

Rural Entrepreneurship: Issues and Opportunities with reference the Coastal Districts of Karnataka.

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Abstract: Real India is Rural India. More than 60% of population lives in rural areas. Rural development is instrumental in economic development of the nation. There are wide opportunities in rural areas, by undertaking entrepreneurial initiatives, poverty, unemployment, regional imbalances can be reduced. There are burning issues in rural areas, like lack of education, poor infrastructure, insufficient capital, lack of technology, poor information and technology, lack of awareness of quality. This paper discusses the various problems of rural entrepreneurs. There are various opportunities in rural areas which can lead to economic, social and psychological empowerment. The country will empowered when there is real development of rural areas.

Keywords: economic development, unemployment, poverty, technology, empowerment.

Introduction: The word entrepreneurship derived from the French word 'entreprendre' means to undertake. Undertaking productive activities like starting up of industries in rural area can be considered as rural entrepreneurship which gives job opportunities to local people. There are solutions for rural poverty, unemployment and regional imbalances by undertaking entrepreneurial activities in rural areas.

Objectives:

1. To understand the various factors which affects the rural entrepreneurs in Coastal districts.
2. To develop the strategies so as to overcome the challenges.
3. To examine the various opportunities in rural areas to take the entrepreneurial avenues.

Methodology:

Source of Data: The present paper based on both the primary and secondary data. To have the understanding of problems and opportunities in rural entrepreneurship, field study was conducted. Primary data was collected through the interviewing the rural entrepreneurs. Marathe Milk Products Mala, Sanjeevana and Grihini of Krishna Bhat units were selected. The study was conducted in two districts Udupi and Dakshina Kannada. Secondary data collected from various journals, books.

Problems of Rural Enterprise: There are huge opportunities in rural areas for entrepreneur to make use of cheap labour, resources and growing market. There are huge challenges before the entrepreneur like poor infrastructure, paucity of funds, unskilled workers, old technology etc creates a huge problems. Following are the major problems:

Finance: Rural entrepreneurs face the problem of funds. Inadequate funds will disturb their day to day activities of enterprise. Shortage of finance may create temporary stoppage of production; shortage of materials due to insufficient funds may postpone the production, which may ultimately lead to loss to organisation.

Entrepreneurs also fail to avail external funds due to absence of tangible securities. The lengthy procedure of financial institutions to get the financial assistance will hamper the growth of enterprise. There are instances where entrepreneurs forced to approach the local money lenders, by paying high rate of interests, which will reduce the profit margin of the entrepreneurs.

Infrastructure: All season roads will help the entrepreneurs to reach rural markets and also to enter the urban market from the rural area. Due to heavy rainfall entrepreneur finds

difficulties to reach. The telephone connections and power supply will also affect the entrepreneurs as coastal area gets the heavy rainfall.

Uninterrupted power supply will help in continuous production. There are interruptions in power due to heavy rains, and there is a load shedding, power cut in summer. The interruption in power supply will affect the continuity of production, due financial constrains the rural entrepreneurs cannot afford to buy generators

Competition: Rural entrepreneurs are facing tough competition from organised sector and from multinational companies.MNCs and organised sectors enjoy the market reputations. Large organisations reach easily with huge investment in advertisement, sales force and the distribution channels. There are many firms which produce quality products but due to inadequate investment in the advertisement, poor distribution will not reach the customers. These companies rely much on the word of mouth communication. The rural entrepreneurs are also not so successful in making the use of social media.

Middlemen: Rural entrepreneurs are having limited knowledge on market developments; they also fail to collect the raw materials due to limited knowledge which invites the entry of middlemen. These middlemen make use of weakness of rural entrepreneurs and without adding much values he corner the profits. Rural entrepreneurs depends on the middlemen regarding getting licences, documentations, approaching the market etc, he charges heavy commission which affect the profitability of the owner.

Technology: Today rural entrepreneurs are not in a position make use modern technology. Modern technology is very costly and he relies on outdated technology which consumes more power and less efficient and ultimately leads to reduction in profits and production of poor quality products. Organised sectors are making use of modern technology which reduces the wastages and innovative technology leads to production of improved products .Internet, e-commerce are play a vital role in connecting the ultimate customers, which is lacking in rural business.

Unskilled Labourers: Rural entrepreneurs cannot attract the skilled labourers. Skilled work force demand high wages.Entrepreneur will compromise with unskilled labourers as they are available at lower wages. This will affect the quality of the products.

Opportunities:

Food Sector: India with more than 6 lakhs of villages, offer huge opportunities in food sector. Packaged food category can be revenue earner for many rural entrepreneurs. It is estimated that packaged food category in the next five years is expected to generate 3.2 lakh crores of business. The floating population can create demand for food products. The coastal belt can push the various local food products like holige, halwa, jilebi.Marate Milk Products a rural firm which located in Mala a rural place near Karkala, is successful in developing milk and milk related products. Initially they focused on the milk products, after they focused on milk related products. Today they produces products like holige, peda, mysore pak,burfi. Initially they concentrated local Karkala market. There was a challenge to convince the local people as peda, burfi were very new to rural areas. After the acceptance in the rural market, they expanded their market to Chikmagalore, Mangalore, Moodbidri, Coorg etc. Today Marate Milk Products are popular and they enjoy good word of mouth in the coastal Karnataka. Marketing campaign and quality products of Marate is a model for a new entrepreneur.

