



# MODELING YOUTH WITH THE HELP OF ENTREPRENEURSHIP EDUCATION TOWARDS RURAL DEVELOPMENT

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## ABSTRACT

According to our honourable Prime Minister Narendra Modi: The development of any country depends upon two factors: **Development of skills and Development of Rural Areas**

The Vision of the Policy is “to create an ecosystem of empowerment by **Skilling on a large Scale at Speed with high Standards and to promote a culture of innovation based entrepreneurship which can generate wealth and employment so as to ensure Sustainable livelihoods for all citizens in the country**”.

This paper has been explained under the framework of the importance of entrepreneurship education in developing and promising entrepreneurs in Rural India. The economy is forcing to adopt the mantra of “Think Globally Act Locally” as it is experiencing the most dynamic environment of the past and hits the marketplace & business conditions. The growing inflation doesn't depend only on the development of urban areas but also rural areas has the equivalent role in this. Bottom of Pyramid consists of 60 million of the population living on less than Rs. 100 per day. To target the Bottom of Pyramid and to benefiting those people, it is compulsory to develop new ideas with new solutions of doing the same old stuff, new ways of operations among them who can think out-of-the box to identify and chase opportunities in the changing scenario. Innovators are defined as the coal of the engine called as “Entrepreneurship”, and it gives energy to employment & economic growth. This is the demand of scenario to create an environment where innovators can develop new skills, try innovative ideas, empower others & flourish and for this we required to connect education with entrepreneurship where we can improve the human capital required for making the future of the strong economy. This paper starts with the appropriate definition of Entrepreneurship present in literature for the recent purpose. After that it identifies the important features of the entrepreneurial education followed by the dynamic forces of entrepreneurship education for youngsters in rural areas. The next section discuss of the opportunities and challenges of entrepreneurship education in rural areas. At last this paper explains of the key factors in the accomplishment of the entrepreneurship education for modeling entrepreneurs along with the suitable recommendation.

**Keywords: Entrepreneurs, entrepreneurship Education, Paradigm shift, changing economy**

## I. INTRODUCTION

Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process. Furthermore, institutions and individuals seem to agree on the urgent need to promote rural enterprises: development agencies see rural entrepreneurship as an



enormous employment potential; politicians see it as the key strategy to prevent rural unrest; farmers see it as an instrument for improving farm earnings; and women see it as an employment possibility near their homes which provides autonomy, independence and a reduced need for social support. To all these groups, however, entrepreneurship stands as a vehicle to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment.

The entrepreneurial orientation to rural development accepts entrepreneurship as the central force of economic growth and development, without it other factors of development will be wasted or frittered away. However, the acceptance of entrepreneurship as a central development force by itself will not lead to rural development and the advancement of rural enterprises. What is needed in addition is an environment enabling entrepreneurship in rural areas. The existence of such an environment largely depends on policies promoting rural entrepreneurship. The effectiveness of such policies in turn depends on a conceptual framework about entrepreneurship, i.e., what it is and where it comes from.

This paper deals with the following three issues: firstly, it sets out the reasons why promoting entrepreneurship is a force of economic change that must take place if many rural communities are to survive; secondly, it deals with what policies are necessary in order to create an environment in rural areas conducive to entrepreneurship; and thirdly, it considers women and entrepreneurship.

## II. ENTREPRENEURSHIP CONCEPT

Entrepreneurship involves decision making, innovation, implementation, forecasting of the future, independency, and success first and this is how entrepreneurship develop.

## III. NEED OF ENTREPRENEURIAL EDUCATION

**Entrepreneurship education is a lifelong learning process**, starting as early as elementary school and progressing through all levels of education, including adult education. The Standards and their supporting Performance Indicators are a framework for teachers to use in building appropriate objectives, learning activities, and assessments for their target audience. Using this framework, students will have: progressively more challenging educational activities; experiences that will enable them to develop the insight needed to discover and create entrepreneurial opportunities; and the expertise to successfully start and manage their own businesses to take advantage of these opportunities.

## IV. SOURCES OF ENTREPRENEURSHIP

The promotion of entrepreneurship, the understanding where entrepreneurship comes from is as equally important as understanding the concept of entrepreneurship. It indicates where the governments, national, regional or local, should target their promotional efforts. If entrepreneurial skills, for example, are innate, active promotion policies have a small role to play. If instead, only certain entrepreneurial characteristics are innate, then active promotion policies can contribute to entrepreneurship development in the community in the region and in the nation, since entrepreneurial skills can be acquired through training.



