

## EMPOWERING RURAL YOUTH FOR INNOVATION AND ENTREPRENEURSHIP IN INDIA

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### ABSTRACT

The government has implemented numerous measures to promote entrepreneurship in rural regions. However, for many individuals, having a job is synonymous with employment, and they do not think about entrepreneurship or self-employment. This attitude must shift. In India, young people are viewed as a vital asset for the country, and all nations should strive to harness their potential for economic progress. The advancement of our economic growth relies on the progress and development of rural regions. Young people represent one of the nation's greatest resources. In today's society, young people must take on a crucial role in leading the future and executing developmental initiatives. This research article primarily centers on the initiatives aimed at encouraging rural youth in India towards innovation and entrepreneurship growth. The aim of the research is to assess the primary difficulties encountered by rural youth entrepreneurs in India, to determine the necessary actions for the advancement of these entrepreneurs, and to analyze the government initiatives that support and motivate rural youth entrepreneurs in India.

**Key Words:** Development, Government programme, Entrepreneurship, Rural Youth, Employment

### INTRODUCTION

India has turned into an emerging market for international investors, and entrepreneurship significantly aids the nation's economy. A consistent business landscape, market-focused reforms, and significant initiatives such as Make in India, Digital India, Mudra Yojana, Atal Innovation Mission, Stand Up India, and Start-Up India are motivating young Indians who are eager and ambitious. Moreover, as the number of incubators rises by 40% annually, startups are looking at a promising future. These flagship initiatives tackle different aspects of the entrepreneurship ecosystem, such as hosting major challenges, providing funding assistance, establishing new incubators, enhancing the capabilities of current incubators, improving the business environment, and offering tax incentives. This entrepreneurial environment holds the greatest capability to generate jobs across various sectors and regions for all socio-economic groups of our youth. Within this environment, the Government is also dedicated to assisting women, SC/ST communities, individuals from Challenging Areas, and persons with disabilities in promoting entrepreneurship.

Statistical data reveals that 54% of the population is younger than 35 years old, and nearly 15 million join the workforce annually. The sole method to generate sufficient jobs for such a large population, on a consistent basis, is by fostering an atmosphere for entrepreneurship and innovation. The young, creative thinkers present today, along with government and industry efforts aimed at fostering innovation and entrepreneurship, will soon elevate India's position in global entrepreneurship rankings. To foster a supportive environment for entrepreneurship, the Ministry has established National Entrepreneurship Awards to acknowledge and celebrate

exceptional young first-generation entrepreneurs as well as organizations and individuals dedicated to entrepreneurship development.

## CONCEPT OF RURAL ENTREPRENEURSHIP

Rural entrepreneurship involves setting up business and industrial operations in countryside regions. It is entrepreneurship arising in rural regions. Rural entrepreneurs are individuals who engage in business activities in rural regions. Rural regions are marked by poverty and lack of job opportunities. Rural entrepreneurship fosters industrial growth in rural areas. Thus, rural entrepreneurship can be seen as a method of rural development.

## REVIEW OF LITERATURE

**Saud Ilahi** (2018) explained the current scenario of rural entrepreneurship in India, the different schemes of government for reviving traditional industries and rural entrepreneurship has been explained to develop and support the rural industries, to provide financial assistance, skill development training, infrastructure development and marketing assistance. **Vijay M. Kumbhar** (2013) stated that the women are considered as the essential human resource of any country and every state must try to utilize them as mediators of economic development and growth. The main bottleneck for the women entrepreneurship development in India is the traditional mind set of the society and negligence of the state and respective authorities. **Mishra** (2016), rural women entrepreneurship will bring-in new economic opportunities for women in rural and contribute to the overall development of rural and semi-rural individuals who migrate to urban areas. They have discussed the issues and detailed the supporting element of women entrepreneurship in rural India. **Upasana** (2019), India is known for its agriculture production, besides there exists vast scope of extending farm related activities. The study explained that the challenges of the rural entrepreneurs should be used to motivate and to bring-in more involvement. **Sathya** (2019) explained the major opportunities that are in the rural entrepreneurship are (i) there develops the rural prosperity through better distribution of farm produces in the rural, (ii) reduction of disguised employment opportunities due to entrepreneurial occupation to the rural youth, (iii) big co-operatives in the rural will form the optimum and maximum utilization of the farm produces and the local resources. **Sudipta Ghosh** (2011), attempted to understand the issues and challenges for rural entrepreneurship development in India and as a conclusion indicated that providing the right information, adequate credit and continuous motivation at the right time through rural monitoring programme by the government, bankers, panchayat leaders, and voluntary organizations would support the rural entrepreneurship to grow.

