

# Rural entrepreneurship and development programmes of Government of India : An overview

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**Abstract:** Rural area is the backbone of Indian economy as it is the largest segment of our country and the overall development of India is possible only through rural development. Progress of rural areas; have been bound up with entrepreneurship better than ever before. Entrepreneurship is an impetus for the economic well being of a country as it prompt to employment generation, increased national income, rural development, industrialization, technological development etc. rural entrepreneurs are one of the most promising factors of development in terms of poverty alleviation and economic growth. Government of India has taken various measures to protect and promote the interest of rural entrepreneurs through various entrepreneurship development programmes. However, literature discloses that rural entrepreneurs face number of problem which restricts their growth. In this paper an attempt has been made to understand thoroughly the present status of rural entrepreneurship in India and the development efforts of government to rebuild the rural entrepreneur's life and livelihood, based on secondary data.

**Key Words:** Self-employment, Rural entrepreneurship development, Economic development, entrepreneurship development programmes

## 1. INTRODUCTION:

"The future of India lies in its villages", by quoting the words of Mahatma Gandhi we can undoubtedly say that India's strength and scope of development is vested in the rural areas because India is a country of villages and majority of the population, 68.84 % of people lives in rural areas (1). As majority of the poor reside in the rural areas, the overall development of India is possible only through rural development. Rural development means both the agricultural development and non agricultural development. India is an agrarian economy and agricultural sector has much on the overall growth and development of the country generally and rural development particularly. Though, agricultural sector has played a very significant role for generation of rural employment in the Asia and Pacific region, its contribution to the overall economy has greatly reduced in the recent past (2). Non agricultural sector also has a vital role in rural development. Rural non-farm economy, in recent times, is considered as an effectual strategy for decentralization of economic activities to rural India. The census report shows that around 45.37 million rural people are employed in non-agricultural establishments while 13.13 million were engaged in agricultural activities other than crop production and plantation(1).

However, People in rural areas suffer from unemployment, poor infrastructure facilities etc. and for rural people, wage employment is only a means to make both ends meet. But they are facing reduced opportunities for employee jobs. They are struggling for better standard of living and they can never enjoy financial freedom. This meager situation can be overcome with the development of the rural entrepreneurship. So there is a great need to follow the effective rural development strategies for improving the quality of life in rural areas through entrepreneurship.

Nowadays self employment and rural entrepreneurship activities have been linked with rural development more than wage employment. Individuals are 'pushed out' of wage employment and 'pulled in' to self-employment due to lack of employee job opportunities, labour market disadvantages, and other barriers they face in becoming an employee. Self-employment is a 'safety valve' for those who cannot supply their skills to the market because of barriers they face in becoming an employee. Self-employment is something that could result from the entrepreneurial spirit. It is the stepping stone towards entrepreneurship and is considered as a strategic development mechanism that could stimulate the rural development process. Self-employed also seem to create employment opportunities that are more likely to be filled by individuals from disadvantaged groups. Progress of rural areas; have been bound up with entrepreneurship better than ever before. Rural entrepreneurship offers a solution to all type of employment related problems if it can be utilized in a wise manner.

## 2. OBJECTIVES OF THE STUDY:

- To make an overview of the rural entrepreneurship development in India.

- To review the rural entrepreneurship development programmes implemented by government.

### 3. METHODOLOGY AND LIMITATION:

This research study is based on secondary data and it is limited to a few aspects of rural entrepreneurship and reviews only a few entrepreneurship development programmes of Government of India.

### 4. RURAL ENTREPRENEURSHIP : AN OVERVIEW:

Entrepreneurs are economic development assets and entrepreneurship development enables a country to grow its economy by supporting local entrepreneurs, Rural entrepreneurs refer to those who carry out the business in rural areas with the utilization of local resources. But this rural entrepreneur is suffering with various problems like fear of risk, lack of finance, illiteracy, and competition from the urban entrepreneurs. Rural entrepreneurs increase the standard of living and purchasing power of the people by offering employment opportunity to the people in villages (23)



**Individual entrepreneurship**- it is basically single ownership of the enterprise.

**Group entrepreneurship**- Partnership firms, private limited company and public limited company.

**Cluster Formation entrepreneurship**- NGOs, VOs, CBOs, SHGs and even networking of these people.

**Cooperative entrepreneurship**- It is an autonomous association of persons united voluntarily for a common objective (23).

