



# Promoting Rural Entrepreneurship Through Skill Development for Decent Livelihood: A Review

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## ABSTRACT

Unemployment, especially among rural people is a biggest challenge for India. As a result rural people are moving towards urban areas to obtain better employment opportunities and amenities of life. Agriculture is the principal economic activity but due to post harvest losses like food weight loss, loss of food quality, loss of food values, loss of economic values, make food less acceptable by consumers that results poor earning or less profit to farmers, a solid factor of rural poverty. Rural youth are educated but not skilled unlike urban youth. Lack of new, challenging and better job opportunities in agriculture sector limits the job opportunities for educated rural youth. So there is a need to generate agripreneurship and new agricultural job opportunities to reduce migration of rural people and to promote rural upliftment. Thus the entrepreneurship in food processing and value addition of food can create boom in employment for rural areas. It is a better way to combat poverty and for rural development. Government has started so many vocational courses, training programs, schemes and programs for skill development of youth to promote rural entrepreneurship.

**Key Words:** Entrepreneurship, Skill development, Agripreneurship

## INTRODUCTION

In India major population is still living below poverty line especially rural population. They have to struggle to meet even their primary need. Their living status is very low. A large number of people are being shifting from rural areas to urban areas in search of better amenities of life and employment opportunities. Urban population is increasing and rural population is decreasing day by day. According to Census report of 2011 the urban population is growing from 10.8% to 31.2%. There are many leading factors, responsible for migration of rural population towards urban area. Unemployment is one of those influencing factors. In India majority of population (68.8%) is living in rural area are dependent on agricultural activities for their bread and butter. Agriculture provides limited job opportunities so there is need to promote rural entrepreneurship. Successful farmers differ from others in terms of three personality traits. They have more belief in their ability to control events, problem-solving abilities and social initiative (Schiebel, 2002). Entrepreneurs are the people

who exhibit common traits such as single-mindedness, drive, ambition, creative, problem solving, practical, and goal-oriented. An entrepreneur is an individual who recognizes an opportunity or unmet need and takes the risk to pursue it. He needs to develop these abilities, managing productivity and seeking out new markets (Singh A.P., 2013). A major long-term challenge in India is that many youth, because of lack of awareness and improper training on agripreneurship are migrating from rural to urban areas. They cannot afford to remain unemployed for long and, hence, pick up activities which lead to underemployment (Narendran K. & Ranganaathan T.T, 2015). The most important quality of entrepreneur is the capacity to bear risk related to his enterprise establishment and nourishment and its management by simple and creative solutions as farmers invest more human and non-human resources, getting poor or less profit in agricultural activity. Therefore farmers can be proved better entrepreneur if proper training is given. Similarly a farmer owning and cultivating land in same will be ideal person to start a micro or medium enterprise. Rural people are not well skilled as

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urban people are well educated in skill courses like engineering, medical and so on because of their financial problems. Rural areas are rich in raw material for industries. However the income level of rural people is lower than urban people because of centralization of processing centers in urban areas. Centralization of employment opportunities in urban areas not only results unbalanced development but aggregation of urban slums. Prosperity of rural areas will not come unless employment will be created at the rural areas itself. Establishment of micro or household industries in rural areas can break the cycle of poverty and ensure food safety and way to decent livelihood by providing employment to rural youth, women, farmers and landless people. The energy of womenfolk can be used for productive purpose with establishment of small and micro enterprises in rural areas. Thus creation of new opportunities of employment in rural areas is seen the best way to stop distress migration from village.

