly 72% of the total size of market in India, lives in Tier-II, Tier-III cities and beyond. Various issues and challenges are faced by Entrepreneur. For India to become a economic superpower and bring about a more spread of employment in rural area the government must make some policies to helps entrepreneurs from Tier-II and Tier-III cities.

Keywords: Entrepreneur, Employment, Market size, Tier-II and Tier-III cities, issues and challenges, Village, Taluka.

1. Introduction

In Countries like India and China where educated unemployment has become a big challenge to the economy, entrepreneurship can be looked upon as a solution to creating employment and income generation. Entrepreneurship has made a significant contribution to any country's development through improving people's lives, whether the growth is in economic, social, political or cultural fields. Entrepreneurship is significant because it facilitates trade, commerce and communication, all of which are necessary for civilization to thrive.¹ Due to increase in tremendous population the number of graduated unemployed are increased. Lack of development in taluka and village place in India leading to increase the numbers of SICK units. There is unavailability of roads, modes of transportation, low level income, unaware about government policies, bad road connectivity between district market and company in taluka and village places.

Entrepreneurship is the process of identifying various opportunities in the market and arranging financial and other resources in order to capitalise these opportunities. The "Entrepreneur" is French word which means 'to undertake'. Entrepreneur can be defined as "anyone who exhibits the characteristics of self-development, creativity, self-decision making and risk taking can be rightly called a person with entrepreneurial traits. When this trait are exhibited in the successful running of a business, he can be aptly called as 'Entrepreneur'.²

2. Importance of Entrepreneur

➤ It reduces the levels of employment in rural areas

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² Arihant's NTA UGC NET/JRF/SET PAPER II {Management}.

- It helps in reducing the number of migrants from rural area to urban cities.
- It promotes a balanced regional development.
- It helps in preserving the heritage of the country through arts and creativity.
- It leads to Economic development of the rural areas and country as a whole.³

3. Areas for Entrepreneur for development in taluka and village place

Around 66% of India 's population resides in villages; thus the nation economic development is primarily depended on rural sector.

A) Agriculture based industry: Jaggery, sugar industries, oil processing from oil seeds, pickles, fruit juice, spices , dairy etc.

B) Forest based industry: bamboo industry, honey bee, wood products like furniture, coir industry, making eating plates from leaves.

C) Mineral based industry: Like stone crushing, cement industries, red oxide making, wall coating powders

D) Engineering industry: Like agriculture equipment like tractors and pump sets repairs etc.

E) Textile Industry; Like weaving, colouring, bleaching and spinning.

4. Issues and challenges faced by Entrepreneur.

4.1 Problems Regarding Finance.

Government policies regarding loans is very time consuming due to this entrepreneur get frustrated. Most of entrepreneurs from taluka place and village place are get to fail loans because absence of tangible securities and credit in the market. This is one of the major issue which entrepreneur is bearing now a days because of worldwide inflation.

Getting funds from bank is very lengthy and hard process that all businesses face and have to tackle to survive. Major difficulties faced by rural entrepreneurs include lack of current assets, reduced profit due to competition, high prices of goods and services, changing tax laws, companies act, lack of guarantees for raising up of loans for which they charge discriminating interest rates and huge rent and property cost.

There are various major sources in village areas are loans from regional rural bank or from zamindars by their rate of interest are usually very high. Government has various institutions for given loan to rural entrepreneur but results are not up to the level expected. Industrial Finance corporation of India {IFCI}, Industrial development bank of India, Small Scale Industry development bank of India (SIDBI), Industrial Credit and Investment Corporation of India (ICICI) are some of the national level (SFC) institutions that are helping out rural entrepreneurs.⁴

Many women entrepreneurs from taluka level and village level faces financial problems while starting new business. Entrepreneurial Problems faced by women entrepreneur are corruption in government agencies, price and availability of raw materials, high competition in low technology products, financial problems and technology obsolescence due to lack of support. While some problems regarding to women entrepreneurs are exploitation by middleman, family responsibility and lack of support from family members.

³ Eduncle UGC NET management

⁴ <https://www.iosrjournals.org/iosr-jbm/papers/vol3-issue1/D0312329.pdf>

4.2 Lack of planning

A) Marketing: Main issue related with entrepreneur belonging to taluka level and village level are standardization and competition from large scale units. Competition from large scale units creates difficulty for the survival on sales for advertise and promotion. Market size is very small in taluka and village level. Unavailability of internet connections in most parts of villages are creates issues while marketing. Mostly middleman of new ventures. Initially new ventures have limited financial resources and hence cannot afford to spend more exploits rural entrepreneur. Middlemen exploit rural entrepreneurs. Effective marketing within a limited budget is not possible.

