

RURAL ENTREPRENEURSHIP IN TAMILNADU: CHALLENGES, OPPORTUNITY AND PROBLEMS

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ABSTRACT

Rural entrepreneurship is now a days a major opportunity for the people who migrate from rural areas or semi - urban areas to Urban areas. On the contrary it is also a fact that the majority of rural entrepreneurs is facing many problems due to not availability of primary amenities in rural areas of developing country like India. Lack of education, financial problems, insufficient technical and conceptual ability it is too difficult for the rural entrepreneurs to establish industries in the 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 amenities and other primary amenities, i.e. availability of electricity, water supply, transport facilities and required energy etc.

Keywords: Rural Entrepreneurship, challenges, Problems, opportunity, rural development.

INTRODUCTION

Concept of Rural Entrepreneurship Defining entrepreneurship is not a smooth project. To some, entrepreneurship means primarily innovation, to others it means chance-taking? To others a market is stabilizing force and to others stills it way starting, proudly owning and coping with a small commercial enterprise. An entrepreneur is someone who both creates new combinations of manufacturing elements including new techniques of manufacturing, new products, new markets, finds new resources of deliver and new organizational bureaucracy or as a person who is willing to take risks or a person who through exploiting marketplace opportunities, removes disequilibrium between aggregate supply and combination call for or as one who owns and operates a enterprise.

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What is Rural Entrepreneurship?

The trouble is essentially lopsided development which is a improvement of one location on the price of development of some other location, with concomitant associated problems of underdevelopment. For instance, we've got visible unemployment or underemployment within the villages that has brought about influx of rural population to the cities. What is needed is to create a situation in order that the migration from rural regions to urban areas comes down. Migration in step with se is not constantly unwanted but it ought to be the minimum as some distance as employment is worried. Rather the situation needs to be such that humans ought to discover it worthwhile to shift themselves from towns and towns to rural regions due to attention of higher possibilities there. If it's so, approaches can continually be discovered out. This is due to the fact such governments initiatives aren't on their own able to permit humans to earn appropriately and ameliorate their conditions. There has to be some committed enterprising individual or a group of human beings.

OBJECTIVES

1. To know the various types of rural entrepreneurship
2. To analyze the performance of rural industries
3. To know the importance of rural entrepreneurship
4. To study the problem of rural entrepreneurship in Tamilnadu

RESEARCH METHODOLOGY

The present study is based on secondary data. The data were collected from books, journals, website, and annual books

TYPES OF RURAL INDUSTRIES IN TAMILNADU

Rural industry or village industry can be broadly classified into the following categories;

1) Agro based industry

This category includes direct sale or processing of agro products such as jiggery, pickles, sugar industries, oil processing from oil seeds, dairy products, fruit juice, spices etc

2) Forest based industry

These industries include wood products coir industry. Beedi making, honey making, bamboo products.etc

3) Mineral based industry

These includes stone crushing, cement industries, wall coating powers etc

4) Textile industry

These include weaving colouring spinning and bleaching

5) Engineering and services

These include agricultural equipments, tractors and pump seta, repairs.

RURAL ENTREPRENEURSHIP IN TAMILNADU

Who need to be capable of utilizing the government regulations and schemes for the betterment of rural humans? Some folks who occur to be nearby leaders and NGOs and who're devoted to the motive of the rural people have been catalytic sellers for development. Though their efforts need to be recognized but lots more needs to be done to opposite the path of movement of human beings, to attract people within the rural regions. It means no longer only preventing the outflow of rural human beings however also attracting them again from the towns and cities wherein that they had migrated. This is feasible when younger human beings do not forget rural regions as locations of possibilities. Despite all of the inadequacies in rural regions one must check their strengths and construct on them to make rural regions locations of opportunities. This is much to do with the manner one see the truth of the agricultural areas. The manner a survivor or task seeker would see things could genuinely be unique from people who would love to do something profitable and are prepared to undergo a hard direction to attain their desires. It isn't that there's a dearth of humans with this sort of mindset.