### 5. NEED FOR RURAL ENTREPRENEURSHIP DEVELOPMENT

- Rural entrepreneurship generates employment opportunities in the rural sector.
- Rural entrepreneurship provides financial freedom to rural people.
- Rural entrepreneurship help to improve the per capita income of rural people thereby reduces the gaps and disparities in income of rural and urban people.
- Rural entrepreneurship controls concentration of industry in cities and thereby promotes balanced regional growth in the economy.
- Rural entrepreneurship facilitates the development of infrastructure facilities in the rural sector.
- Rural entrepreneurship can reduce poverty, ignorance of dwellers and ensures growth of slums.
- Rural entrepreneurship provides new opportunities to the rural educated youth for their career development (22).

### 6. ROLE OF RURAL ENTREPRENEURS IN ECONOMIC DEVELOPMENT:

#### • **Formation of Capital**

Entrepreneurs promote capital formation by mobilising the idle savings from unproductive sector to productive sector. They utilize their own as well as borrowed resources for setting up their enterprises. Such types of entrepreneurial activities lead to enrichment and wealth creation, which is vital for the industrial and economic development of the country (3).

#### • **Provide employment**

Rural industries create large-scale employment opportunities for the rural people. The development of industrial units in rural areas through rural entrepreneurship has a great potential for employment and income generation.

#### • **Improvement in Standard of Living**

Rural entrepreneurship increases the literacy rate of the rural population. Their education and independence will make the community prosperous and thereby increase their standard of living (3)

#### • **Proper utilization of local resources**

Rural industries help in the proper utilization of local resources like raw materials and labour for productive purposes and thereby increasing productivity. They can also mobilise rural savings for productive purpose (4).

#### • **Balanced Regional Development**

Rural entrepreneurship can disperse the concentration of industrial units in urban areas and promote regional development in a balanced manner (5).

- **Revamp the rural youth**

Rural entrepreneurship can change the life and livelihood of rural youth by developing entrepreneurship as a profession

- **Promotion of art and craft business**

Art and craft business activities are protected and promoted through rural entrepreneurship and thereby preserve the heritage of our country.

**PROBLEMS IN RURAL ENTREPRENEURSHIP:** Entrepreneurs play an important role in the economic development of a country. They face various problems in growing as an entrepreneur. Some of the major problems faced by rural entrepreneurs are as under.

**Financial Problems:**

- **Shortage of funds:** Most of the rural entrepreneurs do not get credit facility due to many reasons. The prolonged procedure to avail the loan, absence of tangible security, negative attitude of banking officials etc. often disappoints the rural entrepreneurs.

- **Lack of infrastructural facilities:** Even though government has made many efforts to boost up the rural entrepreneurs, infrastructural facilities are inadequate for the development of rural entrepreneurs.

- **Risk element:** Risk bearing capacities of rural entrepreneurs are comparatively low due to lack of financial resources and external support (6).

**Marketing Problems:**

- **Competition:** Rural entrepreneurs face severe competition from large sized organizations and urban entrepreneurs. Their high input cost leads to high cost of production. New ventures have restricted financial resources and hence cannot afford to spend more on sales promotion. These units are not having any standard brand name for their products (6, 7).

- **Middlemen:** The rural entrepreneurs are largely dependent on middlemen for marketing of their products. They exploit rural entrepreneurs. Substandard Storage facilities and poor means of transport are other marketing problems faced by rural entrepreneurs.

