



A STUDY ON VARIOUS GOVERNMENT PROGRAMMES THAT HELP DEVELOP RURAL ENTREPRENEURS

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Abstract

India's educated rural youth and women have always been inclined to migrate to urban cities, as the rural areas are primarily agrarian and do not offer them too many job opportunities. Unfortunately, they are often at a disadvantage, as they are more diffident than their urban counterparts. These factors prompted the government to come up with innovative schemes such as Rural Development and Self-employment Training Institute (RUDSETI) at Ujire (Karnataka), Integrated Rural Development Programme (IRDP), Ministry of Rural Development (MoRD) launched Swarna Jayanti Grameen Swarojgar Yojana (SGSY), NABARD's Rural Entrepreneurship Development Programme and MicroEnterprise Development Programme (MEDP). This study is based on the objectives of assessing the impact of the above schemes on the rural Indian with reference to Karnataka. The study will deal with the employability factor, socio-economic conditions and the sustainability factor of the business. Data will be collected through questionnaires and interviews. Sample size is 100 based on convenience random sampling method.

Keywords: Government Schemes, Training Initiatives, Rural Employment Programmes.

INTRODUCTION

An entrepreneur is a person who either creates new combinations of production factors such as new methods of production, new products, new markets, finds new sources of supply and new organizational forms or as a person who is willing to take risks or a person who by exploiting market opportunities, eliminates disequilibrium between aggregate supply and aggregate demand or as one who owns and operates a business. 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. [1]

CONCEPT OF RURAL ENTREPRENEURSHIP

Entrepreneurship in rural sector should be encouraged such that poverty can be alleviated. Indian rural sector is no longer primitive and isolated. Therefore, entrepreneurship in the rural and tribal areas looms large to solve the problems of poverty, unemployment and backwardness of Indian economy. Rural industrialization is viewed as an effective means of accelerating the process of rural development. Government of India has been continuously giving importance and support for the promotion and growth of rural entrepreneurship.

REVIEW OF LITERATURE

Who should be capable of making use of the government policies and schemes for the betterment of rural people? Some individuals who happen to be local leaders and NGOs and who are committed to the cause of the rural people have been catalytic agents for development. Though their efforts need to be recognized yet much more needs to be done to reverse the direction of movement but also attracting them back from the towns and cities where they had migrated. Rural Entrepreneurship in India: Challenge and Problems .Brijesh Patel and Kirit Chavda (July 2013).

India is a country of villages. About three-fourth of India's population are living in rural areas out of which 75% of the labour force is still earning its livelihood from agriculture and its allied activities. Land being limited is unable to absorb the labour force in agriculture. Therefore, there is a need to develop rural industries to solve rural unemployment and rural migration to cities. Growth and development of rural economy is an essential pre-condition to development of the nation as a whole. The gap between rural urban disparities should be lessened.

Chinmoy Kumar says in his Article "What are the different types of rural entrepreneurs?"(2011) that entrepreneurship in the rural and tribal areas looms large to solve the problems of poverty, unemployment and backwardness of Indian economy. Rural industrialisation is viewed as an effective means of accelerating the process of rural development. Government of India has been continuously assigning increasing importance and support for the promotion Government of India has been continuously assigning increasing importance and support for the promotion and growth of rural entrepreneurship.

Rural entrepreneurship should not only set up enterprises in rural areas but should be also using rural produce as raw material and employing rural people in their production processes. Rural entrepreneurship is, in essence, that entrepreneurship which ensures value addition to rural resources in rural areas engaging largely rural human resources. In other words, this means that finished products are produced in rural areas out of resources obtained in rural areas by largely rural people. . Dr. Kalpana P. Nandanwar, International Referred Research Journal, March, 2011

OBJECTIVES

1. To assess the role of Government sponsored Employment Schemes in the rural sector.
2. To study the impact of the schemes on the unemployed rural youth with specific reference to Karnataka.
3. To find out the success rate of these programmes.
4. To understand the extent to which they have made the Rural Indians employable.
5. To study the sustainability factors of the various programmes.

