

ROLE OF ENTREPRENEURSHIP IN ENHANCING ECONOMIC STATUS OF RURAL INDIA - A CASE STUDY

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INTRODUCTION

According to 2011 census, nearly 1,210,854,977 people currently live in India among them 69.9% of people live in rural areas and 29.1% of people live in urban areas. Clearly two thirds of people live in rural areas and their prime occupation is agriculture. Even though agriculture is the main occupation but it has been carrying on old fashion with absolute and out dated methods of production and facing inadequate water resources. Besides these reasons the share of agriculture declines in GDP and that of manufacturing and service sectors grow in order to sustain the economic status for which people migrate from rural to urban areas. That's why the percentage of people in rural India had been declined from 74.5% to 67.6% during the period 1990 to 2014.

Development of the any society viz., rural or urban is directly related with the income generation capacity of its population. This income generating activity as entrepreneurship plays a big role in economic and social development to the nation through the effective utilization of resources, increase in per capita income, improvement in physical quality of life of people, growth of infrastructural facilities, improved export of handicraft items, promotion of technology, export promotion, increased capital formation, creation of employment, empowerment of Women conservation agent, increased competition, increased productivity etc.,

Agriculture, as the key income generation activity the entrepreneurship on farm and home can direct the income of a major chunk of our rural population. The entrepreneurial orientation for rural development accepts entrepreneurship as the central force of economic growth and development, without which the other factors of development will be wasted or frittered away.

In the newly formed Andhra Pradesh state a very few number of enterprises are existing in the rural areas of 3 districts namely Prakasam, Kurnool and Krishna in Andhra Pradesh state and 50 percent of enterprises belongs to self-help groups and all those are micro enterprises relating to milk vending, provision shops, flourmills, food products like chilly, turmeric masala powders, papad making, toilet cleaner & detergents, sericulture, handicrafts etc.

REVIEW OF LITERATURE

According to Prabha Singh (2009) the growth of modernization processes such as industrialization, technical change and urbanization encouraging migration of the rural people to

urban areas. Entrepreneurship on small scale is the only solution to the problems of unemployment and proper utilization of both human and non human resources and improving the living condition of rural poor masses to avoid migration.

Kuratka and Richard (2001) said that entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who take the major risks in terms of equity, time and carrier commitment of providing value to some products or services the product. The product or services itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skill and resources. So Entrepreneurship plays a significant role in the country's development.

Jayaprakash Reddy (2004) mention the words that entrepreneurs are prime movers of innovation (Harbison). Entrepreneurship as a dynamic force Indeed, an entrepreneur is the person who perceives a business opportunity and converts it into a viable business plan culminating into a business venture ultimately (Sayigh).

Sen (1999) words about wellbeing life that besides income and wealth we have reason to value many things which ensure real choices and opportunities to lead the kind of life we would value living. It is argued that development should facilitate every human being to live, as she/he likes and expanding the potential capabilities of every human being.

SIGNIFICANCE OF THE STUDY

According to 2011 census, 74.5% of rural households have an income of the highest earning member below Rs. 5000 per month. Only 8.3% of rural households have an income of the highest earning member above Rs. 10,000 permonth. Over 50 per cent of rural households get the bulk of their incomes from manual casual labour' and confirms that economic status of rural people is less than that of urban people India. So there is an urgent need to uplift the economic status of rural people. Hence the rural development is more than ever before linked to the income generating activities. In this backdrop the study the on role of entrepreneurship in enhancing economic status of rural India - a case study is more significant.

OBJECTIVE OF THE STUDY

1. To examine the entrepreneurs income consumption on Physical Quality of Life in the study area

METHODOLOGY OF THE STUDY

The data collected from primary as well as secondary sources of information. The primary data collected from the field survey and secondary data collected from government of India official reports, journals, books, working papers. Simple statistical tools like percentages and averages are used to analyze the data. Purposive random sampling method is used in the present study.

The sample consists of 60 households belongs to micro entrepreneurs covering from 60 villages of 15 mandals of 3 districts namely Prakasam, Kurnool and Krishna in Andhra Pradesh state.

PER CAPITA MONTHLY INCOME

Per capita income is a useful measurement for comparison of wealth between sovereign groups, and also group's development status. It is one of the measures for calculating the Human Development Index of a country. So household's per capita income is used here to measure group average income. This group average income is used to compare the wealth of the households with before and after entry into entrepreneurship and to measure household's standard of living. It is expressed in terms of national currency such as rupee, the details are shown in the table-1.