## OBJECTIVE OF THE STUDY

- To evaluate the Major challenges faced by the Rural Youth Entrepreneurs in India.
- To identify the measures required for the growth of rural youth entrepreneurs.
- To study the various programmes launched by the government of India to Promote/encourage the rural youth entrepreneurs in India.

## RESEARCH METHODOLOGY

This study is descriptive and explorative in nature. This paper is based on secondary data. The secondary data is collected from government reports, the ministry of skill development and entrepreneurship, various published and unpublished sources, online sources, thesis, dissertations, books, and newspapers.

## MAJOR IDENTIFIED PROBLEMS OF RURAL ENTREPRENEURSHIP

Rural entrepreneurship is based on rural factors of production. It suffers from a number of problems. Some of them are:

**Financial problems:** Rural entrepreneurship is largely found to suffer from financial problems. It is normally carried with family or personal savings which may not be sufficient for carrying business activities. Rural entrepreneurs borrow funds from their relatives or from informal sources. It hinders rural entrepreneurship to grow and prosper. As per the latest rural credit survey. It is estimated that the institutional sector meets the only % of the demand for credit from the entire rural sector.

**Lack of technological know-how:** Technology has become an integral part of entrepreneurship. It helps to reduce cost and enhance quality. However, rural enterprises use labor-based or obsolete technology. The rural entrepreneurs also lack proper knowledge about technology to be uses. All these negatively affect the growth and development of rural entrepreneurship.

**Poor infrastructure facilities:** Infrastructure facilities include transport, communication, security facilities, etc.; a transport facility is needed for the entrepreneur for distributing their output. Communication facility brings effectiveness in the entrepreneurial development. Security is also very important to run a business smoothly; however, rural entrepreneurs lack such facilities.

**Competition:** Rural entrepreneurs face tough competition from large organisations to the urban entrepreneurs. They cannot compete with them on grounds of economies of scale, product quality, and marketing.

### Government of India programs for rural youth entrepreneurs development in India

#### Empowering Youth: Towards Rebuilding Rural India

With about 65 5 percent of its population under 35 years of age, India is one of the youngest nations in the world. According to Census 2011 estimates, 70 percent of youth population in India comprises of rural youth. A policy focus on empowering youth with an increased thrust on skill development, employment, entrepreneurship, innovation and talent development is critical. Steps Taken Ministry of Skill Development and Entrepreneurship (MSDE) were formed in 2014.

**The National Skill Development Mission:** (NSDM) was launched in July 2015 to provide a strong institutional framework to implement and scale up skill development efforts across the country. Under NSDM, more than one crore youth are being imparted skills training annually under various long term and short-term training programme.

**Deendayal Upadhyaya Grameen Kaushalya Yojana :** (DDU-GKY) is a skill and placement initiative for rural India. It is one of the clusters of initiatives of Ministry of Rural Development that seeks to promote rural livelihoods under the Deendayal Antyodaya Yojana National Rural Livelihoods Mission (DAY-NRLM)-the Mission for poverty reduction.

#### Empowering Rural Artisans to make them AatmaNirbhar

The Ministry of Skill Development and Entrepreneurship introduced a programme called PoorvKaushalya ko Manyata better known as Recognition of-Prior Learning

(RPL) as a component of its flagship scheme- the Pradhan Mantri Kaushal Vikas Yojana.

**The Skill India programme of the government** also has a dedicated handicrafts and carpet skill council aimed at preserving cultural heritage. In India, the handicrafts sector employs 7.3 million Persons mostly from rural and semi urban areas whereas the carpet sector employs two million weavers. According to projections made by a study conducted by the National Skill Development Corporation, the incremental employment growth in this export-oriented sector stands at 3.86 million by 2022

#### **Various Efforts of Government programs for rural youth entrepreneur's development**

- Ministry of Skill Development and Entrepreneurship through National Skill Development Corporation has implemented Pradhan Mantri Kaushal Vikas Yojana with a target to cover 24 lakh youth in the country. Later it was revamped to skill 1 crore people over four years period.
- Ministry of Rural Development is undertaking the initiatives in skill development under the National Rural Livelihoods Mission (NRLM): Deendayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY). It is a placement linked skill development programme for rural youth between 15-35 years and allows skilling in a PPP mode and also assures placements in regular jobs.
- Skills Acquisition and Knowledge Awareness for Livelihood (SANKALP) is yet another centrally-sponsored scheme, aimed at creating convergence among all skill training activities, improve quality of skill development programmes through building a pool of quality trainers and assessors, model curriculum and content, establish robust monitoring and evaluation system.
- Entrepreneurship Development Programme under PMEGP aims to provide orientation and awareness pertaining to various managerial and operational functions through Rural Development and Self Employment Training Institutes (RUDSETI)/(RSETIs) and Khadi and Village Industries Commission/Board training centers as well as other national level Entrepreneurship Development Institutes (EDIs).
- Skills Strengthening for Industrial Value Enhancement (STRIVE) targets improved performance of ITIs, increased capacities of state governments to support ITIs and apprenticeship training, improved teaching and learning, and improved as well as broadened apprenticeship training.
- National Career Service (NCS), a Mission Mode project set in motion by Ministry of Labour and Employment, for establishing quick and efficient career related services across the country by revamping the existing nation-wide set-up of Employment Exchanges into IT-enabled Career Centers.
- Shyama Prasad Mukherjee Rurban mission, started by the Govt. in 2016 aims at development of rural clusters which have latest potential for growth by provisioning of economic activities, developing skills and local entrepreneurship.

