

**CHALLENGES, PROBLEMS, OPPORTUNITIES AND SKILLS FOR SUCCESSFUL  
RURAL ENTREPRENEURSHIP**

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**ABSTRACT**

*Nowadays Rural entrepreneurship is a major opportunity for the people who necessarily migrate from rural areas or semi-urban areas to urban areas. It is also a fact on the contrary that the majority of rural entrepreneurs are facing many problems due to non availability of primary amenities in rural areas especially in developing countries like India. Financial problems, Lack of education, insufficient technical and conceptual ability at present it is too difficult for the rural entrepreneurs to establish industries in rural areas. This paper makes an attempt to find out the Problems and Challenges for the potentiality of Rural Entrepreneurship. It also focuses on the major problems faced by rural entrepreneurs especially in the fields of Marketing of products, financial and other primary amenities. For the purpose of the study data has been collected from both primary and secondary sources. Primary data has been collected from entrepreneurs who have established enterprises in rural areas. Secondary data has been collected from journals, books and internet. Collected data has been analysed and interpreted and conclusion is drawn at the end.*

**Keywords:** amenities, constraints challenges, problems, rural entrepreneurship, rural.

**1. INTRODUCTION**

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 industrialisation.

Today rural entrepreneurship has emerged as a dynamic concept. In general parlance rural entrepreneurship is defined as “entrepreneurship emerging at village level which can take place in a variety of fields of endeavour such as industry, business, agriculture and act as a potent factor for overall economic development. Compared to earlier days development of rural areas have been linked to entrepreneurship. Defining entrepreneurship is not an easy task. Entrepreneurship means primarily innovation to some, to others it means risk taking. To others a market stabilizing force and to some others it means starting, managing a owning a small business.

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

## **2.LITERATURE REVIEW**

**Joseph Schumpeter's (1952)**The function of the entrepreneur is to reform or revolutionise the pattern of production by exploiting an invention or, more generally, an untried technological method of producing a new commodity or producing an old one in new way, opening a new source of supply of materials or a new outlet for products, by organizing a new industry.

**Cooper H. (1998)** the value of any single study derives as much from how it fits with and expands on previous work as from the study's intrinsic properties. If some studies seem more significant than others, it is because the piece of the puzzle they solve or the puzzle they important, not because they are solutions in and of themselves

## **3. STATEMENT OF THE PROBLEM**

The small scale industries contribute heavily to bring the state on the industrial map of the country. Keeping in view of Rural Entrepreneurship the major problems faced by rural entrepreneurs especially in the fields of Marketing of products, financial amenities and other primary amenities. Therefore, the focus of this study was to investigate the perception of rural entrepreneurs on the nature and role of entrepreneurship in economic development.

## **4. OBJECTIVES OF THE STUDY**

The research study has the following objectives.

- i. To analyze the roles of rural entrepreneurs in economic development
- ii. To know the major benefits from rural entrepreneurship
- iii. To suggest some remedial measures to solve the problems faced by rural entrepreneurs

## **5. HYPOTHESES**

**1. H<sub>0</sub>** There is no significant association between education and major challenges faced by the entrepreneurs.

**H<sub>1</sub>** There is a significant association between education and major challenges faced by the entrepreneurs.

**2. H<sub>1</sub>:** There is no significant association between education and promoting hurdles for rural entrepreneurs.

**H<sub>0</sub>:** There is a significant association between education and promoting hurdles for rural entrepreneur.

## **6. RESEARCH METHODOLOGY**

The study is based on both primary data and secondary data. The primary data has been collected by using well structured interview schedule from rural entrepreneurs of Sagara and the secondary data has been collected from books, magazines and internet. A total of 40 respondents were selected by convenient sampling method. The geographical area of the study is limited to Sagara taluk of Shivamogga district

## 7. ANALYSIS OF THE DATA

### • Type of Entrepreneurs

A Looks in to the entrepreneurs, 27.50 per cent of the respondents are agro based industries, 27.50 per cent of the respondents are food based industries, 10.00 per cent of the respondents are mineral based industries, 15 per cent of the respondents are textile based industries, and 20 per cent of the respondents are engineering and services based industries.