From the above table it is very clear that before entry into the entrepreneurship, 46.67% of households earned income is below rupees 5000, 35.00 % of households income is in between rupees 5001 to 10,000, above rupees 10,000 income earners were only 3.34% and 15.00% of households had no income. After getting into the entrepreneurship, 48.33% of households earning income raises to rupees 20,001 to 25,000, 40% of households earning income is shot up to rupees 15,001 to 20,000, each 5% of households earning rises to rupees in between 25,001 to 30,000 and 30,001 to 35,000. Only 1.67% of households earning income phenomenally shot up to rupees in between 35,001 to 40,000.

Table-1: Details of household's per capita income before and after enter into the entrepreneurship (in rupees, N=60)

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Income	Before		After	
	No of HH	%	No of HH	%
NIL	9	15.00	-	-
Up to 5000	28	46.67	-	-
5001-10000	21	35.00	-	-
10001-15000	1	1.67	-	-
15001-20000	1	1.67	24	40
20001-25000	-	-	29	48.33
25001-30000	-	-	3	5.00
30001-35000	-	-	3	5.00
35001-40000	-	-	1	1.67
Above 40001	-	-	-	-
Total	60	100.00	60	100.00
Per capita income	3579.00	-	21764.00	-

Source: Field survey

It is very clear that before entry into the entrepreneurship, household's per capita income was in rupees 3579.00 but after enter into the entrepreneurship it was increased above 6 times with rupees 21764.00. The investigators found that tremendous change is observed in per capita income through entrepreneurship.

ECONOMIC STATUS

The Physical Quality of Life is an attempt to measure the economic status of well-being of a study area. The value is measured as the average consumption on 12 variables: Type of house, Quality food, Children's Education, Health, Power usage, Petrol & Diesel usage, Consumption on Communications, Furniture at house, Loan or debt repayment, Assets, Savings, Insurances. All are equally weighted on 5 point Likert scale. Details of economic status are presented in the bellow table-2

Table-2: Details of Entrepreneur's Consumption on Economic Status Indicators in rupees (N=6(0))

	Consumption on	Likert scale	No of HH	%	
	Quality food	Poor	1	1.67	
		Low	12	20.00	
		Medium	46	76.67	
		High	1	1.67	
		Very high	0	0.00	
	Children's Education	Poor	28	46.67	
		Low	24	40.00	
		Medium	8	13.33	
		High	0	00.00	
		Very high	0	0.00	
	Health Medium	Poor	44	73.33	
		Low	13	21.67	
		Medium	3	5.00	
		High	0	0.00	
		Very high	0	0.00	
		Type of house	No Kutcha,	0.00	0.00
			Kutcha,	0.00	0.00
			Semi Pucca	33	55.00
			Pucca	27	45.00
			Duplex	0	0.00
		Consumption Power usage	Poor	0	0.00
			Low	5	8.33
			Medium	46	76.67
			High	9	15.00

Infrastructure Related variable		Very high	0	0.00
	Consumption on petrol & diesel	Poor	19	31.67
		Low	37	61.67
		Medium	4	6.67
		High	0	0.00
		Very high	0	0.00
	Consumption Communications (phone)	Poor	0	0.00
		Low	25	41.67
		Medium	23	38.33
		High	12	20.00
		Very high	0	0.00
	Consumption on at Furniture house**	Poor	2	3.33
Low		18	30.00	
Medium		32	53.33	
High		7	11.67	
Very high		1	1.67	
If loan No	Total	11	18.33	
	Total	49	81.67	
Assets*	No	11	18.33	
	Low	31	51.67	
	Medium	18	30.00	
	High	0	0.00	
	Very high	0	0.00	
Savings	No	17	28.33	
	Low	38	63.33	
	Medium	5	8.33	
	High	0	0.00	
	Very high	0	0.00	
Insurances**	No	41	68.33	
	Low	16	26.67	
	Medium	3	5.00	
	High	0	0.00	
	Very high	0	0.00	

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Source: Field survey,

*** Over all consumption after enter into entrepreneurship**

**** Annual payment on loan.**

About 70 per cent of the Indian population lives in rural areas. In 1951, the average household size in rural areas was 5.52, which was increased to 6.03 in 1981. This has declined to 5.50 in 2001, being consequence of urbanization and formation of new households in rural areas. The total number of households in rural India is 143 million (Census, 2001).

