

Rural Entrepreneurship and Employment Generation in India: A review of Literature using R-Studio

Vaibhav Sharma

*Assistant Professor, Department of Commerce, Hemvati Nandan Bahuguna
Garhwal University, Srinagar*

EmailId: y2194sharma@gmail.com

Abstract:

Rural entrepreneurship has potential to bring paradigm shift in Indian economy. Youths from rural areas migrating to urban areas for education and employment and lastly for quality of life. The major difference between rural and urban areas in India is availability of resources. The research paper has investigated the impact of rural entrepreneurship on employment generation. Reviews of previous literature has been done and findings suggest that rural entrepreneur is having significant impact on employment generation and rural development.

Key Words: Rural entrepreneurship, Employment generation, Development, India, R-Studio

Introduction

Entrepreneurship constitutes a vital engine in the economic growth and development of the nations. (McElwee, & Atherton, 2021). Despite development initiatives and efforts in our globe, yet millions are still struggling to meet their livelihoods at acceptable standards. Even in countries that experienced economic growth, inequality and exclusion have grown sharply and chronic poverty and livelihood insecurity increased (Gashaw, 2019; Soleymani, Farani, Karimi, Azadi, Nadiri and Scheffran, 2021).

Schumpeter (1934) sees entrepreneur as maximize of opportunities; **Shapero (1975)** opined that, entrepreneur takes initiative, organizes some social and economic mechanisms, and accepts risk of failures; **Vesper (1980)** views that entrepreneur are seen differently by economists, psychologist, business persons and politicians. **Pinchot (1983)** discovered intrapreneur as an entrepreneur within an already established organization; **Hisrich (1985)** defines entrepreneurship as the process of creating something different with values by devoting the necessary time and effort; assuming the accompanying financial, psychological and social risks; and receiving the resulting rewards of monetary and personal satisfaction.

Indian government has focused on faster and sustains growth of economy. “Make in India” policy was announced by the Government of India with the intention to motivate and promote industrial development, innovation, entrepreneurship and skill development. Entrepreneur facilitates in capital formation, employment and socio-economic development. Mahatma Gandhi has rightly said that India lives in village. Rural economy is the backbone of Indian economy. Hence development of villages and rural areas will lead to development of the country. (Sanmathi, & Shruthi, 2020; Sequeira, 2020), Entrepreneurship is an effective tool of rural development. Rural entrepreneurship is an activity of commencing and operating own business which can generate rural employment and income level. Out of the total Indian population 68.75% population live in

rural areas. Agriculture is the prime occupation of rural population. The dilemmas faced by the Indian rural population are poverty, unemployment, low income, poor health facility and poor infrastructure. Establishment and development of rural industries and rural entrepreneurship is the key for the rural problems. Government of India has continuously boosted and supported the promotion and growth of rural entrepreneurship (Patil, 2020).

The focus of entrepreneurship literature has shifted from what is known about an individual entrepreneur to what should be known about the contributions of entrepreneurship to economic and social development. While a large piece of entrepreneurship studies has been occupied with large and small-scale industrial setups, the new trend of these studies is observed with artisans and farmers who form the major forces of rural entrepreneurship (Hudson, 2010; Koyana & Mason, 2017; Afolabi, 2016; Okeke & Eme, 2014; Nwankwo & Francis, 2017). The concept of rural entrepreneurship, in simple terms, implies the categorisation of all rural-inclined entrepreneurship with a focus on small business ventures, such as carpentry, tourism and other artisans (Ngugi, McOrege & Muiru, 2013; Osunde, 2016; Alabi, Famakinwa & Ogunjimi, 2017). Rural entrepreneurship emphasises rural industrialisation with an emphasis on providing for the needs of the rural dwellers through employment generation and rural development (Ihejiamaizu, 2019; Imafidon, 2014; Afolabi, 2015; Osunde, 2016). For urban people, it might represent a place for tourism (Figueiredo and Raschi 2012), while some may perceive it in demographic terms (Copus et al. 2008b). Rural areas cover majority of land worldwide and often face more problems than urban regions due to poor socio-economic infrastructure and different terrains posing a threat to production (Terluin 2003). Logistically too, rural regions have a disadvantage combined with lack of education and institutional support (Von Reichert et al. 2014). Therefore, rural development has been at the forefront of not only developing nations but developed nations too (Hernandez-Maestro and González-Benito 2014).