#### **Here are a few reasons why Rural Youth Empowerment is essential:**

- **Poverty Eradication** - Youth empowerment can help reduce the rate of poverty to a significant level. One of the keys to empowering the youth is with skill development. When a youth is equipped with essential skills, he can utilize them to feed, assist

others, and even invest for future use, aiding the nation economically. This will in turn contribute to the increase in employability and add to the GDP of the nation.

- **Good Education Standard** - Empowerment can help youth to understand the importance of education that leads to social improvement of the country. When a youth is empowered, he understands the importance of education and helps uplift the sector, integral for a developing nation such as India. Such empowered youth can donate educational facilities to primary, secondary and even to tertiary institutions. Today, India lacks the proper infrastructure for education, which can easily be brought into existence only through empowerment.
- **Good Governance** - With the inculcation of youth empowerment, the youth can reject the status quo and pave a path for a better future.
- **Crime Reduction** - Empowerment ensures that youth has the necessary skill to sustain a livelihood, preventing him to adopt the path of crime.

### Major challenges faced by Rural Youth Entrepreneurs in India

- Financial Support
- Lack of confidence
- Lack of skills and knowledge
- Lack of awareness levels towards government schemes
- Lack of knowledge about advanced technological factors

### Suggestions of the study

1. Not everyone can be an entrepreneur as it requires money for investment. However, training youth in vocational skills is must. Vocational training can help them to WFH or work as a cottage industry/ small scale industry.
2. To encourage Indian youth to become entrepreneurs, should start a tech startup blog for specific community.
3. Government and NGOs offered various schemes and opportunity to the rural entrepreneurs. But, they are unaware of these schemes and opportunities due to their illiteracy. So they should be educated by the conducting workshops and seminars related to their business.
4. Government should take steps to provide infrastructure, warehousing facilities, offer assistance to marketing and to export the goods of rural entrepreneurs to foreign countries.
5. Credit Information of the rural entrepreneurs has to be developed so as to enable them to get sufficient amount of loan from the banks at reasonable rate of interest.
6. Rural youth need to be motivated to take up entrepreneurship as a career, with training and sustaining support systems providing all necessary assistance.
7. Separate financial fund for rural entrepreneurs should be provided by the Government. At the same time they should be provided with adequate and timely financial assistance from all the financial institutions and banks.

8. Special training programmes for rural entrepreneurs in particular and in general for rural population should be arranged by the Government to improve their knowledge and vocational skills.
9. Rural youth need to be motivated to take up entrepreneurship as a career, with training and sustaining support systems providing all necessary assistance.
10. Finance for Modernization: Sufficient finance must be given to modernize their outdated technology, tools and implements in order to enable them to compete with the large scale industries.
11. The government has to give more publicity and advertisement regarding the various programmes which has been launched by the government and also provide adequate training facilities and financial assistance for the rural youth which help them to overcome the challenges.

## CONCLUSION:

Rural entrepreneurship is the solution to reduce rural migration. Skill development of rural population is recognized as an urgent need of the day to reduce rural migration and achieve decent livelihood. Today, the youth is claiming his right to a decent living by willing to take risks, which helps in the development of leadership skills. Government has launched many strategic measures to get decent livelihood through entrepreneurship development at rural sector but in spite of programs, schemes and vocational courses India is considered as industrially underdeveloped country. People are not aware of these government initiatives. So it is necessary to raise awareness among rural people regarding government schemes and programs being run for the promotion of rural entrepreneurship. With the development of technology, the demand of technically skilled labours is increased. Rural people are not technically skilled. So it becomes an urgent need to develop technical skill of rural people to fill this skill gap. Women and youth are deficit in decent livelihood. Youth and women should be motivated to participate in economic development of nation through establishing enterprises at local area. Conventional vocational courses should be replaced by new vocational courses based on technology for rural development.

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