RURAL ENTREPRENEURSHIP IN CHANGING ENVIRONMENT:

The converting international surroundings raises questions about the capacity of traditional, small-scale organizations in rural areas to proportion the capability benefits offered through the converting environment. The rapid (though declining) population growth, coupled with even faster urbanization, creates growing needs. In India, urban populations in fashionable develop approximately twice as rapid as the overall, and by way of 2020

they'll exceed the dimensions of rural populations. Such a prime demographic trend challenges the capacities of a few conventional small-scale corporations to deal with the increasing needs.

EFFECT OF GLOBALIZATION ON RURAL ENTREPRENEURSHIP

Since globalization is a macro-concept and rural entrepreneurship is a micro-concept, going on in a completely constrained region, it's far very tough to set up causal linkages, or to quantify the specific consequences of globalization on rural entrepreneurship. However, it's far feasible to become aware of a range of different channels thru which diverse elements of globalization can be predicted to alternate the welfare of rural entrepreneurship in Tamilnadu.

1. Productivity and efficiency effect

Globalization is regularly stated to bring about higher productiveness, because of the access to worldwide markets, competencies to specialize, and to take blessings of economies of scale and scope. Exposure to the global competition can result in excessive ranges of productiveness and performance. However, it is less important for big economies like India. Again, the capacity profits to rural entrepreneur are also large, because globalization enhances nations' capabilities to make the most comparative blessings arising from differing herbal and ecological conditions. At the extent of country wide coverage, those arguments seem to prefer globalization. Still, it is very clean to peer how the agricultural entrepreneur may want to nevertheless lose out. This is authentic in maximum case duet the lack of less costly facilities in rural regions. There are many other elements which area rural entrepreneurs at a drawback.

2) Economic growth effect

As already stated, the argument in desire of globalization is the positive hyperlink among globalization and rural entrepreneurship in India. Because the capacity benefits encompass progressed get entry to foreign era and managerial information. There were various views regarding the connection between trade openness and rural entrepreneurship growth, and this has given upward push to a massive frame of empirical literature, suggesting a fine relationship between alternate openness and rural entrepreneurship growth. Edwards (1998) concludes that greater openness hurries up economic growth, and that huge departures from free alternate hose down it. The proof shows that liberalizing international locations outperform folks who failed liberalization tries (Michael et al., 1991). In evaluation, Helleiner (1986) advised that a certain stage of country wide improvement is vital earlier than the goal of export-led boom can be found out.

3) Technological effect

Transfer of technology is one of the prominent functions of globalization and one of the predominant motives for predicting improved growth. Many previously small rural marketers noticed essential enhancements of their agencies, but the improvements had been in a very confined place and to a totally constrained wide variety of marketers.

The awareness nowadays is at the potentials and risks of biotechnology. In precept, the blessings right here too may be large. The benefits may be from raising productiveness, reduced dangers of drought and pests, in addition to decrease food prices.

There has been a trendy attention upon the issues of rural marketers in rich international locations, with little attention being paid to developing nations' like India's primary food crops and the troubles in their small farmers.

4) Distributional Effect

It isn't feasible to gauge the general impact of globalization on the level of inequality; the impact on women entrepreneur in rural location is much less ambiguous. Many rural women entrepreneurs are hampered from profiting from the modifications bobbing up from globalization. They have less get right of entry to than men to schooling and schooling, much less time to dedicate to efficient activities, less command over essential sources which include land, credit and capital. Income developing nations, the sexual department of hard work precludes women from profits derived from cash crops. In addition, they also have less incentive to respond to financial indicators, given that they are in all likelihood to have much less control over any profits.

5) Transformational and insecurity effect

Rural entrepreneurship isn't continually at once related to income. It can also talk over with an excessive degree of insecurity. Many instances those who have controlled to enhance their position are pressed backpedal once more by herbal disasters, inflation and other shocks. Some factors of globalization increase such problems. Globalization is generally associated with the extended pace of change in financial existence and expanded aggressive pressures. This requires a fast version, which may additionally certainly be outside the variety of these with few current talents or other assets.