**Management Problems:**

- **Lack of Knowledge of information technology:** majority of the rural entrepreneurs are illiterate in information technology. They cannot reap the benefits of various development programmes of government as the promotional activities of such schemes are through websites.

- **Legal formalities:** Rural entrepreneurs find it complicated to adhere to the legal formalities in getting licenses due to ignorance (6).

- **Procurement of raw materials:** poor access to finance, poor infrastructural facilities, the problem of storage and warehousing etc makes the procurement of raw materials difficult.

- **Lack of technical knowledge:** lack of modern technology in production process continues to block rural entrepreneurs from developing their potential and driving them to resort to traditional method and techniques.

- **Poor quality of products:** Another important problem is growth of rural entrepreneurship is the inferior quality of products produced due to lack of availability of standard tools and equipment and poor quality of raw materials (4, 7).

**Human Resources Problems:**

- **Low skill level of workers:** the rural entrepreneurs may not get highly skilled workers from rural areas because majority of the rural poor are either illiterate or having elementary education. They require continuous training to make them equipped with the working conditions. It increases the labour cost (4, 7).

- **Negative attitude:** the family atmosphere and society and may not be favourable for encouraging rural people to take up entrepreneurship as a career. It may be due to lack of awareness and knowledge of entrepreneurial opportunities. Therefore, the rural youth need to be motivated to take up entrepreneurship as a career, with training and sustaining support systems providing all necessary assistance (6, 7).

## **7. OVERVIEW OF RURAL ENTREPRENEURSHIP AND SELF EMPLOYMENT GENERATION PROGRAMMES IMPLEMENTED BY GOVERNMENT OF INDIA**

The Central Government has introduced various flagship programmes /schemes for the development of rural entrepreneurs; Following is a brief overview of the policy initiatives and reforms undertaken by the Indian Government through various ministries

### **7.1 Integrated Rural Development Programme (IRDP)**

IRDP was a centrally sponsored self-employment scheme, which had been in operation in all the blocks of the country since 1980 during the Sixth Five Year Plan. The programme fund was shared between the Centre and the State 50:50 on basis. It aimed at providing self employment in a variety of activities like sericulture, animal husbandry and

land based activities in the primary sector; weaving, handicrafts, etc. in the secondary sector, service and business activities in the tertiary sector. The target group consisted largely of small and marginal farmers, agricultural labourers and rural artisans living below the poverty line, Scheduled Castes/Scheduled Tribes families and physically handicapped persons. Within the target group, there was an assured coverage of 50 per cent for Scheduled Castes/Scheduled Tribes, 40 per cent for women and 3 per cent for the physically handicapped. Based on the feedback received from the State governments, suitable changes were made in the guidelines of IRDP, from time to time. In the 10th Plan document, the Planning Commission had stated that 54 million families had been benefited under the IRDP till March 1999, since the inception of the programme. The total investment including subsidy was Rs. 33,953 crore. Though the programme was successful in reducing poverty in India to a certain extent, many criticisms were raised against the efficiency in the implementation of the programme, particularly about the recovery performance which was only 41 per cent as on March 1996 (Planning Commission, 2002). It was also criticized that the programme badly affected the health of the lending financial institutions due to increasing proportion of non-performing assets and resulting defaults in loan payments. With effect from 1st April 1999, the scheme was merged into Swarnajayanti Gram Swarozgar Yojana (8).

