

A Study On Rural Entrepreneurship: Challenge And Problems In Andaman & Nicobar Islands

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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, constraints, rural, amenities.

INTRODUCTION

Rural entrepreneurship is defined as entrepreneurship whose roots lie in the rural areas but has a lot of potential to drive various endeavours in business, industry, agriculture, etc. and contribute to the economic development of the country. This leads to migration of people from rural to urban areas. The problem is essentially lopsided development which is a development of one area at the cost of development of some other place, with concomitant associated problems of underdevelopment. For instance, we have seen unemployment or underemployment in the villages that has led to influx of rural population to the cities. What is needed is to create a situation so that the migration from rural areas to urban areas comes down. Migration per se is not always undesirable but it should be the minimum as far as employment is concerned. Rather the situation should be such that people should find it worthwhile to shift themselves from towns and cities to rural areas because of realization of better opportunities there. In other words, migration from rural areas should not only get checked but overpopulated towns and cities should also get decongested. If it is so, ways can always be found out. One is by forcibly stopping villagers from settling in the slums of towns and cities, making use of all powers to clear the slums so the villagers are forced to go back. But such practices have not achieved the desired results in the past. Apart from causing suffering to the poor people and adding to the expenditure of the Government, social tensions and economic hardships created by the government officials and their staff in every demolition of slums is not desirable from a sane

government. Moreover, when a slum is demolished people do not move out of urban localities. They only relocate to a nearby place because they are entrenched in the economy of the town or city. Though governments have tried out various schemes for generating incomes in the rural areas such as government initiatives have not stopped people from moving out of villages to cities. This is because such government initiatives are not on their own capable of enabling people to earn adequately and ameliorate their conditions. There has to be some committed enterprising individual or a group of people.

RURAL ENTREPRENEURSHIP IN INDIA

Entrepreneurship based on the welfare and upbringing of the rural areas is Rural entrepreneurship. It is a pretty straight forward definition. However, it has a much deeper meaning to it. One of the major objectives of developmental policies in India is to provide employment to millions of unemployed rural youth. The fundamental role is to provide employment opportunities and consequently, applying a check on migration. Industries in rural areas are mostly micro or tiny in structure and quick yielding. In other words, their gestation period is much less as compared to large scale industries. Rural industries are also labour intensive and provide substantial employment opportunities to rural folks of all age groups. Few examples of such type of industries are Food Processing industry, Poultry industry, cottage and handicrafts industry, etc. This also helps in balanced regional growth and promotion of artistic activities.

India is one of the oldest, culturally richest and diverse country full of colours and boasts of civilization with rich flora and fauna. Our cuisine is mouth watering, scenic beauty is breathtaking, folk dances are simply enchanting, and there is a wide array of places of tourist attraction. These are just a few of the reasons why Government has termed us as Incredible India. Nearly two-thirds of our fellow brothers and sisters live in the villages where our roots are contained. There is the wealth of craft, performing art, vivid lifestyle and cultural diversity contained in our rural India. Thus, rural entrepreneurship will further help bridge this gap between the rural and urban areas, and the development of urban areas won't happen at the cost of our rural areas.

OBJECTIVES

- To study whether there is optimum utilization of local resources in an entrepreneurial venture by rural population.
- To analyze whether entrepreneurial occupation helps rural population to reduce discrimination and provide alternative occupations as against the rural migration.
- To activate such system to provide basic '6 m'- manpower, money , material, machinery, management and market to the rural population.

EFFECT OF GLOBALIZATION ON RURAL ENTREPRENEURSHIP

The changing global environment raises questions about the ability of traditional, small-scale businesses in rural areas to share the potential benefits offered by the changing environment. The rapid (though declining) population growth, coupled with even faster urbanization, creates increasing demands. In India, urban populations, in general, grow about twice as fast as the overall total, and by 2020, they may exceed the size of the rural population. Such a significant demographic trend challenges the capacities of some traditional small-scale businesses to cope with the increasing demands. And this is why Rural Entrepreneurship is becoming increasingly important in India, and already, there is a changing trend in how things happen.

Since globalization is a macro-concept and rural entrepreneurship is a micro-concept, occurring in a very limited area, it is very difficult to establish causal linkages, or to quantify the specific effects of globalization on rural entrepreneurship. However, it is possible to identify a range of different channels through which various aspects of globalization can be expected to change the welfare of rural entrepreneurship in India.

GROWTH TREND IN ANDAMAN & NICOBAR ISLANDS

Keeping with the overall trend in the country, the economic activity in the UT is dominated by the tertiary sector and its share has been continuously rising. The share of the primary sector has been declining and share of the secondary sector in NSDP is static at around 3 per cent. There is hardly any manufacturing activity in the UT which is mostly concentrated in wood processing, and with the present restrictions on the exploitation of forests has led this activity to stagnate. Within the tertiary sector, construction activities, transport, storage and communication and public administration have been the major drivers of growth. The resources potentially play a vital role for the input oriented activities and industries. Though the main resource of A & N Islands is wood, Administration is not encouraging setting up/expansion of wood based industries. The distribution of natural and human resources and their proper utilization are treated as main yardsticks for determining growth of an area. In this perspective, the details of resource based industries of Andaman & Nicobar Islands for industrial development.