6) Policy

Government of Tamilnadu has, in a sense, discriminated towards agriculture and those businesses that rely on it. This 'discrimination' has commonly taken the form of overestimated change fees, kingdom buying and selling monopolies for domestic and external marketing of agricultural commodities. Additionally, the revenues from commodity exports were used for the increase of civil offerings and concrete development, as opposed to reinvestment in agriculture.

CHALLENGES FACED BY RURAL ENTREPRENEURSHIP IN TAMILNADU

Family Challenges:

Convincing to opt for commercial enterprise over task is easy isn't always an easy assignment for a person. The first issue compared is – Will you're making more money within the business of your choice or as a successor of own family commercial enterprise. This is in which it will become nearly impossible to persuade that you could generate extra cash along with your ardour than doing what your Dad is doing.

Social Challenges:

Family challenges are continually on the pinnacle because that's what remembers the most however at times social demanding situations are also very vital. Let us say you and your pal graduated on the equal time. You opted for entrepreneurship and your buddy opted for a activity. He now has a flat, vehicle and what no longer due to the fact he may want to effortlessly get people with a bank mortgage but you continue to have nothing to show off and this is wherein the task comes.

Technological Challenges:

Tamilnadu education system lags too much from the Job industry as a whole but then it lags even more when it comes to online entrepreneurship. What technology would be ideal and how to use that technology effectively.

Financial Challenges:

(Difficulty in borrowing fund): Financial challenges are loads distinctive in Tamilnadu particularly for on line marketers. When you are beginning out as an entrepreneur you don't opt for assignment investment but try to go to funding for small to medium commercial enterprise people. Many such non-technical commercial enterprise humans don't recognize the net business models as an entire and so getting an initial business funding from them

turns into difficult. The other choice you could think of is a mortgage but bank mortgage isn't always in any respect an choice in Tamilnadu for new online marketers.

Policy Challenges:

Now and then there is lots of modifications within the rules to trade in the government. Problems of TRIPS and TRIMS, problems of elevating fairness capital, Problems of availing raw-substances, Problems of obsolescence of indigenous era Increased pollutions Ecological imbalanced exploitation of small and poor nations and so on.

Challenges for Rural Entrepreneurs

- ✓ Growth of Mall Culture
- ✓ Poor Assistance
- ✓ Power Failure
- ✓ Lack of Technical know how
- ✓ Capacity Utilization
- ✓ Infrastructure Sickness

OPPORTUNITIES FOR RURAL ENTREPRENEURS

- ✓ Crashed Scheme for Rural Development
- ✓ Food for Work Program
- ✓ National Rural Employment Program
- ✓ Regional Rural Development Centers
- ✓ Entrepreneurship Development Institute of Tamilnadu
- ✓ Bank of Technology
- ✓ Rural Innovation Funding
- ✓ Social Rural Entrepreneurship.

FINANCIAL PROBLEMS

Paucity of Funds Most of the agricultural entrepreneurs fail to get external funds due to absence of actual protection and credit score inside the marketplace. The technique to avail the loan facility is too time-eating that it's put off frequently disappoints the rural entrepreneurs. Lack of finance to be had to rural entrepreneurs is one among the biggest troubles which rural entrepreneur is born now days mainly due to global recession. Major

problems confronted via rural marketers encompass low level of buying strength of rural patron so income volume is inadequate, lack of finance to begin business, decreased income because of opposition, pricing of products and services, Financial statements are hard to be maintained with the aid of rural entrepreneur, stringent tax legal guidelines, lack of guarantees for raising up of loans, difficulty in raising capital thru equity, dependence on small cash creditors for loans for which they fee discriminating interest fees and massive hire and belongings value. These all troubles create a problem in raising money through loans.