Empirical research on the sources of entrepreneurship is extensive, particularly within the discipline of psychology and sociology.

The standard perception is that entrepreneurship is a special personal feature, either a person is, or is not an entrepreneur. According to this perception entrepreneurial traits, such as the need to achieve, risk taking propensity, self-esteem and internal locus of control, creativity and innovative behaviour, the need for independence, occupational primacy, fixation upon goals and dominance, are all inborn. Therefore, policies directed specifically towards promoting the development of entrepreneurship would not help much since those characteristics cannot be acquired by training.

Risk taking propensity here is understood as the perceived probability of receiving rewards (personal and financial) as opposed to the perceived probability of incurring a failure (bankruptcy, loss of family ties).

Another perception is that some cultures or some social groups are more conducive to entrepreneurial behaviour than others. According to this view, the factors that contribute to the supply of entrepreneurs are an inheritance of entrepreneurial tradition, family position, social status, educational background and the level of education. Based on research into the origins of business owners, it is believed that persons who come from small business owner families, are more likely to become entrepreneurs than others. Studies of family position of existing entrepreneurs demonstrate that entrepreneurs are often found among elder children, since according to the explanation, they are pressed to take more authority and responsibility at earlier stages than younger members of the family. The outsider group, ethnic minority, or the outsider individual, the marginal person, who are by a combination of different factors rendered outsiders in relation to the social groups with whom they normally interact, are both viewed as a significant source of entrepreneurship. It is claimed that to minorities small business ownership means escape from marginality. Whether educational background influences potential entrepreneurs or not is a matter of debate. The popular idea of an entrepreneur is that of a totally self-made man, lacking in formal qualifications. This of course is not in conflict with findings that entrepreneurs who are better educated are more successful than the less educated ones. Apparently two things are involved simultaneously: propensity to start an entrepreneurial venture and skills to run the venture successfully.

The research which tries to explain, by personal traits and/or other social aspects, why certain individuals become entrepreneurs, has not yet produced convincing results. Consequently, a widely accepted view is the following: while personal characteristics as well as social aspects clearly play some role, entrepreneurship and entrepreneurs can also be developed through conscious action. Development of entrepreneurs and of entrepreneurship can be stimulated through a set of supporting institutions and through deliberate innovative action which stimulates changes and fully supports capable individuals or groups. It is argued, that controllable variables such as a stable system of property rights and freedom of action in the economic sphere, availability of other inputs in the economy (besides entrepreneurship) as well as education and training, contribute significantly to the development of entrepreneurship. Therefore, policies and programmes designed specifically for entrepreneurship promotion, can greatly affect the supply of entrepreneurs and thus indirectly represent an important source of entrepreneurship.

This view has important implications for entrepreneurship development in rural areas. If currently entrepreneurial activities in a given rural area are not thriving? one should not jump to the conclusion that entrepreneurship is something inherently alien to rural areas. While this feeling could have some legacy due to

the slower pace of changes occurring in rural areas compared to urban ones, proper action can make a lot of difference with respect to entrepreneurial behaviour of people living in rural areas. Many examples of successful entrepreneurship confirm this statement and there is no reason why there should not be plenty of them. By bringing together different capabilities and different experiences in entrepreneurship development, everyone could enhance his/her own capabilities, motivation and determination in achieving the goal: attaining a sustainable and healthy rural economy and environment in order to ensure a high quality of life for individuals, families and communities.

## **V. RURAL ENTREPRENEURSHIP**

Many examples of successful rural entrepreneurship can already be found in literature. Diversification into non-agricultural uses of available resources such as catering for tourists, blacksmithing, carpentry, spinning, etc. as well as diversification into activities other than those solely related to agricultural usage, for example, the use of resources other than land such as water, woodlands, buildings, available skills and local features, all fit into rural entrepreneurship. The entrepreneurial combinations of these resources are, for example: tourism, sport and recreation facilities, professional and technical training, retailing and wholesaling, industrial applications (engineering, crafts), servicing (consultancy), value added (products from meat, milk, wood, etc.) and the possibility of off-farm work. Equally entrepreneurial, are new uses of land that enable a reduction in the intensity of agricultural production, for example, organic production.

Dynamic rural entrepreneurs can also be found. They are expanding their activities and markets and they find new markets for their products and services beyond the local boundaries.