Entrepreneurship development is one of the most effective tools for reducing poverty and achieving sustainable development (Mordi, Simpson, Okafor, 2010). Entrepreneurship has contributed so much to the areas of employment generation, innovation, productivity and economic growth. They engender relatively much employment creation; productivity growth produces and commercialize high quality innovations. More importantly, recent studies show that entrepreneurial firms produce important spillovers that affect regional employment growth rates of all companies in the region in the long run. Some of the recent studies are Wim (2014) in study on promoting entrepreneurship in developing countries: policy challenges contends that entrepreneurial play an essential role in driving the structural transformation from a low-income traditional economy to a modern economy by creating new firms outside the household, absorbing surplus labour for the traditional sector, providing innovative intermediate inputs to final goods-producing firms, enabling greater specialization in manufacturing and by raising production and employment in both the modern and traditional sectors (Asogwa & Anah (2017)

Increased opportunities in the rural sector and enhanced quality of rural products have seen a surge in rural entrepreneurship research in the last couple of decades (Stathopoulou et al. 2004). What started as a necessity to research rural scenario due to shifts and changes occurring in rural society (Wortman 1990), soon became a field of study where entrepreneurship could contribute to rural employment (Kulawczuk 1998; Lafuente et al. 2007). However, to define rural in one particular context would be to seize its vastness and varied applicability in different domains. The overarching ability of rural entrepreneurship to encompass different contexts under one umbrella

makes it difficult to deconstruct. What works for one demographic, culture or socioeconomic setting might be completely opposite in another part of the world (**Copus et al. 2008b**).

This paper therefore essentially tries to answer the question: How rural entrepreneurship has helping them generate employment out of that. The paper has investigated the findings of existing literature with respect to rural entrepreneurship and employment generation. This review will help identify new research avenues and perspectives in the rural entrepreneurship field of research.

Literature Review

Ibrahim, (2010) in his study the finding shows that rural entrepreneurship has high potential for creating new jobs considering the vast resources abound in the rural areas. Also it further shows that it has the ability to generate more employment considering the fact that it employs more labour-Intensive mode of production.

Deller, Kures, and Conroy, (2019) in their study the result, which is consistent with the findings of the meta-analysis of Akgun et al. (2011), has strong policy implications: from an entrepreneurial perspective, the loss of younger adults is likely out-weighed by the “retirement migration” of older persons. Rural communities should not overlook the in-migration of people who are either pre-retirement age or retirees when pursuing entrepreneurship strategies.

Jayadatta, (2017) has explored that there are certainly some obstacles which we call challenges to overcome by looking forward the prospects to be a successful entrepreneur. The paper also makes an attempt to find out the challenges and problems for the potentiality of rural entrepreneurship. It also tries to focus on the major problems faced by entrepreneurs especially in the field of marketing of products, other primary amenities like water supply, availability of electricity, transport facilities, required energy and financial amenities. In the light of this research paper focuses on the major challenges and problems available in the Indian market by en-cashing the possibilities and prospects of the same to be an able and successful entrepreneur.

Kulkarni, Narkhede, and Jalgaon, (2016) have explored that Rural development is more than ever before connected to entrepreneurship. Entrepreneurship is an important driver of economic growth, productivity, innovation, and job creation, and as a key aspect of economic dynamism. Rural entrepreneurship is generally defined as “entrepreneurship emerging at village level which can take place in a variety of fields of endeavor such as business, industry, agriculture and acts as a potent factor for economic development”. MCED helps development of entrepreneurship among rural population. Training in Jalgaon district was studied. In the year 2015-16, out of total 171 participants in the six programmes, 131 women) and 40 men benefitted from EDP. Maximum participants (74) were 10th pass, followed by 12th pass (72). Majority participants were OBC (93), followed by ST (42) and SC (39). 11 participants were from general category. It empowers those sections of society who were traditionally denied equal opportunities. Overall feedback is very positive.

Ayoade, & Agwu, (2016) in their study the finding from the study revealed that several intervention programmes introduced by successive governments in the country had failed to produce the expected results. Findings further indicated a plethora of bottlenecks which are principally hinged on corruptions, bureaucratic bottleneck vis-avis inconsistencies in government policies, political instability and lack of entrepreneurial skill by majority of unemployed Nigerians.

