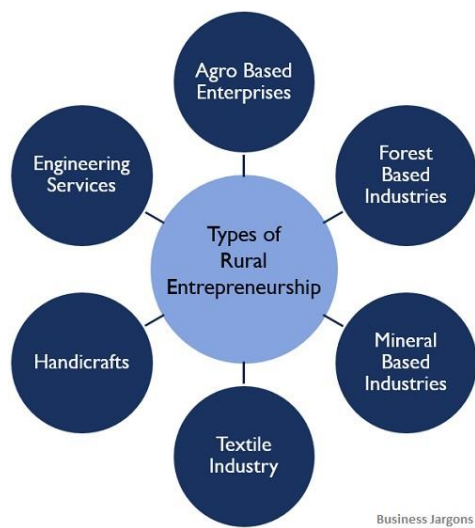


DEFINITION OF RURAL ENTREPRENEURSHIP

- According to Khadi and Village Industries Commission (KVIC) rural industry is industry located in rural area, population of which does not exceed 10,000 or such other figure which produces any goods or renders any services with or without power and in which the fixed capital investment per head of an artisan or a worker does not exceed a thousand rupees.

- According to Khadi and Village Industries Commission (KVIC)
 - “Village Industry or a rural industry means.
 - Industry located in rural areas
 - Population of which doesn't exceed 10000
 - Which produces any goods or renders any services
 - With or without the use of power and
 - In which the fixed capital investment per head of a worker does not exceed 1000 rupees”.



AREAS OF RURAL INDUSTRIES CATEGORIES

- Mineral-based industry
- Forest-based industry
- Agro-based industry
- Polymer and chemical –based industry
- Engineering and non-conventional industry
- Textile industry including khadi
- Service industry

Types of Rural Industries

All the village industries come under the following broad categories:

- 1). **Agro Based Industries:** Sugar industries, Jaggery, Oil processing from oil seeds, Pickles, Fruit juice, Spices, Dairy products etc.
- 2). **Forest Based Industries:** Wood products, Bamboo products, Honey, Coir industry, Making eating plates from leaves.
- 3). **Mineral based industry:** Stone crushing, Cement industries, Red oxide making, wall coating powders etc.
- 4). **Textile Industry:** Spinning, Weaving, Colouring and Bleaching.
- 5). **Engineering and Services:** Tractors and Pump set repairs etc. Small and medium sized industries to produce agricultural machinery, equipment for usage in rural areas etc.
- 6). **Handicrafts:** These include making of wooden or bamboo handicrafts that are local to that area, traditional decorative products, toys and all other forms of handicrafts typical to the region.
- 7). **Services:** There are a wide range of services including mobile repair, agriculture machinery servicing, etc which are being undertaken under this category.

Characteristics & Types of Rural Entrepreneurship

Characteristics of Rural Entrepreneurship:

Risk taking ability, Self-confidence, Decision making ability, Knowledge of growing technology, Creativity, Initiative, Economic motivation, Market orientation, Ability of co-ordination related activities, Achievement, Motivation etc.

Types of Rural Entrepreneurship:

Individual Entrepreneurship - It is basically single ownership of the enterprise.

Group Entrepreneurship - Partnership, private limited company and public limited company.

Cluster Formation Entrepreneurship - NGOs, VOs, CBOs, SHGs and even networking of these groups.

Cooperative Entrepreneurship - It is an autonomous association of persons united voluntarily for a common objective.

Problems faced by the rural entrepreneurs

Some of the major problems faced by rural entrepreneurs are classified as under:

I. FINANCIAL PROBLEMS

II. MARKETING PROBLEMS

III. MANAGEMENT PROBLEMS

IV. HUMAN RESOURCE PROBLEMS

V. OTHER PROBLEMS

I. FINANCIAL PROBLEMS:

- a) Lack of funds
- b) Risk bearing Capacity
- c) Poor infrastructure facilities

II. MARKETING PROBLEMS:

- a) Limited scale and scope of local market opportunities
- b) Lack of market information due to poor communication facility
- c) Competition
- d) Middleman
- e) Low quality products

Problems faced by the rural entrepreneurs

III. MANAGEMENT PROBLEMS:

- a) Lack of IT knowledge and Technical Skills
- b) Non availability of skilled labours
- c) Legal Formalities
- d) Procurement of Raw materials
- e) Lack of training facilities and extension services
- f) Poor Quality of Products

IV. HUMAN RESOURCE PROBLEMS:

- a) Low Skill Level of Workers
- b) Negative Attitude

V. OTHER PROBLEMS:

- a) Political and structural problems
- b) Poor knowledge in the maintenance of accounts
- c) Low Purchasing power
- d) Adverse social, cultural and industrial environment

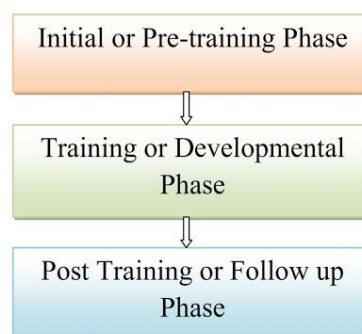
Government Schemes for Rural Entrepreneurship in India

- Entrepreneurship Development Institution Scheme
- Rajiv Gandhi Udyami Mitra Yojana (RGUMY)
- Performance and Credit Rating Scheme
(Implemented through National Small Industries Corporation - NSIC)
- Product Development, Design Intervention and Packaging (PRODIP)
- Khadi Karigar Janashree Bima Yojana for Khadi Artisans
- Marketing Assistance Scheme
- Provision of Urban Amenities to Rural Areas (PURA)



Figure 13.5 Objective of Entrepreneurial Development Programmes (EDP)

Phase of EDP



Stage 2: Training Phase

STAGE 1: PRE TRAINING

- Designing of course curriculum
 - selection of faculty
 - insertion of advertisement and
 - selection of potential entrepreneurs.
- To bring desirable change in behavior of trainee
 - Raising motivation level of trainee
 - Developing a goal directed behavior.
 - practical exposures like market surveys, project preparation, report feasibility and marketing of products and services.
 - Training is imparted by methods such as individual training, group training, and lecture method, written instruction method, demonstration method, conference method and meetings.

STAGE 3: POST TRAINING OR FOLLOW UP PHASE

- Review Pre training work
- Review the process of training programme
- Review post training approach
- It guides to identify right type of project and aims in promoting the entrepreneurial talents.
- Procured by appraisal and development to set up own enterprise.

4

Role of government in developing entrepreneurship

Institutions at National Level

- National Institute for Entrepreneurial and Small Business Development (NIESBUD)
- Entrepreneurial Development, Institute of India (EDI)
- Technical Consultancy Organization (TCO)
- Indian Investment Centre (IIC)
- Small Industries Development Corporation (SIDC)
- Industrial Development Bank of India (IDBI)
- Industrial Finance Corporate India (IFCI)
- Industrial Credit and Investment Corporation of India (ICICI)
- National Small Scale Industrial Development Corporation (NSSIDC)
- Small Industrial Development Bank of India (SIDBI)
- Khadi and Village Industrial Centre (KVIC)
- National Bank of Agencies and Rural Development (NABARD)
- National Institute of Small Industries Extension Training (NISIET)
- Science and Technology Entrepreneur Part (STEP).

Role of government in developing entrepreneurship

- **Institutions at State Level**

- ☐ Small Industries Service institute (SISI)
- ☐ District Industries Centre (DIC)
- ☐ State Finance Corporation (SFC)
- ☐ State Small Industrial Corporation (SSIC)
- ☐ State Industrial Promotion Corporation (SIPC)