Food is a basic need for living organisms to sustain their life, from the above details 76.67% of households spending their income for taking good food, 21.67 % of households spending their income to live only and only 1.67% of household spending their income to healthy food. Finally it is find that at over all level entrepreneurs taking good food.

Education has become a basic commodity like food and shelter. From the above information 46.67% of households not spending their income on their children education, 40.00% of households spending very least amount of their income on their children education and only 13.33 % of households spending their income on children education is good. It is very clear that 86.67% of entrepreneurs using public services for their children education.

Health is a state of complete physical and mental well being and not merely the absence of disease. In present days preventions and precautions of diseases are needed. So the study considered consumption of income on health is one of the main indicators to the economic status. From the above table it is found that only 5.00% of households have spending their income on health is good and 73.33% of households not aware of health and 21.67% of households are aware but not spending their income much on health.

Infrastructure refers to the fundamental facilities for economy to functioning system. In this study we have examined that utilization of infrastructure facilities by the households in terms of income consumption except housing facilities. House is the basic need to the human being and it is a dream to every Indian to have own house. In this study, based on

building materials used for construction of structure, houses have been classified as pucca (building materials used for construction are brick and mortar and other permanent materials), semi-pucca (building materials used for part of the construction of either the roof or the walls are mud or thatch) and kutcha (materials used for construction are mud and thatch). From the above information, 55.00 % of households have semi pucca houses and 45% of households have pucca houses. Home ownership is the dominant point of economic status of rural India. So it is very clear that 100.00 per cent households owning their homes means all entrepreneurs housing status is high.

In income consumption on usage of units of power by the households, 76.67% of households are spending medium range, 15.00% households spending high range, only 8.33% of households are spending low range. Finally the study found that above 91% of entrepreneurs power consumption is good.

61.67% of households are spending their income consumption on petrol & diesel is low range, 6.67% of households spending income is medium range and 31.67% of households are not using the petrol & diesel. It is very clear that usage of petrol & diesel is low range by the entrepreneurs.

In income consumption on communications with phone, 41.67%, 38.33% and 20.00% of households are spending their income at low, medium and high ranges respectively, It is very clear that usage of phone by the entrepreneurs are good. It is also found that entrepreneurs enjoying the family life with good furniture.

From the above table, it is very clear that 18.33% of households have no loans and any debts, among the remaining households who have loan or debt (81.67%), 93.67% of households are repaying their loan or debt every month but only 6.12 % of households are not spending their monthly income on loan or debt. So the entrepreneur's loan or debt repayment activity is also good.

81.67% of households have assets like livelihood, plots and fields, gold etc. 18.33% percent of households have no asset of any type. It is observed from the above information that entrepreneurs have economic supports by the assets is also good.

In the activity of saving, 71.66% of household having saving activity from their monthly income but it is low level and 28.33% of households have no saving activity from their monthly income.

From the above table information, it is find that 68.33% of households have no insurances of any kind and though only 31.67% of households have spent their income on insurance but it is very low.

FINDINGS OF THE STUDY

Entrepreneurship plays a big role in economic and social development to the nation through the effective utilization of resources, increase in per capita income, improvement in physical quality of life of people, growth of infrastructural facilities, improved export of handicraft items, promotion of technology, export promotion, increased capital formation, creation of employment, empowerment of women, conservation agent, increased competition and increased productivity.

The study found that household's per capita monthly income is increased above 6 times after enter into the entrepreneurship, so entrepreneurship bringing tremendous change in per capita income in rural India.

and Entrepreneurs leading well- satisfied life after enter into the entrepreneurship by providing healthy food for their family from their income consumption a leading satisfied their Children's education, family health by using government services.

Home ownership is the dominant point of economic status of rural India. So it is very clear all entrepreneurs housing status is high and there is a big variation found in Power, petrol & diesel usage, maintain the communications through phone after entre into the entrepreneurship and entrepreneurs leading satisfied life.

93.67% of entrepreneurs, who have debt, are repaying from their monthly income. So it is observed that entrepreneur's not baring tension of debt repayment. After enter into the entrepreneurship 81.67% of households earned some assets like live livelihood, plates and fields, gold etc and 71.66% of households improve the activity of saving and 31.67% of households planed for future through insurance. So it is very clear that entrepreneurs are well planned for their future to lead wellbeing life.

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