

RURAL ENTREPRENEURSHIP DEVELOPMENT PROGRAMS - PERFORMANCE APPRAISAL

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Abstract

Entrepreneurship is one of the primary facets through which rural economic development can be achieved, empirical research on rural entrepreneurship is relatively sparse and this concept remains largely unknown. Appreciating the need for and relevance of understanding conceptual paradigm of rural entrepreneurship, Rural Entrepreneurs and the role plays by the selected Developmental institutions in the creation of Micro and small village enterprises has been proved very much significant. Rural entrepreneurship is currently at the focus of much theoretical, practical and political interest. This paper examines and evaluate the performance of select government sponsored self employment generating programs for rural people as well as the performance of developmental institutions (like NABARD, KVIC & HKVIB, HSIIDC, HFC, SIDO, DICs and DRDA) and their role in developing and fostering rural enterprises. The appraisal of these entrepreneurship development Institutions will certainly provide a comprehensive picture of various institutional set up to promote the growth of entrepreneurship in rural areas as well as the programs and activities that help promoting potential entrepreneurs specially in rural areas and foster rural entrepreneurship.

Keywords: Entrepreneurship, Rural Entrepreneurship, Micro Rural enterprises, Rural Industrialization, Development Institutions and Agencies

Introduction

The problem is essentially lopsided development which is a development of one area at the cost of development of some other place, with 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.

The Rural Entrepreneurship Perspectives

The phenomenon of entrepreneurship appeared in economics in 1930s but it got recognition as an important factor of social and economic change only in 1960s. For more than a decade the studies of entrepreneurship confined to large scale businesses and industry, and then to small scale industrial sector. It is lately that this phenomenon has percolated to artisans and farmers, the two major forces of rural transformation. The emergence and development of rural entrepreneurship is not a spontaneous one but a dependent phenomenon of economic, social, political, psychological variables often attributed as supporting conditions to rural-based development of commerce and industry. The concept of rural entrepreneurship does not dilute the definition of entrepreneurs in general. An entrepreneur is an individual who fails to conform to the traditional structured role given to him in society and finds an exit to venture on his own. In this context of his deviant pursuit, the societal frame of reference of a rural entrepreneur assumes operational significance.

The emerging Domain of Rural Entrepreneurship envision itself as a body of knowledge To accelerate the process of Rural Industrialization in the country along the lines of Gandhi an vision of sustainable and self reliant village economy and to provide S&T support to upgrade the products of rural industry so that they gain wide acceptability in the local and global markets. The driving motivation of rural entrepreneurship is to improve the productivity, value addition and quality of products manufactured in MSREs by introducing new technologies and by providing quality assurance support. It also works towards facilitating eco-friendly products and methods. Rural entrepreneurship is, fundamentally, about using a market-driven business model to address key socio-economic issues pertaining to the rural economy under consideration. It is an emerging field with diverse and shifting interpretations. Entrepreneurship emerging in rural areas is called rural entrepreneurship. Rural entrepreneurship symbolizes rural industrialization. Like entrepreneurship, rural entrepreneurship also conjures different meanings to different people. Without going into semantics, rural entrepreneurship can simply be defined as entrepreneurship in rural areas.

The Paradigm of Rural Entrepreneurship Development a traditional paradigm in entrepreneurship development assumes that the process of entrepreneurship development

is associated with Entrepreneurship Development Programmes (EDPs) conducted mainly for the purpose of identifying and developing potential entrepreneurs. These EDPs are devised for grooming entrepreneurs through entrepreneurial training to develop and strengthen the entrepreneurial quality and competencies of the potential entrepreneurs willing and ready to build their own business or enterprise creation. The basic features of such EDPs are identification and careful selection of potential entrepreneurs for training, developing entrepreneurial capabilities of the trainees, equipping the trainees with basic managerial understanding and ensuring a viable industrial project for each identified potential entrepreneur. With a shift in the traditional paradigm, rural entrepreneurship development as an alternative paradigm involves developing capacity of rural people or communities to be entrepreneurial in their own rural context and providing start-up support (through an eco-system of policy, facilities, finance, Technical, managerial and strategic support framework). The objectives are to trigger economic development and generate employment by providing necessary factor inputs and infrastructure for productive uses in agriculture and rural industries, and improving the quality of life of the rural people by entrepreneurial empowerment. This also focuses on to help upgrade the skill, creativity & productivity of rural artisans and encourage value-addition and quality of their products.

Overview of Major Development Programmes and Selected Institutions

The performance of selected measures undertaken by Government of India for rural socio-economic development by creating employment opportunities through various sponsored schemes and programmes aimed at rural entrepreneurship development in the country. There are a good number of centrally and state government sponsored programmes namely Integrated Rural Development Programme (IRDP)/Swarnjayanti Gram Swarozgar Yojna (SGSY); Jawahar Rozgar Yojna (JRY)/Employment Assurance Scheme (EAS)/ Sampoorna Grameen Rozgar Yojna (SGRY) and National Food for Work (NFFW); Indira Awas Yojna (IAY); National Rural Employment Guarantee Programme (NREGA), National Social Assistance Programme (NSAP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Training of Rural Youth for Self-Employment (TRYSEM), Village and Small Industries (VSL), Minimum Needs Programme (MNP), Employment Assurance Scheme (EAS), Sampoorna Grameen Rozgar Yojna 2001 (SGRY with EAS and JGSY integrated).