**Table No: 01 Demographic Profile**

<b>Classification base</b>	<b>Frequency</b>	<b>Percentage</b>	
<b>Type of Entrepreneurs</b>	Agro Industries	11	27.50
	Food Industries	11	27.50
	Mineral based industry	04	10.00
	Textile Industry	6	15.00
	Engineering and Services	08	20.00
<b>Education</b>	SSLC	02	05.00
	PUC	07	17.50
	Degree	05	12.50
	PG	11	27.50
<b>Motivating factors in Establishing</b>	Technical Course	15	37.50
	Providing job opportunities	06	15.00
	Earning income- Financial independence	10	25.00
	New experience and knowledge	15	37.50
	Self challenge	05	12.50
<b>Number of employees</b>	Flexible working hours	04	10.00
	Below-5 employees	05	12.50
	5 to 10 employees	04	10.00
	10 to 15 employees	15	37.50
	15 to 20 employees	10	25.00
<b>Income (₹)</b>	Above-20 employees	06	15.00
	Below ₹ 3 lakh	12	30.00
	₹ 4 to ₹ 8 lakhs	09	22.50
	₹ 9 to ₹ 12 lakhs	11	27.50
	₹ 13 to ₹ 15 lakhs	00	00.00
	₹ 16 to ₹ 20 lakhs	04	10.00
	And above ₹ 20 lakhs	04	10.00

**Source:** Primary Data

- **Education** Out of total respondents, 5 per cent of the respondents had primary education, 17.50 per cent of respondents completed SSLC, 12.50 per cent of respondents have completed PUC, 27.50 per cent of respondents are graduates and 37.50 per cent of respondents are post graduates.
- **Motivating Factors in Establishing** Out of total respondents 15.00 per cent of the respondents providing job opportunities 25.00 per cent of the respondents earning income financial independence, 37.50 per cent of the respondent new experience and knowledge, 12.50 per cent of the respondent self challenge, 10.00 per cent of the respondent Flexible working hours
- **Number of Employees** Out of 40 respondents, 12.50 per cent of the respondents have less than 5 employees, 10.00 per cent of the respondents have between 5- 10 employees, 37.50 per cent of the respondents have between 10-15 employees, 25.50 per cent of the respondents have between 15-20 employees, and 15.00 per cent of the respondents have more than 20 employees.
- **Annual Income** Among surveyed, 30 per cent of respondents are fall the income group below ` 1 lakh, 22.5 per cent of respondents are having income in between ` 1 lakh to ` 2 lakhs, 27.5 per cent of the total respondents are of the income group ` 2 lakhs to ` 3 lakhs, 10 per cent of respondents each belong to the income group ` 4 lakhs to ` 5 lakhs and above ` 5 lakhs.
- **Problems Faced by Rural Entrepreneurs.**
  - ✓ **Financial problems** Out of 40 respondents, 50.00 per cent of the respondents faced problem in funding arrangement, 25.00 per cent of the respondents faced in invests on infrastructural facilities, 25.00 per cent faced in raising the elements (table-2).
  - ✓ **Marketing problems** Out of total respondents, 10.00 per cent of the respondents are facing the problem in getting updated information, 15.00 per cent of the respondents facing legal formalities, 12.50 per cent of the respondents facing technical knowledge, 12.50 per cent of the respondents facing in poor quality raw materials , 27.50 per cent of the respondents facing human resource Problems, 12.50 per cent of the respondents facing low skill level of workers, 02.50 per cent of the respondents facing negative attitude. (table-2)