### **Need to promote rural entrepreneurship**

Entrepreneurship development is the driving force of socio-economic growth of any nation. Sah (2009) stated that developing entrepreneurs in agriculture will solve the entire problem like dependency on agriculture, rural unemployment and migration from rural to urban areas, Personal qualities of an agri-entrepreneur, significantly affect the agribusiness (Brockhaus and Horwitz, 1986; Nandram and Samson, 2000). Agriculture and allied sectors are considered to be mainstay of the Indian economy because these are important sources of raw materials for industries and they demand for many industrial products particularly fertilizers, pesticides, agriculture implements and a variety of consumer goods (Bairwa et al., 2014). The development of entrepreneurship in village will create utilities and generation of employment at rural area. It starts from the innovation of the idea to establishing, nourishing the enterprise at rural sector. Jobs in agriculture sector are limited. Migrants coming from villages in search of employment to obtain decent livelihood are forced to do lower job in urban areas to sustain themselves and their condition becomes poor to poorer. So it becomes need of the day to promote agripreneurship and establishment of enterprises related to agriculture raw material at rural areas. The trend of establishment of rural industries will reverse the migration to urban areas. People prefer more to buy cost effective products. The total cost of the product will be reduced to start enterprise based on local available resources. Rural entrepreneurship will not only bring prosperity in villages but will also save energy, consume in the transportation of bulky amount of raw materials and human-resources to the nearby urban areas for employment.

### **Food processing as a solution**

Agriculture is the principal means of livelihood for Indian population. In India most of the people are engaged in farm-

ing and allied activities. Farmers face huge loss every year due to post harvest losses like food weight loss, loss of food quality, loss of food values, and loss of economic values that make food less acceptable by consumers, results poor earning or less profit to the farmers, a solid factor of rural poverty. Food processing industry employs 13 million people directly and 35 million people indirectly (Government of India, 2011-12). Even after a strong agricultural production base, food processing industry of India is still under developed. The highest share of the processed food is in the dairy sectors whereas 35% of total produce is processed, and only 15% is processed by the organized sector. The processing level is around 2.2% in fruits and vegetables, 21% in meat and poultry products. Of the 2.2% processing in fruits and vegetable only 48% is in organized sector remaining in unorganized sector (Mohammad Rais et al, 2013). Increasing urbanization, consciousness on health and nutrition and changing life style are changing the consumption habits of India. The number of working women, single students/professionals and nuclear families are creating demand for processed, ready-to-eat foods (Mohammad Rais et al, 2013). Food processing sector can create boom in employment sector by generating new and diversified job opportunities for rural people. In India Post-harvest losses are higher in fruits and vegetables. Most of the people consume raw fruit and vegetable. Very less amount of fruit and vegetable is being used in food processing. Though processed and value added food are very popular among people and the demand of processed food is increasing. Food processing enhances the shelf life of food. In this way entrepreneurship in food processing and value addition is emerging as a solution of rural migration, rural unemployment, rural poverty and food insecurity among rural population. In present time processed and value added food products are very popular among people. Food processing is labor intensive and can provide numerous diversified job opportunities to the farmers, youth and women. In this sector micro and cottage industries can be started at their own place by local people. Availability of raw material and human resources for establishment of enterprise reduces the total cost of production. Skill development in food processing sector is central to improve employment and livelihood opportunities, reduce poverty, enhancing productivity and food safety.

### **Need of skill development for entrepreneurship**

Education certainly opens the doors to lead a life of liberty but skills makes that liberty meaningful by allowing one to achieve prosperity. Education and skills increase the ability to innovate and adopt new technologies in agriculture and enhance farmers' performance (Hartl M., 2009). There is a wide gap between skills needed and available. If India is to make its presence in the world market, then there is a need to bridge this gap as soon as possible. There is a huge gap in demand and supply market. According to a survey done by