### **7.2 The Scheme for Training of Rural Youth for Self-Employment (TRYSEM)**

The scheme, Training of Rural Youth for Self-Employment (TRYSEM), was started in August 1979, as an allied programme to strengthen the IRDP. It aimed at training about 2 lakh rural youths every year to enable them to be self-employed. Under this scheme, 40 youths were selected from each block and, to be eligible for selection, the person should belong to rural families having an income less than Rs. 3500 p.a. It was also prescribed that at least 1/3 of the rural youths trained should be women. During the Sixth Plan Against the target of 10.01 lakh youths, 10.14 lakh youths were actually trained, out of which 4.783 lakh youths were self-employed. SC and ST Members accounted for 32.9 per cent of the persons trained, while women accounted for 33.8 per cent (Planning Commission, 1985). The Planning Commission for the 8th Plan reported that during the Seventh Plan, 9.97 lakh youth were trained under TRYSEM, of which 46.5 per cent took up self-employment and 13.13 per cent got wage employment (Planning Commission, 1992). During the Eighth Plan, 15.28 lakh youth were trained under TRYSEM, of whom 34.16 per cent took up self-employment and 15.05 per cent, wage-employment; the remaining 50.79 per cent remained unemployed (Planning Commission, 1998). The report of the Working Group on Rural Poverty Alleviation Programmes for the 10th Five Year Plan showed that 45.56 lakh youths had been trained under the TRYSEM from 1980-81 to 1998-99 (Planning Commission, 2001). The TRYSEM was merged into Swarnajayanti Gram Swarozgar Yojana in 1999(8).

### **7.3 Development of Women and Children in Rural Areas (DWCRA)**

Development of Women and Children in Rural Areas (DWCRA) was introduced in September 1982, in 50 districts on a pilot basis on account of the lesser provision and benefit for women under IRDP during the first three years of the 6th Five Year Plan. The main strategy adopted under this programme was to facilitate poor individual women or organized group of woman in the rural areas with employment, skill upgradation, training, credit and other support services so that the DWCRA women can take up income-generating activities for supplementing their incomes. Under the scheme, women were granted assistance to take up viable economic activities with Rs. 15,000 as a one-time grant to be used as a revolving fund(8).

During the Seventh Plan, under the scheme, 3308 Groups covering 52170 women beneficiaries in the sixth plan were extended to 28,000 groups against the target of 35,000 with a membership of 4.6 lakh women in 161 districts (Planning Commission, 1992). During the Eighth Plan, the programme was extended to all the districts of the country. The revolving fund was increased from Rs.15, 000 to Rs.25, 000, and the formation of smaller DWCRA groups was permitted in remote areas in order to generate awareness among rural women about the development programmes implemented for their welfare. Altogether, 141386 DWCRA groups covering 2268327 women were formed during the 8th Plan, spending 190.74 crore (Planning Commission, 1998). The Working group on rural poverty alleviation programmes for the 10th Five Year Plan reported that 2.73 lakh groups were formed with 41.45 lakh members under the DWCRA during 1982-83 to 1998-99 (Planning Commission, 2001). The DWCRA was merged into Swarnajayanti Gram Swarozgar Yojana in 1999(8).

### **7.4 Supply of Improved Toolkits to Rural Artisans (SITRA)**

The scheme was launched in July 1992, as a subsidiary scheme of IRDP in selected districts and gradually extended to all the districts of the country. Under this programme, improved toolkits were distributed to rural artisans (except weavers, tailors, needle workers and beedi workers) all over India at 90 per cent subsidy, to guarantee increased income to the beneficiaries, improved quality of life, increased production etc. The scheme aims at supply of a kit of improved hand tools within a financial ceiling of Rs.2000, for which the artisans need pay only 10 per cent, while the remaining 90 per cent is the subsidy from the Government of India. The supply of power-driven tools costing Rs.4500 is also permitted. In addition to this, the artisans were trained under TRYSEM and any additional finance needed by the artisans was to be provided through loans under IRDP. Since the initiation of this scheme in

1992-93, up to 1998-99, 10.61 lakh toolkits had been distributing to rural artisans at an expenditure of Rs.209.92 crore(8). The scheme was merged into Swarnjayanti Gram Swarozgar Yojana in 1999.