**Table No: 02**  
**Problems faced by Rural Entrepreneurs**

<b>Problems</b>		<b>Frequency</b>	<b>Percentage</b>
<b>Financial Problems</b>	Lack of Funds	20	50.00
	To invest on Infrastructural facilities	10	25.00
	Rise Element	10	25.00
<b>Total</b>		<b>40</b>	<b>100</b>
<b>Marketing Problems</b>	Competition	10	25.00
	Nearness market	22	55.00
	Middlemen	08	20.00
<b>Total</b>		<b>40</b>	<b>100</b>
<b>Management Problems</b>	Updated information	04	10.00
	Legal formalities	06	15.00
	Technical knowledge	05	12.50
	Poor quality raw material	08	20.00
	Human resource Problems	11	27.50
	Low skill level of workers	05	12.50
	Negative attitude	01	02.20
<b>Total</b>		<b>40</b>	<b>100</b>

**Source:** Primary Data

**Table No: 03**  
**Major Challenges Faced by Rural Entrepreneurs**

<b>Challenges</b>	<b>Frequency</b>	<b>Percentage</b>
Family challenges	20	50.00
Financial challenges	10	25.00
Technological challenges	05	12.50
Policy challenges	03	07.50
Social challenges	02	05.00
<b>Total</b>	<b>40</b>	<b>100.00</b>

**Source:** Primary Data

Table 3 shows that, 50.00 per cent of respondents, faced family challenges, 25.00 Per cent of the respondents faced financial challenges, 12.50 per cent of the respondents faced technological challenges, 07.50 per cent of the respondents faced policy challenges, and 05.00 per cent of the respondents faced social challenges will starting enterprises.

**Table No :04**

**Remedial measures to solve the problems faced by rural entrepreneurs**

<b>Remedies</b>	<b>Frequency</b>	<b>Percentage</b>
Provide loans at concessional rate of interest	14	35.00
Creation of finance cells	09	22.50
Setting up marketing co-operatives	12	30.00
Supply of raw materials	01	2.50
Offering high quality training facilities	4	10.00
<b>Total</b>	<b>40</b>	<b>100.00</b>

**Source:** Primary Data

Table 4 shows that, 35.00 per cent of the respondents says provide loan at concessional rate of interest, 22.50 per cent of respondents says creation of finance cells, 30.00 per cent of respondents says setting up of marketing co-operative, 02.50 per cent of the respondents say provide raw materials suppliers and 10.00 per cent of the respondents say offering high quality training facilities.

**Table No:05**

**Hurdles for Rural Entrepreneurs**

<b>Intuitional hurdles</b>	<b>Frequency</b>	<b>Percentage</b>
Regional Rural Development Centres	15	37.50
National Rural Employment Program	08	20.00
Entrepreneurship Development Institute of India	07	17.50
Rural Innovation Funding	03	07.50
Crashed Scheme for Rural Development.	04	10.00
Understanding the pulse of Rural people	03	07.50
<b>Total</b>	<b>40</b>	<b>100.00</b>

**Source:** Primary Data

Table 5 shows that out of 40 respondents, 37.50 per cent of the respondents overcome through regional rural development centres, 20.00 per cent of the respondents overcome through national rural employment program, 17.50 per cent of the respondents overcome through entrepreneurship development institute of India, 07.50 per cent of the respondents overcome through rural innovation funding, 10.00 per cent of the respondents overcome through crashed scheme for rural development and 07.50 per cent of the people overcome through understanding the pulse of rural people.

**Table No:06**  
**Promotions**

Promotion	No. Of Respondents	Percentage
Language	02	05.00
Using Technology	07	17.50
Educating about Product	05	12.50
Marketing strategy for rural people	07	17.50
Taking Govt benefits for rural development	05	12.50
Designing product according to rural market	04	10.00
Educating rural men and women as resource	05	12.50
Building Network	05	12.50
<b>Total</b>	<b>40</b>	<b>100.00</b>

**Source:** Primary Data

A look into promotion activity 05.00 per cent of the respondents through language 17.50 per cent using technology, 12.50 per of the respondents educating about product, 17.50 per of the respondents marketing strategy for rural people, 12.50 per of the respondents taking govt benefits for rural development, 10.00 per of the respondents designing product according to rural market, 12.50 per of the respondents educating rural men and women as resource, and 12.50 per of the respondents promoting through building network.