The study recommended combined hard work on the part of the government to the development of entrepreneurship by providing an enabling environment and infrastructures coupled with the introduction of relevant entrepreneurial educational programmes in all institutions of learning be tailored towards development of entrepreneurial skills while start up loans should be made available without interests

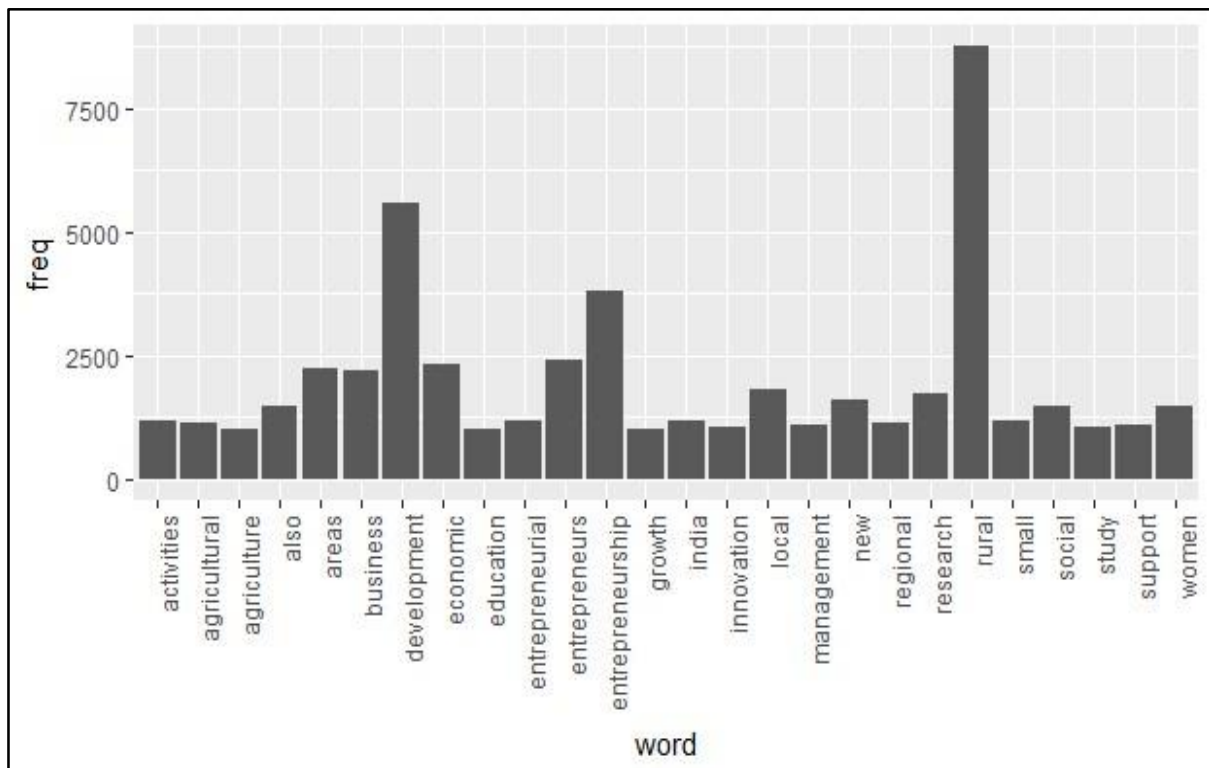
Mishra, & Dhal, (2017) have explored that India lives in villages. Majority of the population in India live in rural areas. Rural development is the main thrust area of every government of our country. Without rural development it is impossible to dream of Indian development. It is also felt that for rural development village and cottage industry development is the only solution. So rural entrepreneurship is the major indicator for rural development. The standard of living of the rural population largely depends on rural industrialisation and it can be possible when rural entrepreneurs will take the challenges of entrepreneurship. The present study deals with the role of rural entrepreneurship in rural employment and the impact of rural entrepreneurs in economic development of our country.