## **VI. ENVIRONMENT CONDUCTIVE TO ENTREPRENEURSHIP**

Behind each of the success stories of rural entrepreneurship there is usually some sort of institutional support. Besides individual or group entrepreneurial initiative the enabling environment supporting these initiatives is of utmost importance.

The creation of such an environment starts already at the national level with the foundation policies for macro-economic stability and for well-defined property rights as well as international orientation. Protection of the domestic economy hinders instead of fosters entrepreneurship. National agricultural policies such as price subsidies to guarantee minimum farm incomes and the keeping of land in production when over-production already exists are definitely counter-productive to entrepreneurship. The long run solution for sustainable agricultural development is only one, i.e.' competitive agriculture. While prices can set the direction, entrepreneurs who will meet the challenge of increasingly demanding international markets and who will find profitable alternative uses of land, alternative business opportunities and so on are needed. Therefore, policies and programmes targeted more specifically at the development and channelling of entrepreneurial talent, are needed. Policies to increase the supply of entrepreneurs, policies developing the market for other inputs into successful entrepreneurship, policies for increasing the effectiveness of entrepreneurs and policies for increasing demand for entrepreneurship can significantly speed up entrepreneurial activities at national, regional and community levels.



The policies and programmes targeted specifically to the development of entrepreneurship do not differ much with respect to location. From the perspective of the process of entrepreneurship, whether the location is urban, semi-rural or rural, is not important in itself. For example, the needs of a would be entrepreneur or an existing small business do not differ much from those in an urban area. To realise their entrepreneurial ideas or to grow and sustain in business, they all need access to capital, labour, markets and good management skills. What differs is the availability of markets for other inputs.

The inputs into an entrepreneurial process, capital, management, technology, buildings, communications and transportation infrastructure, distribution channels and skilled labour, tend to be easier to find in urban areas. Professional advice is also hard to come by. Consequently, entrepreneurial behaviour, the ability to spot unconventional market opportunities, is most lacking in those rural areas where it is most needed i.e., where the scarcity of 'these other inputs' is the highest.

These are the reasons why rural entrepreneurship is more likely to flourish in those rural areas where the two approaches to rural development, the 'bottom up' and the 'top down', complement each other. Developing entrepreneurs requires a much more complex approach to rural development than is many times the case in practice. It requires not only the development of local entrepreneurial capabilities but also a coherent regional/local strategy. Evidence shows that where this is the case, individual and social entrepreneurship play an important role in rural economic, social and community development. The top down approach gains effectiveness when it is tailored to the local environment that it intends to support. The second prerequisite for its success is that ownership of the initiative remains in the hands of members of the local community. The regional development agencies that fit both criteria can contribute much to rural development through entrepreneurship.

Other institutions that can make a difference to rural development based on entrepreneurship are agricultural extension services. However, to be able to act in this direction, they too must be entrepreneurially minded. They must see agricultural activities as one of many possible activities that contribute to rural development. They must seek new entrepreneurial uses of land and support local initiative in this respect. While tradition is important it is nevertheless dangerous to be over-occupied with the past, otherwise the rural community may turn into a nostalgia-driven society. Networking between different agencies involved in the promotion of rural development through entrepreneurship, by pooling together different sources and skills, by reaching a greater number of would be entrepreneurs and by assisting a greater number of local entrepreneurial initiatives, can have a much more positive effect on rural development than when each agency is working on its own.

Entrepreneurship in rural areas can benefit a lot from the so called strategic development alliances, i.e., partnership among governments or nonprofit seeking organizations, universities and the private sector.

To summarise, policy implications for rural entrepreneurship development are:

- sound national economic policy with respect to agriculture, including recognition of the vital contribution of entrepreneurship to rural economic development;
- policies and special programmes for the development and channelling of entrepreneurial talent;
- entrepreneurial thinking about rural development, not only by farmers but also by everyone and every rural development organization; and
- institutions supporting the development of rural entrepreneurship as well as strategic development alliances.

## **VII. WOMEN ENTREPRENEURS**

BhartiKollan& Indira J. Parikh, (2005), discussed the transformation that have occurred in the role of women entrepreneur from fifteen century to twenty first century. They have discussed about the status of women entrepreneurs and problem faced by them.

DimaJamali,(2009),This purpose of the paper to examine the interplay of constraints and opportunities affecting female entrepreneurship in developing countries. The paper integrates salient micro- and macro-level perspectives and provides a rounded account of opportunities and constraints as part of a holistic interdependent system.