SCOPE OF STUDY: The study has been undertaken by covering villages in and around Dharmasthala which is part of Dakshina Karnataka.

METHODOLOGY

1. The Data is on Primary and Secondary data.
2. The study has been conducted in districts of Shri Kshethra Dharmasthala.
3. 100 rural entrepreneurs who are trained as well as those undergoing training
4. have been selected on random convenience method of sampling.
5. The primary data has been collected through questionnaire and interview method.

Government Schemes that Implement Rural Development

| Scheme | Ministry | Launched on | Provisions |
|--|--------------------------------------|--------------------------|---|
| Integrated Rural Development Program | MoRD | 1978 | self-employment program to raise the income-generation capacity of target groups among the poor |
| Mahatma Gandhi National Rural Employment Guarantee Act | MoRD | August 25, 2005 | Legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage of Rs. 120 per day in 2009 prices. |
| Jawahar Rozgar Yojana | MoRD | 1999 | To provide around 100 days of employment to rural unemployed. |
| Sampoorna Grameen Rozgar Yojana | MoRD | September 25, 2001 | Providing additional wage employment and food security, alongside creation of durable community assets in rural areas. |
| Swarnajayanti Gram Swarozgar Yojana | MoRD | April 1, 1999 | Bring the assisted poor families above the poverty line by organising them into Self Help Groups (SHGs) through the process of social mobilisation, their training and capacity building and provision of income generating assets through a mix of bank credit and government subsidy. |
| National Rural Livelihood Mission (NRLM) | Ministry of Rural Development (MoRD) | June 2011 ^[4] | This scheme will organize rural poor into SHG groups and make them capable for self-employment. The idea is to developing better livelihood options for the poor. |

Wikipedia: Government schemes in India, This page was last modified on 22 November 2014 at 08:22 Apart from the above schemes, the government has tied up with NABARD, the public sector Banks and NGOs to develop the rural sector.

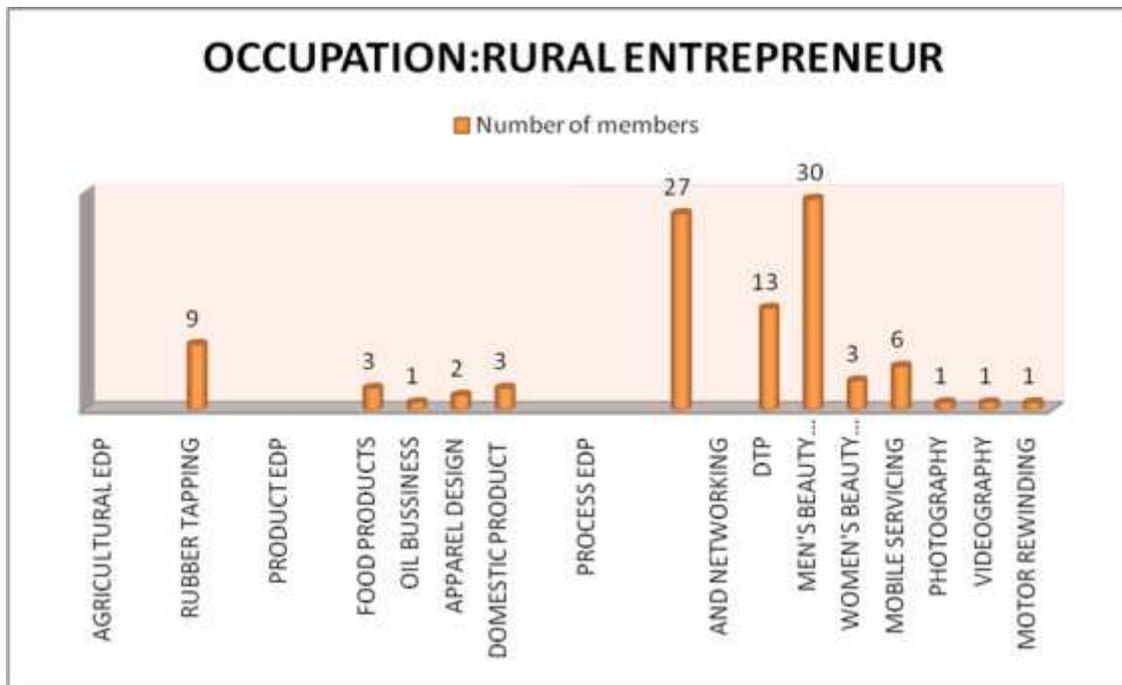
Government sponsored Employment Schemes in the rural sector.