Panda, (2021) have investigated considering India's population growth and paucity of job opportunities, entrepreneurship is the only key to come out of the juncture of unemployment. Entrepreneurship may be in the organised or unorganised form. So far as engagement of workforce is concerned, unorganised sector in India outweighs the organised sector. But the unorganised sector fails to win the confidence of the stakeholders owing to its unsystematic approach and unavailability of regulatory framework. Due to this the stakeholders of this sector do not boast about their affiliation. This paper unfolds how the unorganised sector in India easily accommodate heavy workforce but with many gray areas

Research Methodology

The research design of this study is exploratory in nature. The existing literature has been derived from various online sources such as Elsevier Products, Emerald E-Journals, JSTOR, Sage Online Journals, Springer, Taylor & Francis Online, Wiley Online Library, Google scholar etc. The literature was searched with the help of various related key words like, rural entrepreneurship, rural development through entrepreneurship, employment generation and entrepreneurship, employability and entrepreneurship etc. Most of the articles have derived from Google scholar related to rural entrepreneurship. These papers were published in different journals of social sciences. Eighty research studies from various double blind peer reviewed journals were found appropriate for this article. The qualitative analysis of existing literature is done with the help of R-software. The R-software which helps in word clouding, text search, data mining and helps in establishing correlation between text and terms.

“R Studio” a software package that allows users to import, sort and analyse text documents, PDFs, audio files, video files, spread sheets, databases, documents, bibliographical data, web pages etc. The qualitative analysis of articles available in these formats has been done. The results provided by R –software have been presented and concluded in the following section of the paper.



This is graphical representation of various key words used in previous literature. In this frequency plot those words are used which has occurred minimum 1000 times in previous literature. The above graph highlighted that nowhere employment generation or employment creation words were used. It is clear from the above graphs that women may be the beneficiaries of rural entrepreneurship.

Table 1: Words frequency

| Sr. No. | Words | Frequency |
|---------|------------------|-----------|
| 1. | Rural | 8758 |
| 2. | Development | 5575 |
| 3. | Entrepreneurship | 3812 |
| 4. | Entrepreneurs | 2404 |
| 5. | Economic | 2316 |
| 6. | Areas | 2254 |
| 7. | Business | 2186 |
| 8. | Local | 1839 |
| 9. | Research | 1743 |
| 10. | New | 1618 |
| 11. | Women | 1501 |
| 12. | Also | 1494 |
| 13. | Social | 1488 |

| | | |
|-----|-----------------|------|
| 14. | Entrepreneurial | 1198 |
| 15. | Small | 1193 |
| 16. | India | 1167 |
| 17. | Activities | 1166 |
| 18. | Agricultural | 1149 |
| 19. | Regional | 1138 |
| 20. | Management | 1111 |
| 21. | Support | 1093 |
| 22. | Study | 1072 |
| 23. | Innovation | 1047 |
| 24. | Education | 1020 |
| 25. | Agriculture | 1016 |

This word frequency table shows that how many times these 25 most frequently words were used in previous literature. This table shows exact count of words which enable us to analyse these key words and a trend can be established. As the count of words increases it shows that in previous literature how important these key words were. The above table shows that in the previous literature of rural entrepreneurship, economic development have taken prominent place. The words like agriculture and regional shows that previous literature has emphasized on local development more.

