

CHALLENGES AND OPPORTUNITIES FOR RURAL ENTREPRENEURSHIP IN THOOTHUKUDI DISTRICT

M. Esakki Muthu,
Research Scholar (Full Time),
*Reg.No:19214011011029, Department of Commerce, Manonmaniam Sundaranar University,
Abishekapatti, Tirunelveli*

****Dr. B.Revathy,**
*Professor & Head, Department of Commerce, Manonmaniam
Sundaranar University, Abishekapatti, Tirunelveli-12, Tamilnadu.*

Abstract

Rural enterprises play an important role in the development of Indian economy. It aims at raising the standard of living of the people especially in rural areas. It plays a vital role in generation of local employment, balanced resource utilization, income generation, improving the standard of living of the people in rural areas. Thus, rural enterprises are growth engine that triggers development process. Such enterprises are struggling with the day-to-day problems. The productivity of such enterprises is affected by improper management. The entrepreneurs are weak in managing the units due to lack of adequate managerial skills. In this context, the present study titled “Opportunities and Challenges of rural entrepreneurship in Thoothukudi District” is to explore the opportunities and challenges for rural entrepreneurship. The study is exploratory in nature and is based on questionnaire survey. Rural entrepreneurs in Thoothukudi district constituted the population of the study. Sample was selected from entrepreneurs in rural area of Thoothukudi district. It is found that support and motivation to local people ranks first among opportunities of rural entrepreneurs with a mean score of (61.25) which is followed by employment generation for rural youth(58.51)

Keywords: *Challenges, economy, employment Generation, rural entrepreneurs, rural enterprises, opportunities*

INTRODUCTION

Rural entrepreneurship has an imperative role to play in the development of Indian economy. Rural entrepreneurship means entrepreneurship emerging in rural areas or establishing industries in rural areas. According to Pertin (1997), Rural Entrepreneurship is more likely to furnish in those rural areas where the two approaches of rural development, the bottom up and top down, complement each other. A rural entrepreneur is the one, who prefers to stay in the rural area and contribute to the creation of local wealth. However, the economic goals of an entrepreneur and the social goals of rural development are more strongly under linked in urban areas. For this reason entrepreneurship in rural areas is usually community based and has strongly extended family linkages and relatively has high impact on rural community. Rural development is one of the key strategies to reduce poverty and create Income and employment opportunities. It helps to ensure balanced regional development in our country.

STATEMENT OF THE PROBLEM

Rural enterprises play an important role in the development of Indian economy. It aims at raising the standard of living of the people especially in rural areas. It plays a vital role in local employment creation, balanced resource utilization, income generation, improving the standard of living of the people in rural areas. Thus, rural enterprises are growth engines that trigger development process. Such enterprises are struggling with the day-to-day problems. The productivity of such enterprises is affected by improper management. The entrepreneurs are weak in managing the units due to lack of adequate managerial skills. In this context, the present study titled “Opportunities and Challenges of rural entrepreneurship in Thoothukudi District” s to explore the opportunities and challenges of rural entrepreneurs in Thoothukudi district.

OBJECTIVES OF THE STUDY

The study has the following objectives.

1. To identify the opportunities of rural entrepreneurs in Thoothukudi district
2. To study the challenges of rural entrepreneurs in Thoothukudi district

METHODOLOGY

The study is exploratory in nature and based on questionnaire method. The study is mainly based on secondary data and primary data. The primary data were collected through structured questionnaire duly filled by the rural entrepreneurs.

POPULATION

Rural entrepreneurs in Thoothukudi district constituted the population of the study.

SAMPLE UNIT

The entrepreneurs in rural area of Thoothukudi district were taken as the sample unit.

SAMPLE DESIGN

Sample was selected from entrepreneurs in rural area of Thoothukudi district, who were categorized according to their educational status. Data were collected from 200 respondents

SAMPLING TECHNIQUE

A sample of 200 respondents is selected through non-probability convenient sampling technique from rural entrepreneurs in Thoothukudi district, who are categorized on the basis of their age group, residential status, marital status, income, educational status, scale of business and their nature of business.

DATA COLLECTION

The study is mainly based on secondary data and primary data. The primary data were collected through structured questionnaire duly filled with rural entrepreneurs.

Secondary data were collected from published materials like books, pamphlets, articles, newspapers, journals, thesis and annual reports on entrepreneurs.