Hotels, ice creams, juice centre can also offer wonderful opportunities to young rural entrepreneurs. Home industries give a job opportunity and also provide wonderful career. Pickle, papad, local confectionaries can be bread earner for a new entrepreneur. There are many organisations which produce pickles, papad, one such organisation which concentrated in manufacturing of malt power, papad, and pickle is Yajamana. They are not only producing the products but also provided the job opportunities to local people. Another avenue for an entrepreneur is instant and ready to eat segment. There are many organisations in Coastal

Karnataka who offered instant masala powders. Aduge Krishna Bhattara Rasam Powder is one which focuses on various masala powders like chilly powders, sambar powders, rasam powders. They have already created niche in the markets. Aruna masalas, Supreme feeds are other organisations who are supplying the instant masalas and expanded their markets even in urban areas. This will improve the income of rural people and also reduces the regional imbalances.

Catering business is good source of income. Festivals, ceremonies like birthdays, marriages etc will offer opportunities to supply food items like meals, snacks. There are many catering firms in coastal Karnataka who identified the opportunities and created niche in the market for catering services. Prompt supply and quality of food items will give them repeated orders.

There is an opportunities for the rural entrepreneurs in contract business. There are many organisations which enter into contract to buy the products from one party and they supply to other parties. Products like parota, chapathi, etc are being produced by one firm or local entrepreneur and this firm will supply to say hotels, canteens bakeries etc.

Beauty Parlours: Women in rural area can improve their economic status by starting the beauty parlours. Women in rural areas are now beauty conscious. Massage, facial, Mehendi, hair straightening etc will generate moderate revenue to women entrepreneurs.

Agriculture: Floriculture is another sector which can empower the rural people. Jasmine is well demanded not only by women but also for religious purpose. Shankarpura Jasmine is very popular and there is huge demand in the time of Navarathris and other festivals. Jasmine growers are earning a handsome income. There are hundreds of Jasmine growers in Udupi belt like Belman, Shankarpura, Manchakal, Shirva etc.

Collaborative Farming: It is unique model where the buyer or the company provides technical and financial supports, where the farmers and company enter into contract in which farmers grow the products and company assures the buyback of agricultural produce at pre agreed price. One such example is PepsiCo; they entered into contract with farmers to grow potatoes. These potatoes are used to produce the chips. Farmers are getting fair and equitable price for their products as there are no scopes for middlemen.

Carpentry: There are huge opportunities in carpentry segment. Today people want new and innovative designs. People construct the new houses and build the innovative offices. There is wide opportunities in decorative and there are many wood works like making of tables, furniture and sofa. There is always demand for carpentry work like door designing, railing works, fabrications.

Leather Industry: Leather bags, shoes, belts, pockets, Jerkins etc will contribute to the revenue to a rural entrepreneur. Innovative designs and creativity in leather segment can open the huge opportunity.

Ayurveda and Herbs: There is awareness in the rural people about the side effects of allopathic medicine. Today there are huge opportunities for ayurvedic products as it is free from side effects. Ayurvedic plants like Amla, Neem, Aloevera etc demanded by ayurvedic companies. Farmers by growing more of ayurvedic plants can enter into contract with various companies who produce ayurvedic medicines, tablets syrup etc. There are companies which focus on ayurveda like Himalaya, Patanjali etc, through collaborative farming there can be win win situation for producer and company.

In coastal districts there are many ayurvedic pharmacy which produces pain killer oil, various creams. Jhatpat Oil is known brand as pain killer oil, Sanjeevana also quite popular in Dakshina Kannada district.

Other opportunities:

There are other avenues like candle making, honey collections, finyle manufacturing, tailoring, jewellery. There are opportunities in agro based industry – coconut oil mills, flour mills, coir industry bio plate industry. Service sectors also a profitable venture for the rural entrepreneurs, by establishing repairs and services centres. Service provider can earn a decent income. Photocopy services, photography, mobile services, printing press, kirana shops, etc also the provide the profitable models. Tourism industry provides scope for transportation services. There are various tourism places where hundreds of people visits every day like, Udupi, Kateel, Kollur, Dharmashthala Mangalore etc, people want to travel various places like temples to beaches. There is tremendous growth in e-commerce and distribution segments. Animal husbandry, poultry farming, horticulture, event management, computer education, coaching centre, gym and yoga centre.

Strategies:

1. Educate the young people and encourage them to undertake the business in rural area. By providing training one can educate the people.
2. Financial institutions along with the government should provide loans at low rate of interests and by offering subsidies; rural entrepreneurs will come forward to take initiatives.
3. Implementing the modern technology, productivity can be improved. Internet, social media, e commerce will help the rural entrepreneur to reach the market faster. These modern technologies will help in maintaining good customer rapport. The customer relationship will build the brand loyalty and it will ultimately lead prosperity.

Conclusion:

Rural youths by undertaking entrepreneurship as a career can change the picture of rural area. Poverty, unemployment, regional imbalances can be reduced by initiating entrepreneurial activities. It can be said that, if there is a will there is a way. Rural entrepreneurship is solution for eradicating poverty. It can offer jobs to the local people and which lead to income generation; this increased income will improve the standard of living of people. India can develop if the rural area develops.

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