### **7.5 The Swarnjayanti Gram Swarozgar Yojana (SGSY)**

SGSY was launched in April 1999, by restructuring the former rural development programmes like IRDP and its allied programmes, namely, TRYSEM, DWCRA, SITRA, GKY and MWS. It was a major self-employment scheme to bring the rural poor families (Swarozgaris) above the poverty line by providing them income-generating assets with the help of bank credit and government subsidy. The programme covered all aspects of self-employment such as selection of key activities, planning of activity clusters, organization of the poor into Self Help Groups (SHGs) having 10-15 members, their capacity building, training and skill development, infrastructure facility generation, technology and marketing support, It was provided that 50 per cent of the groups formed and 40 per cent of the Swarozgaris assisted should be women. Similarly, SC/STs should constitute 50 per cent, and the disabled should constitute 3 per cent of the Swarozgaris assisted. Further, 15 per cent of the funds under the SGSY were set apart at the national level for special projects, which had self employment generation potential in rural areas. The fund was shared on 75:25 basis by the Centre and the States (9). Under this scheme, The SHGs has received a revolving fund of Rs. 25,000 from banks as cash credit facility. There was a uniform subsidy at 30 per cent of the project cost, subject to a maximum of Rs.7500 per individual Swarozgari, 50 per cent of the project cost subject to a maximum of Rs.10000 in the case of STs & SCs and disabled Swarozgaris, 50 per cent of the cost subject to a maximum of Rs.1.25 lakh for group projects. The monetary ceiling on subsidy was not applicable to irrigation projects.

The Draft Approach Paper to the Twelfth Five-year Plan showed that though the 11th Plan recommended a total outlay of Rs 17803 crore for SGSY, the actual budgetary allocation was only Rs. 12334.3 crore (69.3 per cent). During 10 years of implementation of SGSY, 3.6 million SHGs were formed, out of which only 0.08 million SHGs took up economic activities. In spite of the huge investments made by the Government on SGSY, the physical output had not been so impressive. Poor management and administration of the scheme, inadequate banking staff and non-repayment of loans, were noted as the major difficulties in the implementation of the scheme. Target-driven SHGs formations, subsidy-driven corruption, obsession with asset formation without proper marketing mechanism, etc., were observed as the major problems as per the Demands for Grants 2010-11 Analysis Report (Rural Development Ministry)(24). SGSY has been renamed as National Rural Livelihood Mission (NRLM) by incorporating new provisions in 2011(9).

### **7.6 Deendayal Antyodaya Yojana – National Rural Livelihood Mission**

The SGSY has been restructured as National Rural Livelihoods Mission (NRLM), subsequently renamed as “Aajeevika”, and was launched by Ministry of Rural Development with the partial investment support by the World Bank on 3rd June, 2011. In November 2015, the programme was renamed Deendayal Antayodaya Yojana (DAY-NRLM). The Mission aimed at creating efficient and effective institutional platforms for the rural poor and to increase household income through sustainable livelihood enhancements and improved access to financial services. This would be achieved through universal social mobilization by organizing at least one-woman member from each rural poor household into Self Help Groups (SHGs) and organizing the SHGs at various levels, their training and capacity building, facilitating their micro-livelihoods plans, and enabling them to implement their livelihoods plans through financial support from their own institutions and the Banks. All 29 states and 5 UTs (except New Delhi and Chandigarh) are currently implementing the Mission in 3,814 blocks across 556 districts. The Mission is expected to mobilize 8-9 crore rural poor households by 2024-25(17).

An assessment of the Mission was carried out by Institute of Rural Management, Anand (IRMA), Gujarat during July, 2016 – January, 2017 as it has completed 5 years of its implementation. The report reveals that the Mission has largely been successful in creating sensitive support structures right up to the block level. The report also states a rapid growth in the promotion of Self Help Groups, federations and the increase in disbursement of bank credit. The program had most impact on women’s empowerment, access to microfinance, increase in livestock production and high cost debt reduction, while lesser impact on augmentation of natural resources, increase in agricultural production and infrastructure development. The report concludes that expectations from DAY-NRLM are rightly high because it is one of the most important poverty eradication programmes. Hence, the Mission requires higher order of funding and commitment from both the implementing agencies and community based organisations (10).