LIMITATIONS OF THE STUDY

The study is limited to the rural entrepreneurs in Thoothukudi district. Similar research at a larger scale could give result that can be generalized further. Convenient sampling was used in the study, so that each area gets adequate coverage and representative sample can be drawn from the universe. In spite of all these limitations, an earnest attempt has been made to arrive at fair, objective and representative conclusion by analyzing the available data elegantly and tactfully.

ANALYSIS AND INTERPRETATION

Opportunities of Rural Entrepreneurs

Garret ranking analysis is used to find out the opportunities of rural entrepreneurs. The result of garret ranking analysis is presented in the following Table.

Table 1
Opportunities of Rural Entrepreneurs

| Sl. No | Opportunities | Total Score | Average | Rank |
|--------|--|-------------|---------|------|
| 1. | Support and motivation of local people | 12250 | 61.25 | I |
| 2. | Competitive advantages | 6240 | 31.20 | VIII |
| 3. | Availability of labour | 8530 | 42.65 | VI |
| 4. | Government policies | 7082 | 35.41 | VII |

| | | | | |
|----|---------------------------------------|-------|-------|-----|
| 5. | Subsidies | 10240 | 51.20 | IV |
| 6. | Availability of raw materials | 9794 | 48.97 | V |
| 7. | Optimum utilization of produces | 10862 | 54.31 | III |
| 8. | Employment generation for rural youth | 11702 | 58.51 | II |

Source: Primary data

It is seen from the result obtained through garret ranking, support and motivation of local people ranks as the first opportunity for rural entrepreneurs with a mean score of (61.25) which is followed by employment generation for rural youth (58.51), optimum utilization of produces ranks as third opportunity for rural entrepreneurs with a mean score of (54.31), subsidies ranks fourth with a mean score of (54.69) and competitive advantages ranks as the last opportunity for rural entrepreneurs with a mean score of (31.20).

Skill Challenges of rural entrepreneurs based on the Age

An attempt was made to know the skill challenges of rural entrepreneurs such as lack of technical skill, lack of marketing skill, lack of skill on production and lack of managerial skill based on the age groups such as below 25 years, 25 to 35 years, 35 to 45 years, 45 to 55 years and above 55 years.

Table 2
Kruskal Wallis Test – Mean Rank for Age and Skill Challenges

| Sl. No | Skill Challenges | Mean Rank | | | | |
|--------|-----------------------------|----------------------|--------------------|--------------------|--------------------|-----------------------|
| | | Upto 25 years of age | 25-35 years of age | 35-45 years of age | 45-55 years of age | Above 55 years of age |
| 1. | Lack of technical skill | 130.57 | 154.63 | 152.73 | 141.14 | 173.14 |
| 2. | Lack of Marketingskill | 128.29 | 152.89 | 155.86 | 132.94 | 191.07 |
| 3. | Lack of skill on production | 144.50 | 155.71 | 140.18 | 162.67 | 166.54 |
| 4. | Lack of managerial Skill | 141.66 | 152.25 | 141.71 | 166.46 | 180.75 |

Source: Computed data

To identify the skill challenges of rural entrepreneurs based on age, the following null hypothesis is proposed.

H₀ : There is no significant difference in skill challenges among different *age group* of rural entrepreneurs in Thoothukudi district. The non parametric statistics of Kruskal-Wallis test was used to analyze the skill challenges of rural entrepreneurs in this context. The details of the results of Kruskal-Wallis test are presented in Table3.

Table 3
Results of Kruskal-Wallis Test – Age group of rural entrepreneurs and Skill challenges

| Skill challenges | Chi-square value | p Value | Significant/Not significant |
|-----------------------------|------------------|---------|-----------------------------|
| Lack of technical skill | 4.084 | 0.395 | NS |
| Lack of Marketing skill | 9.265 | 0.048 | S |
| Lack of skill on production | 3.677 | 0.451 | NS |
| Lack of managerial Skill | 4.932 | 0.294 | NS |

Source: Computed data S-Significant (p<0.05); NS-Not Significant (p>0.05)

The table 3 shows the result of the Kruskal-Wallis test. Since the p-value is greater than 0.05, the null hypothesis is accepted at 5 per cent level of significance. Hence, this means that all the respondents have almost given similar rank to skill challenges except 'Lack of marketing skill'. It could be concluded that age of the respondents does not affect the ranking given to skill challenges except 'Lack of marketing skill' (C.V 9.265, p value 0.048, p<0.05).