NSDC, there is a huge demand for skilled workers at all the stages in food processing industry, especially for person with short term course training, having education level below 10th/ 12th standard (Mohammad Rais *et al.*, 2013). India currently faces a severe shortage of well-trained, skilled workers. It is estimated that only 2.3 % of the workforce in India has undergone formal skill training as compared to 68% in the UK, 75% in Germany, 52% in USA, 80% in Japan and 96% in South Korea (www.firstpost.com, 2017). There is wide gap between skill needed and skill available. Lack of skilled and trained manpower in food processing industry is also a big issue. Around 58% of the employers are dissatisfied with technical skills and knowledge needed for the industry (<https://issue.com/advanceinfomedia/docs/> oil food journal august 2014/40). There are emerging skill shortages due to mismatch between the demand for specific skills and available supply. In fact, of late shortage of skilled, semi-skilled and unskilled workers has emerged as a critical factor impacting the competitiveness of Indian food industries. Around 58% of the employers are dissatisfied with technical skills and knowledge needed for the job (FICCI survey, 2009). Also 72% showed discontent with employees' ability to use appropriate and modern tools, equipment, and technologies, specific to their job (FICCI survey, 2010). A study carried out by Sanjeeb Hazarika (2016) on 40 entrepreneurs (included men and women both) of Assam who have started their enterprise after receiving training from State Institute of Rural Development (SIRD) indicated that 67% of the entrepreneur's living status was improved. Skill and knowledge about enterprise to be started are the prerequisite for an entrepreneur. Lack of education and lack of skill is a pestilence that we need to overcome in over current system and the faster we do this, the better for all concerned. The shape of enterprises and jobs are being change with the development of new technology. A large section of the educated workforce has little or no job skill, making them largely unemployable. Skilling of rural population will improve economy and growth in GDP (Gross domestic Product) and has a cascading effect on employment opportunities for creating rural entrepreneurship. Rural entrepreneurship is the way to improve living standard of rural people. It is necessary to train rural people for reducing rural migration rate, poverty alleviation and unemployment eradication.

### **Promoting youth entrepreneurship through training**

The majority of the world's youth live and work in rural areas, rural labour markets in most developing countries do not provide sufficient decent work (FAO, 2013). In 2012, the global youth unemployment rate was 12.4%, almost three times higher than the corresponding rate for adults (ILO, 2013). A study conducted by Sanjeeb Hazarika to know motivational role of training and its effect on starting an enter-

prise in rural area showed that overall employment in the units had increased at the rate of 23%, 63% of the entrepreneurs have developed their leadership skills through various training, 59% respondents have upgraded themselves technically with the support of technically skilled trainers, 52% of respondents could efficiently allocate available resources. It is important to discuss that 71% women established their small enterprises and earn their livelihood after getting training. The study also revealed that only 13% of respondents were aware to a few of the schemes and again only 13% respondents had come to know about programs through print media and rest of them came to know from friends and relatives (Sanjeeb Hazarika, 2016). A multi-prolonged approach to employment promotion- including a favorable macro-economic environment, skills and labour market policies that facilitate the school-to-work transition, rights at work, youth entrepreneurship and social protection of young workers- is essential. Shaping effective policies for decent work for young people- at home and in the context of migration – requires the engagement of governments, employers' organizations and trade unions in social dialogue. Promoting and incentivizing youth participation in the agricultural sector will provide much-needed employment opportunities for rural youth, and help fortify food security at the household and national levels (FAO, 2013). Majority of youth population live in rural area. In India, deficit of decent work and poverty is higher among youth and women. For rural development it is necessary to bring youth in main stream of development by developing their skill. Very small efforts and basic training regarding establishment and nourishment of enterprises can motivate rural people for making them as an entrepreneur. Rural youth are not well educated if educated they are not skilled like urban youth. In this situation it becomes necessary to develop skill among youth generation to achieve decent livelihood. So it has become a need of the time to focus overall skill development in order to become a great power and utilize our demographic dividend i.e. strength of youth.

### **Need to promote women entrepreneurship**

There is a strong and genuine need to free the women from under-productive tasks and augment the productivity of their work as a means of accelerating the development process. One of the options is to promote micro and small-scale enterprises for women to increase their productivity and family income. One such option is Post Harvest Technology based enterprise for women. It would not only augment their income but also help in achieving household food and nutritional security at an affordable cost (Nawab Ali, Post-harvest technology for employment generation in rural sector of India). The female population accounts almost half portion of the entire population in India, and have adequate potential to give pace to country's economy only if their participation in the workforce will be increased. Entrepreneurship in food

processing provides job opportunities for women near their home place. Women can get viable income, decent work by developing their skill and thus can turn out to be major role in contributing equally to the economic growth of the nation. Furthermore, there is a need to replace the conventional vocational courses with the emerging technological ones for promoting youth's and women's participation in nontraditional occupations.