| Purpose | 2014 | Sponsors |
|-------------------------------------|---------------|-------------------------------------|
| Product Manufacture and development | 2586 | RUDSET |
| Agriculture | 4443 | Swarnajayanti Gram Swarozgar Yojana |
| Animal Husbandry | 1031 | RUDSET |
| Services sector | 5505 | NABARD |
| Others | 6080 | RUDSET |
| Source | RUDSET | ujire |

Compiled by the author

The National Bank for Agriculture and Rural Development (NABARD) was set up in July, 1982 following the recommendations of the "Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development". All major issues related to rural credit until then dealt with by the RBI and the Agricultural Refinance and Development Corporation moved under the control of NABARD. NABARD thus emerged as the apex institution to play a pivotal role in the sphere of policy planning and providing refinance facilities to rural financial institutions. NABARD also administers the Rural Infrastructure Development Fund (RIDF), which was set up in 1995-96. NABARD has also been playing a catalytic role in micro-credit through the channel of Self-Help Groups (SHGs). The Rural Entrepreneurship Development Programme (REDP), Skill Development / Up gradation Initiatives were introduced on an experimental basis in the early nineties through NGOs and other institutions, as a means to support capacity building of rural unemployed youth to enable them to set up their own enterprises, is firmly entrenched as a successful model for employment generation in rural areas. NABARD had supported conduct of 28045 REDPs/SDIs with a financial assistance of 101.35 crore imparting training to 7.16 lakh unemployed rural youth. As an effort to institutionalize the Entrepreneurship and Skill Development initiatives, NABARD provides support to specialized institutions viz., RUDSETI/RUDSETI type of Institutions & RSETIs which provide entrepreneurship development and training to rural youth/women on various skills which can generate better livelihood options. Assistance is provided to these institutions which comply with the criteria stipulated by NABARD such as post training placement of above 80%.

| OCCUPATIONS OF RURAL ENTREPRENEURS | |
|---|-----------|
| AGRICULTURAL EDP | |
| RUBBER TAPPING | 9 |
| PRODUCT EDP | |
| FOOD PRODUCTS | 3 |
| OIL BUSINESS | 1 |
| APPAREL DESIGN | 2 |
| DOMESTIC PRODUCT | 3 |
| PROCESS EDP | |
| COMPUTER HARDWARE AND NETWORKING | 27 |
| DTP | 13 |
| MEN'S BEAUTY PARLOUR | 30 |
| WOMEN'S BEAUTY PARLOUR | 3 |
| MOBILE SERVICING | 6 |
| PHOTOGRAPHY | 1 |
| VIDEOGRAPHY | 1 |
| MOTOR REWINDING | 1 |



Interpretation: The above table gives information about the occupations of rural entrepreneurs. From the above, it is seen that 9% of the rural entrepreneurs come under the category of Agricultural EDP. 82% of the Entrepreneurs come under the process EDP. Under this category entrepreneurs belonging to Men's Beauty parlor and computer Hardware and Networking are undergoing training. The rest of them have started their own business. Among these entrepreneurs, majority of the entrepreneurs belonging to the men's beauty parlor have their business but have come to learn skills for the development of their business. Among the computer hardware and networking program, majority of the entrepreneurs are undergoing the program to start the business. The percentage of product EDP is 9% where the entrepreneurs manufacture food, oil, apparels and domestic products.