Skill Challenges of rural entrepreneurs based on the Level of Literacy

An attempt was made to know the skill challenges of rural entrepreneurs such as lack of technical skill, lack of marketing skill, lack of skill on production and lack of managerial skill based on the level of literacy such as illiterates, could sign only, primary education, secondary education, graduates and others.

Table 4
Kruskal Wallis Test – Mean Rank for Level of Literacy and Skill Challenges

| Sl. No | Skill Challenges | Mean Rank | | | | | |
|--------|-----------------------------|-------------|---------------|-------------------|---------------------|-----------|--------|
| | | Illiterates | Can sign only | Primary education | Secondary education | Graduates | Others |
| 1. | Lack of technical skill | 134.53 | 162.37 | 145.38 | 152.49 | 151.71 | 166.77 |
| 2. | Lack of Marketing skill | 134.15 | 176.47 | 142.32 | 147.90 | 161.66 | 151.50 |
| 3. | Lack of skill on production | 142.53 | 147.60 | 148.53 | 150.95 | 158.72 | 150.23 |
| 4. | Lack of managerial Skill | 136.91 | 154.34 | 144.63 | 147.14 | 173.66 | 147.55 |

Source: Computed data

To identify the skill challenges of rural entrepreneurs based on their level of literacy, the following null hypothesis is proposed.

H₀ : There is no significant difference in skill challenges among different level of literacy of rural entrepreneurs in Thoothukudi district.

The non parametric statistics of Kruskal-Wallis test was used to analyze the skill challenges of rural entrepreneurs in this context. The details of the results of Kruskal-Wallis test are given in Table5.

Table 5
Results of Kruskal-Wallis Test – Level of Literacy of rural entrepreneurs and Skill challenges

| Skill challenges | Chi-square value | p Value | Significant/Not significant |
|-----------------------------|------------------|---------|-----------------------------|
| Lack of technical skill | 2.254 | 0.813 | NS |
| Lack of Marketing skill | 5.780 | 0.328 | NS |
| Lack of skill on production | 1.728 | 0.581 | NS |
| Lack of managerial Skill | 4.837 | 0.436 | NS |

Source: Computed data

S-Significant (p<0.05); NS-Not Significant (p>0.05)

The table 5 shows the result of the Kruskal-Wallis test. Since the p-value is greater than 0.05, the null hypothesis is accepted at 5 per cent level of significance. Hence, all the respondents have almost given similar rank to skill challenges. It could be concluded that level of literacy of the respondents does not affect the ranking given to skill challenges.

Financial challenges of rural entrepreneurs based on their Age

An attempt was made to know the financial challenges of rural entrepreneurs such as inadequacy of capital and expensive materials based on their age groups such as below 25 years, 25 to 35 years, 35 to 45 years, 45 to 55 years and above 55 years.

Table 6
Kruskal Wallis Test – Mean Rank for Age and Financial challenges

| Sl. No | Financial challenges | Mean Rank | | | | |
|--------|-----------------------|---------------|-------------|-------------|-------------|----------------|
| | | Upto 25 years | 25-35 years | 35-45 years | 45-55 years | Above 55 years |
| 1. | Inadequacy of capital | 157.74 | 155.57 | 149.25 | 139.51 | 129.00 |
| 2. | Expensive materials | 163.28 | 154.85 | 149.87 | 137.25 | 122.68 |

Source: Computed data

To test the financial challenges of rural entrepreneurs based on their age, the following null hypothesis is proposed.

H₀ : There is no significant difference in the financial challenges among different age groups of rural entrepreneurs in Thoothukudi district.

The non parametric statistics of Kruskal-Wallis test was used to analyze the financial challenges in this context. The details of the results of Kruskal-Wallis test are presented in Table 7.

Table 7

Results of Kruskal-Wallis Test – Age group of rural entrepreneurs and financial challenges

| Financial challenges | Chi-square value | p Value | Significant/Not significant |
|-----------------------|------------------|---------|-----------------------------|
| Inadequacy of capital | 2.199 | 0.699 | NS |
| Expensive materials | 3.519 | 0.475 | NS |

Source: Computed data

S-Significant (p<0.05); NS-Not Significant (p>0.05)

The table 7 lists the result of the Kruskal-Wallis test. Since the p-value is greater than 0.05, the null hypothesis is accepted at 5 per cent level of significance. Hence, all the respondents have almost given similar rank to the financial challenges. It could be concluded that the age group of the respondents does not affect the ranking given to financial challenges.

Financial Challenges of rural entrepreneurs based on the Level of Literacy

An attempt was made to know the financial challenges of rural entrepreneurs.