As per the performance report of DAY-NRLM in 2017, 4215 blocks were covered under intensive implementation strategy. 4.4 cr. Households were mobilized into 37.3 lakh Self Help Groups. ₹3, 666 cr. were provided as Community Investment Fund support. Sanctioned allocation for Capacity Building is not optimally utilized by State Rural Livelihood Mission to devise strategies for it. 73% of eligible SHGs are provided with Revolving Fund. 48% of eligible SHGs are provided Community Investment Fund. ₹ 14,781 Cr (48%) bank loans are disbursed against the annual target of ₹ 30,964 Cr up to Sept’17. Average NPA is 2.07%. 1,391 SHG members positioned as BC agents (10).

Various sub-schemes have been formulated under NRLM. Some of them are for rural entrepreneur's development such as Start –up village entrepreneurship programme (SVEP), Aajeevika Grameen Express Yojana (AGEY).

### **7.7 Start –up village entrepreneurship programme (SVEP)**

Start-up Village Entrepreneurship Programme is being implemented as a sub-scheme under National Rural Livelihood Mission (NRLM) under the Ministry of Rural Development introduced during the Budget session of 2014-15 for encouraging rural youth to take up start-ups. It is a focused intervention to promote start-up entrepreneurship at village level by rural poor households by providing assured availability of need based financial support, capacity building and advisory services for establishment of village enterprises. In the process, SVEP brings banks and financial institutions closer to the village entrepreneur. The initial support was for creating and strengthening of 1 82200 village enterprises in 125 blocks across 24 States in the country over a 5 year period from 2014 - 15 to 2018 - 19. Based on the success of this initial phase of 5 years, it will be taken up in all the blocks of the country in sync with the roll out of NRLM.(17) This intervention has the potential to reach out to one crore rural entrepreneurs and generate employment for more than two crore people over the next 12 – 15 years. Under the programme, 40 blocks across 20 States have been taken up in 2016-17 and 43 blocks in 9 states have been approved in 2017-18. As on October 2017, 7800 enterprises have been promoted across 17 States. It is expected that SVEP will support an additional 25000 entrepreneurs during the year 2018-19(11).

The Kerala government has announced 12 startup projects under the State Poverty Eradication Mission's Kudumbashree programme as a part of SVEP. Under the new scheme, the SVEP projects will be introduced in all districts across the state. The programme has already been implemented at Parakkode block in Pathanamthitta and at Vadavukodu block in Ernakulam district. As per official report Rs. 6.5 Cr has been allocated for each block. Upon successful implementation, Kerala will emerge as the only state in the country to have introduced the SVEP project in all its districts (18).

### **7.8 Aajeevika Grameen Express Yojana (AGEY)**

The Government of India has introduced a new sub-scheme under Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY - NRLM) entitled Aajeevika Grameen Express Yojana (AGEY) from the financial year 2017-18. The main Objectives are to provide an alternative source of livelihoods to members of SHGs by facilitating them to operate public transport services in backward rural areas and to provide safe, affordable and community monitored rural transport services (e-rickshaws, 3 and 4 wheeler motorized transport vehicles) to connect remote villages with key services and amenities (including access to markets, education and health) for the overall economic development of the area. Under the programme, the Community Investment Fund (CIF) provided to Community based Organizations (CBOs) under the existing provisions of DAY - NRLM scheme will be utilized to support the SHG members to operate the public transport services (17). The sub-scheme will be implemented in 250 blocks in the country on a pilot basis for a period of 3 years from 2017-18 to 2019-20. As on October 2017, proposals from 17 States have been approved and 153 vehicles have started operating in rural areas under this scheme. (11).