B) Hiring the right talent: Educated peoples are mostly attracted towards metro cities. Hiring right talent in Taluka place and village area is quite difficult.

C) Self -Doubt: The first-generation entrepreneur deals with various uncertainty during start-ups First generation entrepreneur faces criticism as a part and parcel of the job.

D) Other challenges for Entrepreneur: Lack of technical expertise, Lack of training modules and support services in rural areas, High cost of production, Expensive quality controls which if not adhered, will lower down the standard., Storage and warehouse issues.

5. Remedies to solve the problems of entrepreneurs

A) *Setting up of financial institutions:*

Government of India or state government must set up financial institution for supporting entrepreneurship. The Financial institution must give concession in interest rates. This institution must help SICK industries properly. Excise duty concession must be granted to both registered or unregistered unit soon a graded scale depending upon their production value. The government as well as government organizations shows preference in procuring their requirement from the small-scale sector. Proper availability of raw materials must be provided by government. Process of granting loans must be shorts.

B) *Setting up of Entrepreneurship development programme:*

Government must give training for the entrepreneurs. Training is essential for the development of entrepreneurships.

C) *Setting up of marketing co-operatives;*

Middleman between producer and retailer must be eliminated. Proper assistance and encouragement should be provided.

D) *Entrepreneurship awareness programme:*

Today most of the youth of this country are moving towards entrepreneurships. Indian government also launched the “AATM.ANIRBHAR BHARAT” and “MAKE IN INDIA”, There is World Entrepreneur Day. Many countries in world like USA celebrate the spirit on entrepreneurship. Our Indian entrepreneurs also deserve a day to celebrate their contribution efforts and hard work for building in nation building. Taking the efforts of entrepreneurs in consideration some entrepreneurship bodies request Indian government of India to declare 16th January as National Entrepreneurship Day.

E) Advertising of Government schemes in Rural areas:

Due to lack of poor internet connectivity in rural area most of the peoples from village areas are unaware about the government schemes. Government must take this issue in serious consideration and start scheme advertising in rural area using administrative powers. There is ASPIRE (A Scheme for Promoting Innovation and Rural Entrepreneurship), CLCSS (Credit Linked Capital Subsidy Scheme), PMEGP (Prime Minister's Employment Generation Programme), KVIC (Khadi and Village Industries Commission) and CGTMSE (Credit Guarantee Fund Trust For Micro and Small Enterprises). The government should do the work of bringing these different schemes to the people.

F) Encouraging women to become Entrepreneurs:

Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a women running enterprise is defined as "An enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women" Government should promote funding to household business of women like Agarbati making, Papad Making, Embroidery, handicrafts, catering services, small retail shops, beauty parlours, pickle manufacturing etc. There are various organizations promoting women entrepreneurs such as WIT (Women's India Trust), WDC (Women Development Corporation), WWF (Working Women Forum), SEWA (Self-Employed Women association), FIWE (The Federation Of Indian Women Entrepreneur), TREAD (Trade Related Entrepreneurship Assistance and Development), CWEI (Consortium of women Entrepreneurs of India), Stri Shakti. Government Schemes to promote women entrepreneurship in India. Government schemes to promote women entrepreneurship in India is very annpurna schemes, Stri Shakti Package for women Entrepreneurs, cent Kalyani scheme, Mudra Yojana Scheme, Mahila Udyam Nidhi Scheme, Dena shakti scheme, udyogini Scheme etc.

6. Suggestions

1. Central and state government should prepare a budget for entrepreneurs.
2. Government should help to provide raw materials and provide better road connectivity.
3. Entrepreneurship consultancy centre must be open at Taluka place and Village place.
4. Import and export facilities should be provided at Taluka and village place.
5. Excise duty on transportation, packaging must be reduced.
6. Strategies for reviving SICK industries must be provided by government
7. Special packages should be provided to entrepreneurs in village and taluka places.

7. Conclusions

Rural entrepreneurs are backbone of Indian Economy, whose roots lie in the rural areas but has a lot of potential to drive various endeavours in business, agriculture etc. Most of the entrepreneurs from village and taluka place do not think of entrepreneurship as the career option. Therefore, the rural youth need to be motivated to take up entrepreneurship as a career. Rural Entrepreneurship ensures value addition to the resource in rural areas which largely engage rural human resources. Rural develop can be made possible through growth of rural entrepreneurs which further could contribute in reducing levels of poverty, unemployment etc.