FINDINGS

Government sponsored Employment Schemes in the rural sector: There are a number of schemes formulated by the government of India such as Rural Development and Self-employment Training Institute (RUDSETI) at Ujire (Karnataka), Integrated Rural Development Programme (IRDP), Ministry of Rural Development (MoRD) launched Swarna Jayanti Grameen Swarojgar Yojana (SGSY and NABARD's Rural Entrepreneurship Development Programme **MicroEnterprise Development Programme (MEDP).** Among the above schemes, the product manufacturing scheme of RUDSET has trained 2586 rural persons since its inception in 1982. Swarna Jayanti Grameen Swarojgar Yojana (SGSY) has taken the lead in training the agriculture based employment programs with 4443 members enrolled under the scheme. NABARD being a pioneer in Rural Development has trained 5505 entrepreneurs to start service oriented business. RUDSET (ujire) has also conducted number of refresher courses to refresh 6080 members since 1982.

CONCLUSION

In today's knowledge based economy is fertile ground for entrepreneurs, in India. It is rightly believed that India has an extraordinary talent pool with virtually limitless potential to become entrepreneurs. Therefore, it is important to get committed to creating the right environment to develop successful entrepreneurs. To achieve this, India must focus on the creating the right environment for success of entrepreneurs. There have been a number of Central and state owned programs to improve the economy by bringing in Entrepreneurship programs. To make a success of these programs is a herculean task because the entrepreneurs especially in the rural sector facing lot of challenges such as lack of awareness of programs, socio-economic issues, financial and technical constraints. Most of the rural entrepreneurs fail to get external funds due to absence of tangible security and credit in the market. They also suffer from low level of purchasing power of rural consumers, and lack of knowledge about the market conditions. The Government organizations and NGOs are taking initiatives in solving these problems by not only giving adequate credit on regular basis but also giving training and imparting knowledge on issues such as market prospects, competition, Information technology, and legal aspects of business



RECOMMENDATIONS

In the next 10 years, 110-130 million Indian citizens will be searching for jobs, including 80-100 million looking for their first jobs. Indian economy is a fertile ground for entrepreneurs. It is rightly believed that India has an extraordinary talent pool with virtually limitless potential to become entrepreneurs. Therefore, it is important to get committed to creating the right environment to develop successful entrepreneurs. Implementation of the Government plans may take time but it is recommended that they continue to look at bringing a holistic approach to the various schemes. Creating awareness amongst the rural masses is done through **Gram Panchayats**. This aspect should be given top priority so that rural entrepreneurship can fill the big gap and disparities in incomes of rural and urban people. Developing the rural sector is possible when the rural youth are stopped from migrating to the urban regions. Rural entrepreneurship will also help the government to develop infrastructural facilities like power, roads, bridges etc. This in turn will bring about balanced development of the regions. It will help to check the migration of people from rural to urban areas in search of jobs. The government should go an extra mile in developing of industrial units in rural areas as industries have as high potential for employment generation and income creation. Innovative schemes such as **Rajiv Gandhi Chaitanya Yojana** will ease out the lopsided development of the regions. Promoting rural entrepreneurial skills will indirectly help in preserving our culture. This will happen when government takes initiatives to develop artisans. The above initiatives will curb social evils, growth of poverty. Rural entrepreneurship can awaken the rural youth and expose them to various avenues to adopt entrepreneurship and promote it as a career. Rural entrepreneurship will also increase the literacy rate of rural population. Their education and self-employment will prosper the community, thus increasing their standard of living. For the implementation of the above, Government schemes should ensure that entrepreneurs have trained personnel to impart training on the Right Skills.

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