### **7.9 Prime Minister's Employment Generation Programme (PMEGP)**

Government has been implementing a credit linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) since 2008 by merging the two schemes namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP), with Khadi and Village Industries Commission (KVIC) as the nodal agency. PMEGP has been implemented at the national level for generating employment in the country by setting up of microenterprises in the nonfarm sector under the Ministry of Micro, Small and Medium Enterprises. Under PMEGP, general category beneficiaries can avail of margin money subsidy of 25 per cent of the project cost in rural areas and 15 per cent in urban areas. For beneficiaries belonging to special categories such as scheduled castes, scheduled tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35 per cent in rural areas and 25 per cent in urban area. Under the scheme, the maximum cost of project is Rs 25 lakh in the manufacturing sector and Rs 10 lakh in the service sector (12).

In March 2008, the Ministry had generated an estimated 46.62 lakh and 49.45 lakh additional employment opportunities under PMRY and REGP respectively. Since the inception of the PMEGP in 2008-09 to as on March 2013, more than 2, 21,000 new entrepreneurs have been assisted, over two million employment opportunities have been created and Rs 5,037 crore released as margin money subsidy. Reference to the Evaluation Study (PMEGP) conducted by Management Development Institute (MDI) in January, 2017, Since August 2008 to March 2016, projects funded was 358931 (70 per cent of its target) involving government subsidy of ₹ 7,219.78 crore (95.7 per cent) and

employment generated were 3048680 i.e., 67 per cent of its target. While the utilization of subsidy was less than 50 per cent in 2008-'09, it has risen to 100.37 percent in 2016-'17(25).

The success of PMEGP was impeded by various structural gaps in the implementation. The study highlighted certain challenges. They are: delay in the process of sanctioning of loans at different stages, hypothecation & collaterals asked for, physical verifications & delay in adjustment of margin money, records keeping, hand holding, access of data & reporting by implementing agencies and marketing for products(25).

### **7.10 Stand up India scheme**

The Stand up India scheme has been launched on 5 April 2016 under the Ministry of Finance, which aims at promoting entrepreneurship among women and scheduled castes and tribes. This Scheme facilitates bank loans between Rs 10 lakh and Rs 1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or woman entrepreneur. Each bank branch is to extend loans to at least one SC/ST and one woman entrepreneur. The Scheme is implemented through 1.25 lakh bank branches of all Scheduled Commercial Banks. The loan shall be a composite loan to meet the requirement of fixed assets and working capital with rate of interest being the lowest applicable rate of the bank for that category. As on 23.12.2016, total number of loans sanctioned under Stand Up India Scheme is 15341 (Women: 12055, SC: 2568 and ST: 718). As on Oct 10, 2017 - In all, the 42 RRBs have sanctioned Stand Up India loans to 536 people — 97 under the SC head, 32 in the ST category and 407 general category women. Three RRBs have not sanctioned a single such loan to general category women (16).

As per the data on loans obtained from the Department of Financial Services, Ministry of Finance, by The Indian Express under the Right to Information Act, 17 months after its inception, hardly six per cent of the 1.3 lakh bank branches have provided Stand Up India loans to Scheduled Caste/Scheduled Tribe individuals. And less than 25 per cent of the branches have provided loans to women in the general category. 21 public sector commercial banks, 42 regional rural banks and nine private sector banks have provided Stand Up India loans to 5852 SC applicants, 1761 ST individuals, and 33321 general category women (19).

The total loan amount sanctioned across banks is Rs 8,803 crore - so far, only Rs 4,852 crore has been disbursed. Data shows that the 21 public sector commercial banks have together sanctioned Stand Up India loans to 38,111 individuals – 5559 of them are SC 1653 ST and 30899 general category women. Nine private banks have together sanctioned such loans to only 196 SC, 76 ST individuals and 2,015 general category women. Of the nine private banks, IndusInd Bank has sanctioned 184 Stand Up India loans to SC individuals. 15 of 42 regional rural banks (RRBs) have not provided a single Stand Up India loan to any SC individual. Of the 42 RRBs, 33 banks have not sanctioned even one such loan to any ST individual. In all, the 42 RRBs have sanctioned Stand Up India loans to 536 people - 97 under the SC head, 32 in the ST category and 407 general category women. Three RRBs have not sanctioned a single such loan to general category women (19).

