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

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