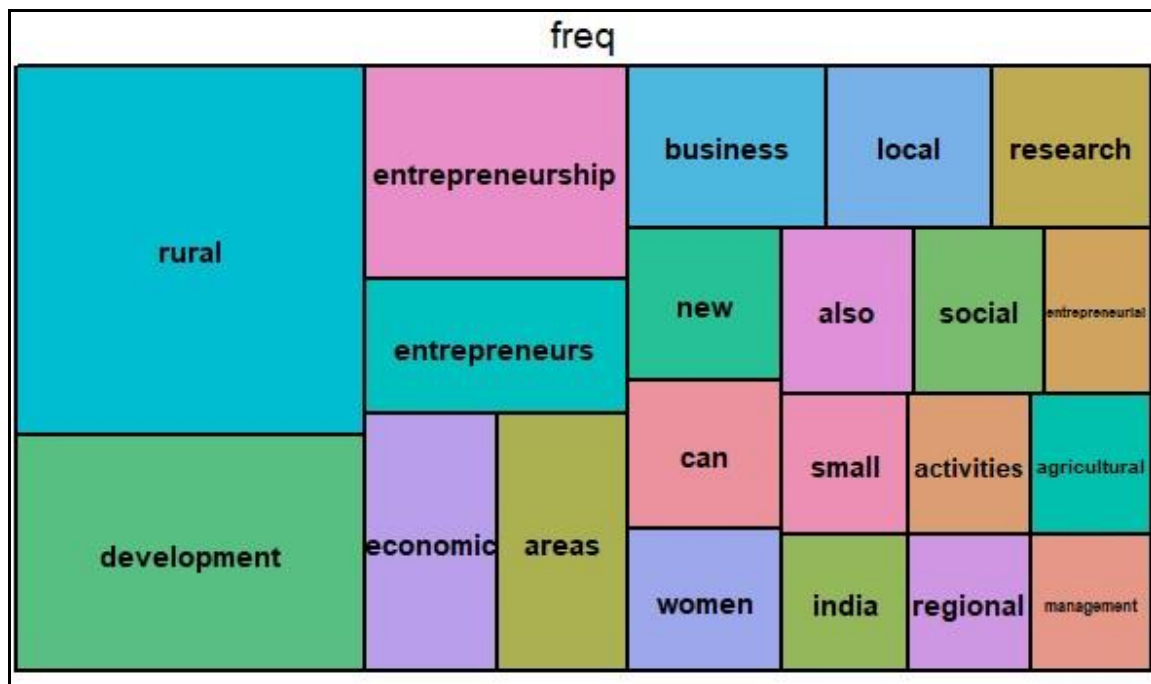
Table 3: Correlation Table

| Correlation with Entrepreneur | | | |
|-------------------------------|------|--------------|------|
| Entrepreneurs | 0.89 | Drives | 0.81 |
| Entrepreneurship | 0.85 | Gartner | 0.81 |
| Interview | 0.84 | Niche | 0.81 |
| Simply | 0.83 | Rely | 0.81 |
| Combinations | 0.82 | Sell | 0.81 |
| Entrepreneurial | 0.82 | Sells | 0.81 |
| Kilometres | 0.82 | Silicon | 0.81 |
| Minute | 0.82 | Sole | 0.81 |
| Psaltopoulos | 0.82 | Something | 0.81 |
| Recruited | 0.82 | Taxonomy | 0.81 |
| Restaurant | 0.82 | Tend | 0.81 |
| Shane | 0.82 | Empirical | 0.8 |
| Stathopoulou | 0.82 | Guiding | 0.8 |
| In | 0.81 | Indeed | 0.8 |
| Actor | 0.81 | Inspired | 0.8 |
| Appreciation | 0.81 | Investigates | 0.8 |

| | | | |
|---------------|------|-------------|-----|
| Brand | 0.81 | Locally | 0.8 |
| Entrepreneurs | 0.89 | Transformed | 0.8 |

Correlation table highlighted the frequency of association between words. This correlation table has been derived with the word *Entrepreneur*. The above table shows that entrepreneur and rural has not found strong correlation. This shows that though in other tables it is found that rural and entrepreneur has appeared maximum times. But when it comes to correlation it is very vague.

Figure 3: Tree Map



In this tree map 1100 times most frequently occurred words were used. This is the methods to elaborate the importance of different words as it has occupied space. The above tree map shows that rural entrepreneurship would have helped in economic development of country.

Discussion and Conclusion

There are few findings of this study which can be explained as follows:

- It is nowhere found that rural entrepreneurship has generated employment in India.
- It is evident from previous literature that economic development has some relation with rural entrepreneurship.
- It is evident that major beneficiaries of rural entrepreneurship are women.
- Social development gets reflected through rural entrepreneurship in previous literature. □
Regional development would have taken place due to rural entrepreneurship.

Studies suffer from limitations and conducting study on the basis of secondary sources has many limitations these are as follows:

- The data used for the purpose of the study may or may not be authentic or accurate.
- The data can be vague which cannot be used to draw any conclusion.
- It is not possible to decide that whether the sample used for the study purpose is appropriate or not.
- Author of the paper has lack of control over data quality used for this study

Employment generation is a challenging task for state. Government has taken initiative to generate employment through various means. Due to lack of employment in rural areas people are migrating to cities. That creates many types of challenges before the state. Rural entrepreneurship is not a programme initiated by the state for employment generation but it is the individual efforts of people in rural areas to start their own business and earn their livelihood. These entrepreneurial activities will create employment and will help in raising living standard of people in rural areas. The literature which has been processed and analyzed clearly indicates that there is no relation has been found between rural entrepreneurship and employment generation. Now it is a matter of concern but it is evident that rural entrepreneurship has helped in achieving regional, social and economic development. This is a positive sign that at least it is contributing positively to the nation building.