Competition

Rural marketers face intense final touch of big sized companies and concrete marketers. They incur the excessive fee of manufacturing because of high input cost. Major problems confronted by means of marketers are the hassle of standardization and opposition from large scale gadgets. They face the trouble in fixing the requirements and sticking to them. Competition from big scale devices also creates difficulty for the survival of latest ventures. New ventures have restricted monetary sources and consequently cannot have enough money to spend more on income advertising. These devices are not having any fashionable logo name below which they could sell their products. New ventures should provide you with new advertisement techniques which the agricultural human beings can without difficulty recognize. The literacy charge some of the Problems Faced with the aid of Rural Entrepreneurs and Remedies to Solve It rural patron could be very low. Printed media have restrained scope in the rural context. The traditionally bounded nature, cultural backwardness and cultural obstacles add to the problem of conversation. People in rural areas in general talk of their neighbourhood dialects and English and Hindi are not understood by way of many people.

Middlemen

Middlemen take advantage of rural marketers. The rural entrepreneurs are heavily dependent on middlemen for advertising and marketing of their merchandise who pocket large amount of income. Storage facilities and terrible mean of delivery are different advertising problems in rural regions. In maximum of the villages, farmers store the produce in open space, in luggage or earthier vessels and so forth. So those indigenous techniques of storage aren't capable of shielding the produce from dampness, weevils and so on. The agricultural items aren't standardized and graded.

MANAGEMENT PROBLEMS

Lake of Knowledge of I.T

Information technology is not very not unusual in rural areas. Entrepreneurs rely on inner linkages that inspire the flow of products, offerings, information and ideas. The intensity of family and private relationships in rural groups can sometimes be beneficial but they'll also present boundaries to effective commercial enterprise relationships. Business deals may obtain less than rigorous objectivity and intercommunity rivalries may reduce the scope for local cooperation. Decision making technique and features of authority are in the main blurred through neighbourhood politics in rural areas.

Legal formalities

Rural entrepreneurs find it extremely difficult in complying with various legal formalities in obtaining licenses due to illiteracy and ignorance.

Procurement of raw materials

Procurement of raw materials is really a tough task for rural entrepreneurs. They may end up with poor quality raw materials, may also face the problem of storage and warehousing.

Lack of Technical Knowledge

Rural entrepreneurs suffer a severe problem of lack of technical knowledge. Lack of training facilities and extensive services crate a hurdle for the development of rural entrepreneurship.

Poor Quality of Products

Another important problem is growth of rural entrepreneurship is the inferior quality of products produced due to lack of availability of standard tools and equipment and poor quality of raw materials.

HUMAN RESOURCES PROBLEMS

❖ Low Skill Level of Workers

Most of the entrepreneurs of rural regions are not able to locate employees with excessive abilities. Turnover prices also are high in this example. The industries in rural areas are not simplest established simply to take gain

of reasonably-priced labor but additionally to result in an integrated rural development. So rural marketers need to now not look at rural region as their market, they need to also see the challenges present in city regions and be prepared for them. Rural entrepreneurs are generally much less modern in their wondering. Youths in rural regions have little options “that is what they're given to consider”. This is the reason that many of them either paintings as farm or migrate to urban land.

❖ Negative Attitude

The surroundings in the circle of relatives, society and support device is not conducive to inspire rural human beings to take in entrepreneurship as a profession. It can be due to lack of understanding and information of entrepreneurial possibilities. The younger and properly educated broadly speaking generally tend to go away. As per occasions, rural human beings by way of force can be greater self-enough than their city counterparts, however the way of life of entrepreneurship has a tendency to be vulnerable. As the thorns are part of roses, in addition each flourishing commercial enterprise has its personal kind of issues. Some of the main issues confronted with the aid of rural entrepreneurs are as under.

CONCLUSION

Rural industries play a crucial role in the countrywide economic system, mainly in the rural economy. Rural entrepreneurship is critical not simplest as a way of generating employment opportunities inside the rural areas with low capital value and raising the real income of the human beings, but also its contribution to the improvement of agriculture and urban industries. Without rural initialization it could not be clean to resolve the trouble of unemployment in rural regions. Rural entrepreneurship may be taken into consideration one of the answers to reduce poverty, migration, economic disparity, unemployment and expand rural areas and backward regions.

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