Table 8

Kruskal Wallis Test – Mean Rank for Level of Literacy and Financial Challenges

| Sl. No | Financial Challenges | Mean Rank | | | | | |
|--------|-----------------------|-------------|---------------|-------------------|---------------------|-----------|--------|
| | | Illiterates | Can sign only | Primary education | Secondary education | Graduates | Others |
| 1. | Inadequacy of capital | 136.29 | 130.24 | 160.27 | 155.63 | 157.98 | 66.86 |
| 2. | Expensive materials | 147.18 | 129.34 | 158.13 | 157.33 | 159.18 | 51.18 |

Source: Computed data

To test the financial challenges of rural entrepreneurs based on level of literacy, the following null hypothesis is proposed.

H₀ : There is no significant difference in the financial challenges among different level of literacy of rural entrepreneurs in Thoothukudi district.

The non parametric statistics of Kruskal-Wallis test was used to analyze the financial challenges of rural entrepreneurs in this context. The details of the results of Kruskal-Wallis test are presented in Table 9.

Table 9
Results of Kruskal-Wallis Test – Level of Literacy of rural entrepreneurs and financial challenges

| Financial challenges | Chi-square value | p Value | Significant/Not significant |
|-----------------------|------------------|---------|-----------------------------|
| Inadequacy of capital | 15.012 | 0.010 | S |
| Expensive materials | 19.242 | 0.002 | S |

Source: Computed data

S-Significant ($p < 0.05$); NS-Not Significant ($p > 0.05$)

The table 9 lists the result of the Kruskal-Wallis test. Since the p-value is greater than 0.05, the null hypothesis is accepted at 5 per cent level of significance. It could be concluded that level of literacy of the respondents affect the ranking given to the financial challenges namely 'Inadequacy of capital' (C.V 15.012, p value 0.010, $p < 0.05$) and 'Expensive materials' (C.V 19.242, p value 0.002, $p < 0.05$).

Entrepreneurial capacity challenges of rural entrepreneurs based on the Age

An attempt was made to know the entrepreneurial capacity challenges of rural entrepreneurs such as risk taking, self confidence and selection of proper business based on the age groups such as below 25 years, 25 to 35 years, 35 to 45 years, 45 to 55 years and above 55 years.

Table 10
Kruskal Wallis Test – Mean Rank for Age and Entrepreneurial capacity challenges

| Sl. No | Entrepreneurial capacity challenges | Mean Rank | | | | |
|--------|-------------------------------------|-----------|--------|--------|--------|----------|
| | | Upto 25 | 25-35 | 35-45 | 45-55 | Above 55 |
| 1. | Risk taking | 119.44 | 166.61 | 153.76 | 135.38 | 109.86 |
| 2. | Self confidence | 133.56 | 166.84 | 151.32 | 126.19 | 115.07 |
| 3. | Selection of appropriate business | 162.00 | 149.43 | 150.30 | 152.44 | 127.71 |

Source: Computed data

To test the entrepreneurial capacity challenges of rural entrepreneurs based on age, the following null hypothesis is proposed.

H₀ : There is no significant difference in entrepreneurial capacity challenges among different age groups of rural entrepreneurs in Thoothukudi district.

The non parametric statistics of Kruskal-Wallis test was used to analyze the entrepreneurial capacity challenges in this context. The details of the results of Kruskal-Wallis test are presented in Table 11.

Table 11
Results of Kruskal-Wallis Test – Age group of rural entrepreneurs and Entrepreneurial capacity challenges

| Entrepreneurial capacity challenges | Chi-square value | p Value | Significant/Not significant |
|-------------------------------------|------------------|---------|-----------------------------|
| Risk taking | 14.241 | 0.007 | S |
| Self confidence | 11.787 | 0.019 | S |
| Selection of appropriate business | 1.775 | 0.777 | NS |

Source: Computed data

S-Significant ($p < 0.05$); NS-Not Significant ($p > 0.05$)

The table 11 lists the result of the Kruskal-Wallis test. Since the p-value is greater than 0.05, the

null hypothesis is accepted at 5 per cent level of significance. Hence, all the respondents have almost given similar rank to the entrepreneurial capacity challenges except 'risk taking' and 'self-confidence'. It could be concluded that age group of the respondents does not affect the ranking given to the entrepreneurial capacity challenges except 'risk taking' (C.V 14.241, p value 0.007, $p < 0.05$) and 'self-confidence' (C.V 11.787, p value 0.019, $p < 0.05$).