### **7.11 Pradhan Mantri Mudra Yojana (PMMY)**

Pradhan Mantri Mudra Yojana (PMMY) is launched on 08 April, 2015 under the Ministry of Finance, to provide formal access of financial facilities to Non-Corporate Small Business Sector (NCSBS). The Government had announced the MUDRA scheme- Micro Units Development & Refinancing Agency operated by SIDBI under PMMY to meet the credit availability requirements of startups. The main objective is to promote & ensure bank finance to unfunded segments of the economy. NCSBS comprising of proprietorship / partnership firms running as small manufacturing units, service sector units, shopkeepers, fruits / vegetable vendors, truck operators, food-service units, repair shops, machine operators, small industries, artisans, food processors and others, in rural and urban areas are targeted clients. Mudra Bank has divided borrowers into three categories such as: Shishu loans up to Rs 50,000/- Kishor loans above Rs 50,000/- to up to Rs 5 lakh Tarun loans above Rs 5 lakh to up to Rs 10 lakh. Any citizen, who is otherwise eligible to take loan and has a business plan for a small business enterprise, can avail MUDRA loan up to Rs.10 lakh (13).

Reference to the official report, during the year 2015-16, Government has sanctioned 34880924 loans. Loan amount sanctioned was ₹1,37,449.27 crore and amount disbursed was ₹1, 32,954.73 crore. During 2016-17, Number of loans sanctioned was 39701047. Loan amount sanctioned was ₹1,80,528.54 crore, and disbursement was ₹1,75,312.13 crore. Beyond the success of FY16, the government had set the target of ₹ 2.44 lakh crore for disbursements in 2017. But the actual disbursement was 71.4% of the target (20). It does not mean that the scheme is unsuccessful. The reason may be the demonetization effect. However, Yojana has created total number of 54479763 jobs. This includes 377753217 direct jobs and 16726545 indirect jobs.(14). 2018 budget allocation for Mudra bank is Rs 3 lakh crore, nearly 20 per cent rise from the last years' allocation of Rs 2.44 lakh crore (21)

## 8. RESULT AND DISCUSSION:

Above reviewed schemes clearly reveals that the government is leveraging on rural entrepreneurship development for ensuring sustainable development in rural areas. Even though Government of India has offered many sophisticated entrepreneurship development schemes for the promotion of rural entrepreneurs which includes many infrastructure development programmes, loan disbursement schemes, training oriented programmes etc., the facilities provided are not fully utilized due to various reasons. The main reason is that absence of proper monitoring and surveillance system at various levels of implementation to analyze the results of these initiatives periodically and to avoid the overlapping of activities performed by different programmes. Another problem is that rural people are not much aware of the tremendous potentialities of different developmental schemes of GOI which can be utilized to become a successful entrepreneur. So, wide ranges of promotional campaigns are needed to project the salient features of each scheme. Another one is that most of the rural youth do not think of entrepreneurship as the career to become financially independent and also they are not willing to take risk as compared to a secure job. Therefore, the rural youth need to be motivated to take up entrepreneurship as a career, with training and support structure for providing all necessary assistance.

## 9. CONCLUSION:

Employment generation is the most effective method of rural development. But for the rural people, access to employment in the organized sector is limited. So for highly populated rural areas; self employment is the best possible solution for development. Self employment is the stepping stone towards rural entrepreneurship. As entrepreneurship seems a means to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment in rural areas, its vast opportunities cannot be tapped by the rural poor (15). In India, rural entrepreneurship development programmes are most advanced and multidimensional in nature by covering all areas of entrepreneurship. It involves training, sensitive support structure, financial support system and infrastructural development to assist rural people in nurturing entrepreneurship in rural areas. A strong rural entrepreneurial system ensures self-sufficient rural communities, increased sources of income, infrastructure development, capacity building, rural community rejuvenation, poverty reduction (8) so, rural entrepreneurship is an ideal solution to the problem of rural unemployment and rural underdevelopment.

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