References:

1. Adewumi, S. A. (2020). Challenges and prospects of rural entrepreneurship: A discourse analysis of selected local government areas of Osun state, Nigeria. *International Journal of Business and Management Studies*, 12(2), 544-560.
2. Afolabi, A. (2015). The effect of entrepreneurship on economy growth and development in Nigeria. *International Journal of Development and Economic Sustainability*, 3(2), 4965.
3. Alabi, D. L. Famakinwa, M. & Ogunjimi, S. I. (2017). Household-based enterprises in Osun State, Nigeria. *Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development*, 17(1), 31-38.
4. Asogwa O.S & Anah S.A. (2017), Impact of Entrepreneurship Development on Economic Growth of Enugu State. A study of registered entrepreneurs in Enugu State, Nigeria *international Journal of economics, between the management research*
5. Ayoade, E. O., & Agwu, P. E. (2016). Employment generation through entrepreneurial development: The Nigerian experience. *British Journal of Economics, Management & Trade*, 11(3), 1-14.
6. Copus A, Psaltopoulos D, Skuras D, Terluin I, Weingarten P, Giray, FH, Ratering T (2008a) Approaches to rural typology in the European Union. Luxembourg: Ofce for Ofcial Publications of the European Communities, 47-54
7. Copus A, Skuras D, Tsegenidi K (2008b) Innovation and peripherality: An empirical comparative study of SMEs in six European Union member countries. *Economic Geography* 84(1):51–82
8. Deller, S., Kures, M., & Conroy, T. (2019). Rural entrepreneurship and migration. *Journal of Rural Studies*, 66, 30-42.
9. Figueiredo E, Raschi A (2012) Immersed in green? Reconfiguring the Italian countryside through rural tourism promotional materials. In: Hyde KF, Ryan C, Woodside AG (eds)

- Field guide to case study research in tourism, hospitality and leisure. (Advances in Culture, Tourism and Hospitality Research, Vol. 6), Emerald Group Publishing Limited, Bingley, pp 17–44
10. Gashaw, T., (2019), Rural entrepreneurship and enterprise development: a way out to increasing landlessness and sole dependence on farming in the rural economy, Singaporean Journal of Business Economics, and Management Studies, VOL. 6, NO. 12,1-17
 11. Hernandez-Maestro RM, González-Benito Ó (2014) Rural lodging establishments as drivers of rural development. J Travel Res 53(1):83–95
 12. Hisrich, R.D. (1986) In Entrepreneurship, Intrapreneurship, and Venture Capital (ed). Robert D. Hisrich (Lexington, MA: Lexington Books).
 13. Hudson, R. (2010). Resilient regions in an uncertain world: wishful thinking or a practical reality? Cambridge Journal of Regions, Economy and Society, 3(1), 11- 25.
 14. Ibrahim, H. (2010). The role of rural entrepreneurship in employment generation. *Journal of Arts and contemporary society*, 2(6), 78-89.
 15. Ihejiamaizu, G.C. (2019). The role of entrepreneurship in rural development in CrossRiver State, Nigeria. International Journal of Research and Innovation in Social Science, 3(6), 85-91.
 16. Imafidon, K. (2014). Entrepreneurship development for sustaining economic growth in third world nations. Journal of Emerging Trends in Economics and Management Sciences, 5(7), 101-108.
 17. Jayadatta, S. (2017). Major challenges and problems of rural entrepreneurship in India. *IOSR Journal of Business and Management*, 19(9), 35-44.
 18. Koyana, S., & Mason, R. B. (2017). Rural entrepreneurship and transformation: the role of learnerships. International Journal of Entrepreneurial Behavior & Research, 23(5), 734-751
 19. Kulawczuk P (1998) The development of entrepreneurship in rural areas. The Transfer of Power: Decentralization in Central and Eastern Europe (97–109). Budapest, Hungary: The Local Government and Service Form Initiative
 20. Kulkarni, S. M., Narkhede, P. A., & Jalgaon, J. (2016). Entrepreneurship and Rural development. *Rural Development: Trends, Opportunities and Challenges in 21st Century*, 23-30.
 21. Lafuente E, Vaillant Y, Rialp J (2007) Regional differences in the influence of role models: comparing the entrepreneurial process of rural Catalonia. Reg Stud 41(6):779– 796
 22. McElwee, G., & Atherton, A. (2021). Rural entrepreneurship. In *World encyclopedia of entrepreneurship*. Edward Elgar Publishing.
 23. Mishra, N. K., & Dhal, S. (2017). An analysis on challenges and opportunities of rural employment through rural entrepreneurship. *International Journal of Engineering & Scientific Research*, 5.
 24. Mordi C. Simpson R & Okafor (2010) The Role of Cultural Values in Understanding the challenges faced by female entrepreneurs in Nigeria, Gender in management international Journal emerald group publishing Ltd.
 25. Ngugi, J.K. McOrege, M.O., & Muiru, J. M. (2013). The influence of innovativeness on the growth of SMEs in Kenya. International Journal of Business and Social Research, 3(1), 25-31.
 26. Nwankwo, F.O. & Okeke, C.S. (2017). Rural entrepreneurship and rural development in Nigeria. Africa's Public Service Delivery and Performance Review, 5(1), 1-7

