

## State of Rural Entrepreneurs in India

### Why in news?

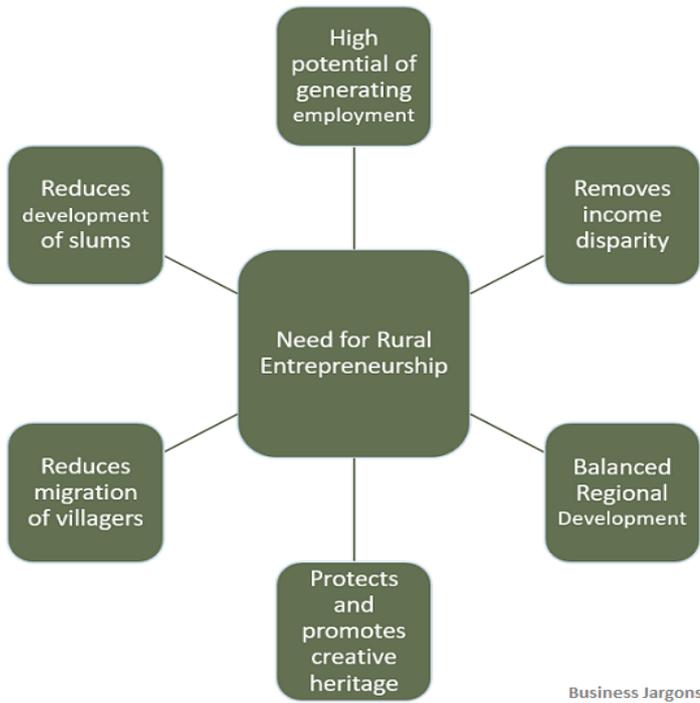
Despite the growing numbers of rural entrepreneurs, the productivity of such entrepreneurs is concerning.

### What are the factors that promote rural entrepreneurship?

- **Skilling** - National rural livelihoods mission (NRLM) and Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is a placement linked skill development programme.

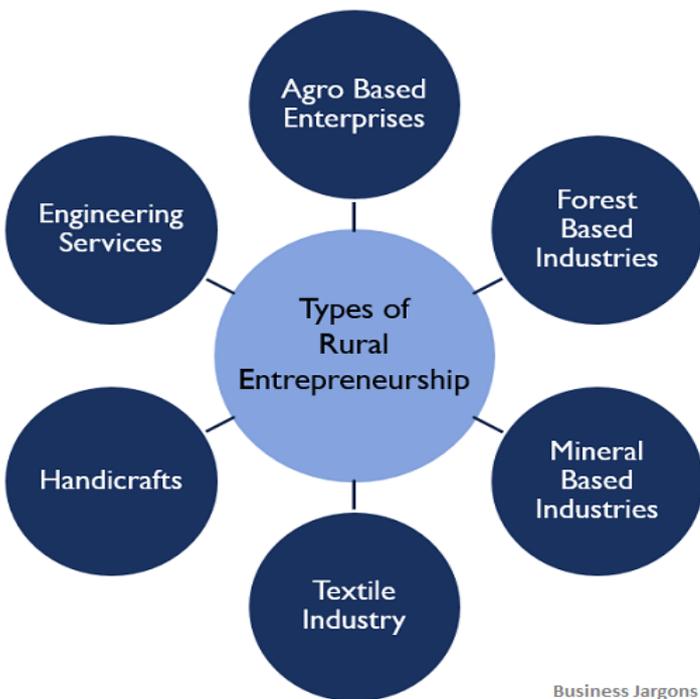
*Rural entrepreneurship harnesses innovation, invention, production and manufacturing of goods, promoting exports, and providing rural employment.*

- These schemes allows skilling in a PPP mode and assured placements.
- **Training** - Rural self-employment and training institutes (RSETI) enables the trainees to take bank credit facility to start micro-enterprises.
- **Promotion of entrepreneurship** - Startup India initiative promotes entrepreneurship among the youth of India.
- **Sustainable livelihoods** - [Deen Dayal Antyodaya Yojana \(DDAY\)](#), which focuses on sustainable livelihoods for rural communities.
- **Financial inclusion** - NRLM, which now has the largest network of women's SHGs globally has helped in financial inclusion.
- [Mudra Yojana](#) also provide financial support.
- **Production and marketing** - One district one product (ODOP) identifies products that are unique to a particular district and promote their production and marketing.
- ODOP also provide *market linkages* to the entrepreneurs.
- As of March 2023, there are 8.2 million SHGs in India with 89 million members.



### What are the challenges to the rural entrepreneurship?

- Inadequate infrastructure in rural areas
- Limited access to finance
- Lack of formal vocational/technical training
- Low upgradation in the technology
- Most entrepreneurs produce products for their own consumption



### What is the need of the hour?

- **Productivity** - Needs to be enhanced.
- **Holistic approach** - By integrating policy support, infrastructure development, and capacity building for the rural youth entrepreneurs.

- **Indigenous/ hereditary skills** - Support for promoting the indigenous/ hereditary skills is also required to scale up operations.
- **Technical know-how** - The entrepreneurs needs to be in cultivated with the recent technologies.

### Quick facts

- As per Periodic Labor Force Survey (PLFS) 2020-21
  - The share of self-employed workers in rural areas is 61.3% as compared to 39.5% in urban areas.
  - The share of self-employed workers in rural manufacturing rose from 47.02% in 2018-19 to 52.6% in 2020-21.
  - Only 12% of self-employed sell their entire produce/product.
- 69.73% of workers out of total rural manufacturing workers have not received any training.
- 26.47% of workers have received informal training.

### References

1. [The Hindu Business Line | Challenges For Rural Entrepreneurship](#)
2. [The Research Gate | Rural Entrepreneurship Definition](#)