Tambunan, (2009), studied the recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries SMEs are gaining overwhelming importance; more than 95% of all firms in all sectors on average per country. He also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

**Hina Shah,(2013)**, attempt to identify strategies and policies which could create an enabling environment for women entrepreneurs and/or would-be entrepreneurs in India. The study finds that sociocultural factors represent important barriers to women's entrepreneurial activities, while combining work and family life is also a challenge for a majority of women entrepreneurs. According to the study, support for starting an enterprise came essentially from informal sources, with a very small proportion of women having sought help from Government schemes and programmes. The study concludes with a wide range of recommendations to promote a more enabling environment for women's entrepreneurship in India.

## **VIII. CHARACTERISTICS OF ENTREPRENEURSHIP**

### **Entrepreneurship is characterized by the following features:**

1. Economic and dynamic activity:Entrepreneurship is an economic activity because it involves the creation and operation of an enterprise with a view to creating value or wealth by ensuring optimum utilisation of scarce resources. Since this value creation activity is performed continuously in the midst of uncertain business environment, therefore, entrepreneurship is regarded as a dynamic force.
2. Related to innovation:Entrepreneurship involves a continuous search for new ideas. Entrepreneurship compels an individual to continuously evaluate the existing modes of business operations so that more efficient and effective systems can be evolved and adopted. In other words, entrepreneurship is a continuous effort for synergy (optimization of performance) in organizations.
3. Profit potential: "Profit potential is the likely level of return or compensation to the entrepreneur for taking on the risk of developing an idea into an actual business venture." Without profit potential, the efforts of entrepreneurs would remain only an abstract and a theoretical leisure activity.





## IX. RISK BEARING

The essence of entrepreneurship is the 'willingness to assume risk' arising out of the creation and implementation of new ideas. New ideas are always tentative and their results may not be instantaneous and positive.

An entrepreneur has to have patience to see his efforts bear fruit. In the intervening period (time gap between the conception and implementation of an idea and its results), an entrepreneur has to assume risk. If an entrepreneur does not have the willingness to assume risk, entrepreneurship would never succeed.

## X. OPPORTUNITIES AND CHALLENGES OF ENTREPRENEURSHIP EDUCATION IN RURAL AREAS

1. **Formation of Capital:** Entrepreneurs by placing profitable business proposition attract investment to ensure private participation in the industrialization process. The otherwise idle savings are channelized for investment in business ventures which in turn provides return. Again the savings are invested giving a multiplier effect to the process of capital formation.

2. **Balanced Regional Development:** The entrepreneurs always look for opportunities in the environment. They capitalize on the opportunities of governmental concessions, subsidies and facilities to set up their enterprises in undeveloped areas.

The setting up of still plant at Tata nagar, Reliance Petrochemicals at Jamnagar (Gujarat) have resulted in the development of Good Township and peripheral regional development. Thus entrepreneurs reduce the imbalances and disparities in development among regions.

3. **General Employment:** This is the real charm of being an entrepreneur. They are not the job seekers but job creators and job providers. With the globalization process the government jobs are shrinking leaving many unemployed.

In the circumstances, the entrepreneurs and their enterprises are the only hope and source of direct and indirect employment generation. Employment is generated directly by the requirement of the large enterprises and indirectly by ancillary and consequential development activities.

4. **Improvement in Standard of Living:** Entrepreneurial initiative through employment generation leads to increase in income and purchasing power which is spent on consumption expenditure. Increased demand for goods and services boost up industrial activity. Large scale production will result in economies of scale and low cost of production. Modern concept of marketing involves creating a demand and then filling it.

New innovative and varying quality products at most competitive prices making common man's life smoother, easier and comfortable are the contribution of entrepreneurial initiative. Problems Faced By Rural Entrepreneurs And Remedies To Solve It [www.iosrjournals.org](http://www.iosrjournals.org)

5. **Increase in per Capita Income:** Entrepreneurs convert the latent and idle resources like land, Labour and capital into goods and services resulting in increase in the national income and wealth of a nation. The increase in national income is the indication of increase in net national product and per capita income of the country.

**6Planned Production:** Entrepreneurs are considered aseconomic agents since they unite all means of production. All the factors of production i.e., land, labour, Capital and enterprise are brought together to get the desired production.This will help to make use all the factors of production with proper judgment, perseverance and knowledge of the world of business. The least combination of factors is possible avoiding unnecessary wastages of resources.