Entrepreneurial capacity Challenges of rural entrepreneurs based on their Level of Literacy

An attempt was made to know the entrepreneurial capacity challenges of rural entrepreneurs such as risk taking, self confidence and selection of appropriate business based on the level of literacy such as illiterates, could sign only, primary education, secondary education, graduates and others.

Table 12

Kruskal Wallis Test – Mean Rank for Level of Literacy and Entrepreneurial Capacity Challenges

| Sl. No | Entrepreneurial Capacity Challenges | Mean Rank | | | | | |
|--------|-------------------------------------|-------------|---------------|-------------------|---------------------|-----------|--------|
| | | Illiterates | Can sign only | Primary education | Secondary education | Graduates | Others |
| 1. | Risk taking | 161.71 | 144.81 | 152.44 | 152.32 | 142.50 | 148.55 |
| 2. | Self confidence | 159.00 | 150.90 | 155.11 | 149.73 | 137.09 | 158.36 |
| 3. | Selection of appropriate business | 199.44 | 151.37 | 149.06 | 146.82 | 142.52 | 151.27 |

Source: Computed data

To test the entrepreneurial capacity challenges of rural entrepreneurs based on their level of literacy, the following null hypothesis is proposed.

H_0 : There is no significant difference in entrepreneurial capacity challenges among different level of literacy of rural entrepreneurs in Thoothukudi district.

The non parametric statistics of Kruskal-Wallis test is used to analyze the entrepreneurial capacity challenges of rural entrepreneurs in this context. The details of the results of Kruskal-Wallis test are presented in Table 13.

Table 13

Results of Kruskal-Wallis Test – Level of Literacy of entrepreneurs and Entrepreneurial capacity challenges

| Entrepreneurial capacity challenges | Chi-square value | p Value | Significant/Not significant |
|-------------------------------------|------------------|---------|-----------------------------|
| Risk taking | 1.014 | 0.961 | NS |
| Self confidence | 1.800 | 0.876 | NS |
| Selection of appropriate business | 6.665 | 0.247 | NS |

Source: Computed data

S-Significant ($p < 0.05$); NS-Not Significant ($p > 0.05$)

The table lists the result of the Kruskal-Wallis test. Since the p-value is greater than 0.05, the null hypothesis is accepted at 5 per cent level of significance. Hence, all the respondents have almost given similar rank to the entrepreneurial capacity challenges. It could be concluded that literacy level of the respondents does not affect the ranking given to the entrepreneurial capacity challenges.

SUGGESTIONS

- ✓ Rural entrepreneurs are lacking in decision making ability. They must be educated and trained persistently to acquire skills and knowledge in all the functional areas of business management. This can facilitate the entrepreneurs to excel in decision making process.

- ✓ Rural entrepreneurs should form Rural Entrepreneurs Association in every rural area where they can meet frequently in a common place, so as to discuss about their needs, problems, experiences and achievements.
- ✓ Lack of risk orientation, lack of knowledge, lack of analytical ability, lack of leisure time, lack of idea diversification, lack of exposure and lack of adequate investment are the major constraints faced by the rural entrepreneurs. The government can start development centers at villages and educate them to tackle these types of constraints.

CONCLUSION

Rural Entrepreneurship stimulates the wealth of a nation. In the present scenario with the unbounded talents, modernization and development of education, rural entrepreneurs are seeking gainful participation in several fields. The rural entrepreneurship helps in earning money for the rural households and enables them to be economically independent. It is evident that the promotion of the rural entrepreneurship motivates the future generation of rural people to start new challenging enterprises to solve the unemployment problems in the rural areas.

REFERENCES

1. Annadurai, M., Dil Bagh Kaur and Sharma, V.K., (1994). Rural Entrepreneurship: A Study among Rural People in Tamilnadu. *Ashigyam*, Vol.15, pp. (122).
2. JayaKumar, P. and Kannan, J. (2014). Challenges and Opportunities for Rural Women Entrepreneurs. *Economic and Business Review*, Vol.2, No.(1), pp.35- 39.
3. Kishore Nivrutti (2012). Rural Women Entrepreneurs-Opportunities and Challenges. *Golden Research Thoughts*, Vol.1, Issue.XII.
4. Pharm and Sritharan (2013). Problems Being Faced By Women Entrepreneurs in Rural Areas. *The International Journal of Engineering and Science (IJES)*. Vol.2, No.(3), pp.52-55.