



RURAL ENTREPRENEURSHIP

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- “Poor of the World can’t be helped by mass production but only by production by masses”

----- Mahatma Gandhi

- Over 70% of Indians live in rural areas
- Over 75 % of rural labour force still earns its livelihood from agriculture and its allied activities.
- Thus, there is a need to develop RURAL INDUSTRIALISATION.

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- According to Khadi and Village Industries Commission (KVIC)
 - “Village Industry or a rural industry means.
 - Industry located in rural areas
 - Population of which doesn't exceed 10000
 - Which produces any goods or renders any services
 - With or without the use of power and
 - In which the fixed capital investment per head of a worker does not exceed 1000 rupees”.



■ Features of Rural Industry.

- Very Low Investment.
- Low Gestation Period.
- Use of Traditional Skills.
- Decentralised production system.
- Products are either mass consumer goods or handicrafts.
- Use of locally available raw material.
- Cater to limited market.
- Products have unique and aesthetic nature.



- Types of Rural Industry.

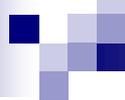
- Farm Entrepreneurs.

- Artisan Entrepreneurs.

- Merchants and Traders.

- Tribal Entrepreneurs.

- Other Entrepreneurs (educated unemployed, scheduled castes, etc).



■ Need for Rural Entrepreneurship.

- Over 70% of Indian population lives in rural areas
- Rural industries are labour intensive
- Great disparities in income of rural and urban people
- Regional development
- Rich in traditional art / handicrafts
- Reduce poverty, growth of slums, pollutions in cities
- Awaken the youth
- Increase the literacy rate of rural population



- Problems in Growth of Rural Entrepreneurship.

- Lack of Infrastructural Facilities
- Non supportive attitude of financial institutions
- Lack of technical know-how
- Lack of Communication Facilities
- Lack of Ware-Housing Facilities
- Rigidity of rules while providing of loans
- Lack of Quality Management