**7. Equitable Distribution Economic Power:** The modern world is dominated by economic power. Economic power is the natural outcome of industrial and business activity. Industrial development may lead to concentration of economic power in few hands which results in the growth of monopolies. The increasing number of entrepreneurs helps in dispersal of economic power into the hands of many efficient managers of new enterprises. Hence setting up of a large number of enterprises helps in weakening the evil effects of monopolies. Thus, the entrepreneurs are key to the creation of new enterprises that energies the economy and rejuvenate the established enterprises that make up the economic structure

## **XI. KEY FACTORS IN THE SUCCESS OF THE ENTREPRENEURSHIP EDUCATION**

**1. Creativity:** Do not be dissuaded by the challenge to be creative. You need not be the original wheel creator to improve upon a stone cylinder. By standing on the shoulders of giants, you can take existing ideas and make small improvements upon them. Your best ideas may come to you as you are falling asleep or while you are taking a shower. Recognize when you have a fresh idea and do not let them get away from you. Write them down! Not every idea has to be a home run. By accumulating your ideas, you will be able to distill the great ones from the rest and be ready to run with the best.

**2. Risk Tolerance:** Rewards rarely come without risk. Your ability to take advantage of an opportunity will depend, in part, on your tolerance for risk. As the founder of a start-up, investors will expect you to have a vested interest in your business. If you will not bet on your idea, why should anybody else? If you cannot afford the risk, financially or emotionally, then you might make decisions that are too tepid to be successful. To do well, an entrepreneur needs the strong sense of self-efficacy to believe the risk will be surmountable.

**3. Responsiveness:** Opportunity can leave quickly. With the Internet, the spread of information and ideas has led to deeper, faster competition to be the first mover. The ability to respond to the market and new business opportunities can be the difference between a successful entrepreneur and a failed business model. To be responsive, an entrepreneur must have the flexibility of mind and resources necessary to see and take advantage of new and upcoming possibilities. Learning from your mistakes and those of others to implement change can keep businesses afloat. Calcifying rigidity, on the other hand, can turn a start-up into dust.

**4. Leadership:** It is up to the entrepreneur to marshal assets. Leaders are challenged with taking possibilities and turning them into inspiring visions for others. You will inevitably have to sell either your idea or your product to begin your entrepreneurship. It will be up to the entrepreneur to take the idea and turn it into actions and products to capitalize on the opportunity. Leadership can come in many forms, but it is nevertheless essential to entrepreneurship. You must take the lead for your ideas to come to fruition.



**5. Rights:** Intellectual property laws can provide you with exclusive business rights to your ideas. If you do not protect your ideas, they may be copied -- cheaply. Once an idea is in the public domain, it may no longer be possible to use that idea as a competitive advantage. Society values ideas being shared. In exchange for sharing ideas, governments provide limited monopolies that will allow you to capitalize on them for a period, making up in part for the costs you have incurred in research and development. Intellectual property professionals can aid you in seeking such rights.

## **XII. CONCLUSION**

In conclusion, let me just say that finding, encouraging and motivating entrepreneurs in rural areas is not an easy proposition. However, to the real entrepreneur looking on the dark side of the situation is fatal. Optimism is the heart and soul of the entrepreneur. While strategic planning, feasibility and market studies and analysis are necessary parts of new business start-ups, very few real entrepreneurs, the famous and not so famous, waited for a printout to see whether they should launch their new idea.

Let me end with a story of a rural entrepreneur from another part of the world, Victor Chumak. In a little more than two years, Chumak, described as a bull-like man whose flair for work is surpassed only by his remarkable command of Russian profanity, has pulled together a virtual agricultural empire. He has 1600 acres, 100 head of cattle, twelve tractors, two harvesters and three trucks. He has taken on four young families as partners and built a house for each of them.

His achievement and maniacal dedication shatter the stereotype of Soviet passivity. This is a man who made eighty trips to Moscow to beg, plead and badger government ministries for equipment. Just three years ago there were fewer than 1000 private farmers in the USSR. Now there are more than 50 000.

Let me end with a quotation from Chumak: "I have this dream and I want to see it come true. And I will not give up. To achieve a goal you have got to be a gambler, you have got to be certain you can do it. As soon as you start hesitating, doubting yourself, you'd better just give up. I am always sure of myself and people. I am sure we'll make it".

These are the words of entrepreneurship, dreams, determination, willingness to take risks. Those of us in the business of identifying and 'developing' entrepreneurs in rural areas must build our programmes upon these human traits associated with successful change.