27. Okeke, F. E., Ugwu, J. I., Nebeife, D. O., & Ngige, C. D. (2020). Entrepreneurship and employment generation in selected manufacturing firms in south east nigeria. *international journal of management and entrepreneurship*, 2(1), 28-42.
28. Okeke, M.I. & Eme, O.I. (2014). Challenges facing entrepreneurship in Nigeria', *Singaporean Journal of Business Economics and Management Studies* 3(5), 23-34
29. Osunde, C. (2016). Strategies for economic growth: micro, small and medium enterprises in rural areas of Nigeria. *Business and Economics Journal*, 7(4), 1-4.
30. Panda, D. (2021). Unorganised entrepreneurship and employment generation in India. *International Journal of Information and Decision Sciences*, 13(1), 59-69.
31. Patil, M. R. B. (2020). Rural entrepreneurship in india: a study of role and challenges. *Editorial Board*, 9(4), 7.
32. Pinchot, G (1983) *Entrepreneurship*. Fifth Edition. McGraw- Hill, Irwin.
33. Sanmathi, M. S., & Shruthi, J., (2020), Awareness about Rural Entrepreneurship among Youths in Rural Areas: with Special Reference to Saragur Taluk. *Name Page No.*, 23.
34. Schumpeter, M (1934) In Hisrich, R.D and Peters, M.P (2002) *Entrepreneurship*, Fifth Edition, Mc Graw- Hill, Irwin.
35. Sequeira, R. R. (2020). Factors Affecting Rural Entrepreneurship. *International Journal of Research in Engineering, Science and Management*, 3(8), 239-240.
36. Soleymani, A., Farani, A. Y., Karimi, S., Azadi, H., Nadiri, H., & Scheffran, J. (2021). Identifying sustainable rural entrepreneurship indicators in the Iranian context. *Journal of Cleaner Production*, 290, 125186.
37. Stathopoulou S, Psaltopoulos D, Skuras D (2004) Rural entrepreneurship in Europe: a research framework and agenda. *Int J Entrep Behav Res* 10(6):404–425
38. Terluin IJ (2003) Differences in economic development in rural regions of advanced countries: an overview and critical analysis of theories. *J Rural Stud* 19(3):327–344
39. Vesper, K (1980) *New Venture Strategies*. Englewood Cliffs, New Jersey. Prentice Hall.
40. Von Reichert C, Cromartie JB, Arthun RO (2014) Reasons for returning and not returning to rural US communities. *Prof Geogr* 66(1):58–72
41. Wim N. (2010) ,Promoting entrepreneurial ship in developing countries : policy challenges, policy brief united nation university . [https:// www. Wider .unu.edu/site/default / files/ PB2010.004 pdfs](https://www.wider.unu.edu/site/default/files/PB2010.004.pdf)
42. Wortman MS Jr (1990) Rural entrepreneurship research: an integration into the entrepreneurship field. *Agribusiness* 6(4):329–344