Scope of Industries in South Andaman

- Coconut Shell Powder & By product
- Activated Carbon,
- Shampoo
- Arecanut processing
- Rubber products like Band, thread, eraser etc.
- Coir products
- Wooden toys, flush door and furniture
- Wet blue tannery
- Bone Mill

- Balanced Cattle feed
- Fruit, fish processing
- Fuel briquettes from agricultural waste
- Rice Flake
- Red Bricks
- De-hydrated lime
- Stone crushing
- Readymade Garments

SERVICE ENTERPRISES

- Auto-rickshaw, Bus, Mini Bus, Jeep, Taxi servicing
- Motor & fan winding
- Photo copier
- Restaurant
- Rubber stamp & name plate
- Tailoring
- Tourist services
- Truck, Two wheeler repairing cum hiring shop
- Video Parlour
- Beauty Parlour

CHALLENGES FACED BY THE INDUSTRY ASSOCIATION

President of Andaman Chamber of Commerce & Industry Shri G. Bhasker said that the Andaman Chamber of Commerce & Industry has been in existence in the islands since 1962, have direct Membership with of 100 with organizations. It is the apex body representing trade and industry of the Andaman & Nicobar Islands. The Chamber, The following issues are highlighted by the chamber:

- Non-Availability of Building Materials and Continued Custody of Quarry Operators in buffer Zone
- Shortage of Power and Acute Water Crisis
- Compensation to Tsunami affected farmers.
- The Chamber has urged to take definite steps to mitigate the e-highlighted problems/issues
- Free entry into world trade.
- Improved risk taking ability.
- Technology and inventions spread into the world.
- Promotion of healthy completions among nations
- Consideration increase in government assistance for international trade.
- Benefits of specialization.
- Social and cultural development

PROBLEM OF RURAL ENTREPRENEURSHIP

Paucity of Funds : Most of the rural entrepreneurs fail to get external funds due to absence of tangible security and credit in the market. The procedure to avail the loan facility is too time-consuming that its delay often disappoints the rural entrepreneurs. Lack of finance available to rural entrepreneurs is one of the biggest problems which rural entrepreneur is born now days especially due to global recession. Some banks have ventured out to serve rural customers because banks are expensive to be reached by rural customers and, once reached, are often too poor to afford bank products. Poor people often have insufficient established forms of collateral (such as physical assets) to offer, so they are often excluded from traditional financial market. The government is providing subsidies to rural areas but due to the high cost of finance, these subsidies are not giving fruitful results.

Lack of Infrastructural Facilities: The growth of rural entrepreneurs is not very healthy due to lack of provision of adequate infrastructural facilities.

Risk Element: Rural entrepreneurs have less risk bearing capacity due to lack of financial resources and external support.

Competition: Rural entrepreneurs face competition from urban entrepreneurs. They incur high cost of production. High input cost. Major problems faced by marketers are standardization and competition from large scale units. Coming to them. Competition from large scale units also creates difficulty for the survival of small ventures.

Middlemen: Middlemen exploit rural entrepreneurs. The rural entrepreneurs depend on middlemen for marketing of their products who pocket large amount of profit. Storage facilities and poor means of transport aggravating the problems in rural areas. In most of the villages, farmers store the produce in open space, in bags etc.

Lack of Knowledge of IT: Information technology is not common in rural areas. Business faces less than rigorous intercommunity rivalries that reduce the regional cooperation. Decision making process and lines of authority are mostly blurred by local politics in rural areas.

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

Procurement of Raw Materials: It is really a tough task for rural entrepreneurs. They end up with quality of the problem of storage and warehousing.

Lack of Technical Knowledge: They suffer from lack of technical knowledge. Lack of training facilities and extensive services create a hurdle for the development of rural entrepreneurship.

Poor Quality of Products: Another problem in rural entrepreneurship is the inferior quality of products produced due to lack of availability of standard tools and equipment.

Low Skill Level of Workers: Rural entrepreneurs are unable to find workers with high skills. Training must be given, as they are mostly uneducated and they have to be taught in local language which they use. Youths in rural areas have little options “this is what they are given to believe”. This is the reason that many of them either work as farm or migrate to urban land.

Negative Attitude: The environment in the family, society and support system is not conducive to rural people to take up entrepreneurship as a career. It may be due to lack of awareness and knowledge of entrepreneurial opportunities. The young and well educated mostly tend to leave. As per circumstances, rural people by force may be more self-sufficient than their urban counterparts. Continuous motivation is needed in the case of rural people which is entrepreneur.

CONCLUSION :

The comparative isolation of the Andaman and Nicobar islands from the mainland, scattered landscape, difficult communication system, heavy reliance on government departments for supply of inputs and small base of local market are the main impediments to the rapid growth of the economy. However, the Union Territory of Andaman & Nicobar Islands has immense potential for achieving higher growth aided mainly by extensive marine resources, high literacy rate, conducive work environment and strategic location. In achieving this goal, government efforts need to be supplemented by private initiatives where the banking sector has an important role to play. This will help in further improving the well-being of masses in the islands.

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