**Hypotheses Testing**

**Table No : 07**

**Association between Education and Major challenges faced by the Entrepreneurs**

Challenges	SSLC		PUC		UG		PG		Technical Course	
	O	X2	O	X2	O	X2	O	X2	O	X2
Family challenges	0	0	3	0.07	4	5.625	9	2.23	4	1.63
Financial challenges	0	0.5	2	0.57	0	1.25	0	2.75	8	4.28
Technological challenges	1	2.25	1	0.02	0	0.625	1	0.1	2	0.008
Policy Challenges	1	0.7225	0	0.53	1	1.04	1	0.04	0	1.125
Social challenges	0	0.1	1	1.21	0	0.25	0	0.55	1	0.08
<b>TOTAL</b>	<b>2</b>	<b>3.5725</b>	<b>7</b>	<b>2.4</b>	<b>5</b>	<b>8.79</b>	<b>11</b>	<b>5.67</b>	<b>15</b>	<b>7.663</b>

**Source:** Primary Data

Calculated Value of chi square = 28.095

Critical Value = 16

Since the calculated value is greater than table value, **“There is a significant association between education and challenges faced by the rural entrepreneurs”** is accepted.

**Table No:08**

**Association between Education and Promoting hurdles for Rural Entrepreneurs**

Promoting Hurdles	SSLC		PUC		UG		PG		Technical course	
	O	X <sup>2</sup>	O	X <sup>2</sup>	O	X <sup>2</sup>	O	X <sup>2</sup>	O	X <sup>2</sup>
Language	2	36.1	0	0.35	0	0.25	0	0.55	0	0.75
Using Technology	0	0.35	3	2.57	2	1.43	1	0.96	1	1.01
Educating about Product	0	0.25	0	0.88	1	0.22	3	1.98	1	0.39
Marketing strategy for rural people	0	0.35	1	0.04	2	1.43	2	0.003	2	0.15
Taking Govt benefits for rural development	0	0.25	1	0.02	0	0.63	1	0.1046	3	0.67
Designing product according to rural market	0	0.2	0	0.7	0	0.5	3	3.28	1	0.17
Educating rural men and women as resource	0	0.25	2	1.43	0	0.63	1	0.104	2	0.11
Building Network	0	0.25	0	0.88	0	0.63	0	1.38	5	5.18
<b>TOTAL</b>	<b>2</b>	<b>38</b>	<b>7</b>	<b>6.87</b>	<b>5</b>	<b>5.72</b>	<b>11</b>	<b>8.3616</b>	<b>15</b>	<b>8.33</b>

Source: Primary Data

Calculated Value of chi square = 67.28

Critical Value = 28

Since the Calculated chi square value (67.28) is greater than table value, **“There is a significant relationship between education and promoting hurdles of rural entrepreneurs”** is accepted.

**8. CONCLUSION**

It can be said that finding, encouraging and motivating entrepreneurs in rural areas is not an easy proposition. However, to the real entrepreneur looking on the dark side of the situation is fatal. Optimism is the heart and soul of the entrepreneur. While strategic planning, feasibility and market studies and analysis are necessary parts of new business start-ups, very few real entrepreneurs, the famous and not so famous, waited for a printout to see whether they should launch their new idea. Central and state governments are going to have to change some of the ways we currently do business to be really useful to rural-based entrepreneurship. There are large number of opportunities available for the rural entrepreneurs what is needed at core area of rural development is pull together a unique package of resources to exploit an opportunities, Dreams, determination, willingness to take the risk are main feature of entrepreneurs.



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