### **Government Initiatives for skill development and promoting entrepreneurship**

The Ministry of Skill Development and Entrepreneurship was set up in November 2014 to drive the 'Skill India' agenda in a 'Mission Mode' (Ministry of skill development and entrepreneurship). Indian government has established separate ministry 'Ministry of Skill Development and Entrepreneurship' for promoting entrepreneurship and skill development. Various Government and non-government programs and schemes are being run for generating better amenities and decent livelihood for rural and poor people. Recognizing the importance of rural entrepreneurship and skill development number of initiatives "Start-up India" and "Stand-up India", Pradhan Mantri Kaushal Vikas Yojana and Aajeevika is recently launched. Government of India is implementing various programs and schemes with objectives to promote entrepreneurship and building capacity by skill up-gradation and self-employment oriented training programs on skill development for youth, entrepreneurs, farmers and women. Support to Training and Employment Program (STEP) aims to provide skills that give employability to women and to provide competencies and skill that enable women to become self-employed or entrepreneurs (Ministry of Women and Child Development). Priyadarshini scheme empowers poor women and adolescent girls through Self Help Group formation. Rural Self Employment and Training Institutes are non-profit institutions established with the support of State and Central Governments to mitigate the unemployment and underemployment problems among rural youth through capacity building and by facilitating in settlement in vocations. National Urban livelihoods mission aims employment through skill training and placement of urban poor (Yojana, October, 2015). Some other programs and schemes like Training of Rural Youth for Self Employment (TRYSEM), Integrated Rural Development Programme (IRDP), NABARD, Mahila Udyami Scheme, Women Enterprise Development (WED), Swarojgar credit card, Pradhanmantri Mudra Yojna, Micro Credit Scheme (MCS), Development of Women and Children in Rural Areas (DWCRA) are running to train youth and women and promoting rural entrepreneurship to get decent livelihood.

## **DISCUSSION**

It is noticed that rural people are migrating day by day for searching new employment to get better livelihood. Rural areas are rich in human and non-human resources. Farmers face huge post-harvest losses every year due to poor storage of food product thus the entrepreneurship in food processing may become a perfect solution for rural unemployment. There is gap between skill needed and available. Rural youth and women participation in rural entrepreneurship should be promoted through training to reduce rural poverty. So many Government schemes are being run by the Government to promote rural youth and women participation in rural entrepreneurship establishment.

## **CONCLUSION**

Rural entrepreneurship is the solution to reduce rural migration. Skill development of rural population is recognized as an urgent need of the day to reduce rural migration and achieve decent livelihood. Government has launched many strategic measures to get decent livelihood through entrepreneurship development at rural sector but in spite of programs, schemes and vocational courses India is considered as industrially underdeveloped country. People are not aware of these government initiatives. So it is necessary to raise awareness among rural people regarding government schemes and programs being run for the promotion of rural entrepreneurship. Mass media play an important role to disseminate new information among the people. Electronic media has a vital impact on audience. But the electronic media like T.V, radio, Internet, Mobile are not much involved to disseminate information regarding government schemes and programs to promote rural entrepreneurship. Therefore the use of effective media for the motivation and promotion of rural entrepreneurship should be increased. With the development of technology, the demand of technically skilled labors is increased. Rural people are not technically skilled. So it becomes an urgent need to develop technical skill of rural people to fill this skill gap. Women and youth are deficit in decent livelihood. Youth and women should be motivated to participate in economic development of nation through establishing enterprises at local area. Conventional vocational courses should be replaced by new vocational courses based on technology for rural development.

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