A. Integrated Rural Development Programme (IRDP)

The Integrated Rural Development Programme (IRDP) was aimed at providing self-employment to the rural poor through acquisition of productive assets or appropriate skills which would generate additional income on a sustained basis to enable them cross the poverty line. Assistance was provided in the form of subsidy and bank credit. The target group consisted largely of small and marginal farmers, agricultural laborers' and rural artisans living below the poverty line. Under the Ninth Plan Programme it was decided to convert IRDP into a holistic programme covering all aspects of self-employment by merger

of existing sub schemes - Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA) and Ganga Kalyan Yojna (GKY) into IRDP. And thus, Swarnjayanti Gram Swarozgar Yojna (SGSY) was launched with effect from April 1999 with the merger of IRDP, TRYSEM, DWCRA, GKY, SITRA, MWS (Million Wells Scheme) into it with the objectives of (i) focused approach to poverty alleviation, (ii) capitalizing advantages of group lending; and (iii) overcoming the problems associated with multiplicity of programmes. In this background IRDP, which had been in existence since 1980, has been merged into SGSY with effect from April, 1999 [31].

B. Swarnjayanti Gram Swarozgar Yojna (SGSY)

SGSY is a major on-going scheme for the self-employment of the rural poor. All the self-employment programmes were merged into one self-employment programme - Swarnjayanti Gram Swarozgar Yojna (SGSY). The objective of SGSY is to provide sustainable income to the rural poor. The programme aims at establishing a large number of micro-enterprises in the rural areas, based upon the potential of the rural poor. There are two key aspects of the SGSY, namely, activity clusters and the group approach. Each block has to concentrate on 4-5 key activities based on local resources, occupational skills of the people and availability of markets so that the Swarozgaries can draw sustainable income from their investments. The SGSY is conceived as a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self-help groups, capacity-building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages. It seeks to promote a network of agencies, namely, the District Rural Development Agencies (DRDAs), line departments of state governments, banks, NGOs and Panchayati raj Institutions (PRIs) for implementation of the programme.

C. Rural Employment Generation Programme (REGP)

The Government of India has started the Rural Employment Generation Programme (REGP) through Khadi & Village Industries Commission to provide new dimension of employment to the people in rural areas of the country. REGP is being implemented with the following four components: (1).Special Employment Programme in 71 districts. (2) Revamped Public Distribution System (RPDS) Block Development Programme. (3).National Programme for selected village industries, namely, bee keeping, handmade paper and leather. (4).Thrust areas industries programme namely pottery, lime, cane and bamboo, processing of cereals and pulses, village oils, etc. The Special Employment Programme being implemented in 71 districts envisages employment generation for 10,000 persons per district through spinning and weaving of Khadi and setting up of village industries. The districts for implementing the programme are identified on the level of backwardness and capability of the institutions implementing the programme. Priority is given to the backward districts.

D. Prime Minister's Rozgar Yojna (PMRY)

Prime Minister Rozgar Yojna aims at assessing country wide entrepreneurship development among the educated unemployed youth. Introduced in 1993, has been one of the important credit-linked subsidy schemes to generate self-employment opportunities for the educated youth by assisting them in setting up viable micro enterprises. The scheme is implemented through DICs, State Directorate of Industries, and bank branches. Apart from educated unemployed youth, the scheme is also available to self help groups.

Appraisal of Selected Institutions

The success of rural entrepreneurship depends solely on the well established institutional set-up. The attempt focus on examining and documenting the role and performance of selected institutions (Financial, Developmental and Nodal agencies) and specific schemes/ programmes sponsored by such institutions, in promoting and supporting micro and small village enterprises (MSVEs). An attempt has been made to cover the selected institutions in the following order:

1. National Bank for Agriculture and Rural Development (NABARD)
2. District Rural Development Agency (DRDA)
3. Directorate of Industries (DICs)
4. Khadi and Village Industries Corporation (KVIC)
5. Haryana State Industrial and Investment Development Corporation (HSIIDC)
6. Haryana Financial Corporation (HFC)

The parameter used for evaluation included utilization of allocated funds, change in poverty level, employment generation, Assets creation, Management/Technical assistance and infrastructural support provided, entrepreneurship education and training provided, Number or proportion of beneficiaries and Economic benefit & social impact of the programmes etc.

Conclusion

Employment creation is the most effective method of poverty alleviation. Given the fast approaching limits to employment in the organized sector and the increasing density of workers in the unorganized sector, creation of self-employment becomes the best alternative available. Selected institutions (Financial, Developmental and Nodal agencies) and specific schemes/ programmes sponsored by such institutions exactly provided this opportunity to the rural unemployed youth. The approach is simple but quite effective to deal with the problem of unemployment in the crucial age bracket. It involves provision of training and required seed capital to begin a self-employment generating enterprise.

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