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Hena Siddiqui

Head, Department of
Education, Isabella Thoburn
College, Lucknow, India.

Role of Khadi and Village Industries in Building Rural Entrepreneurship

Hena Siddiqui

Abstract

The impact of khadi and village industries is immense in building rural entrepreneurship. They have a distinct role in rural entrepreneurship.

Broadly it observes three pronged objectives –

- The social objective of providing employment.
- The economic objective of producing marketable goods and
- The broader objective of generating self-reliance among the underprivileged and boosting a solid rural community spirit.

Khadi and Village Industries are playing an important role in Indian economy as it covers about 2.48 lakh villages throughout the country. Over the years, the main thrust of Khadi and Village Industries activities has been to provide a larger share of employment to the marginalized section of the population. At present the backward section comprise nearly 32.0 percent and women constitute 46 per cent of the work force.

Keywords: Rural Khadi and Village Industries, Grassroot entrepreneurship, Rural Entrepreneurship, Development, Khadi, Self-Reliance.

Introduction

India has diverse cultural tapestry, vast geographic expanse, and a rich rural landscape. In spite of its agricultural competence and massive potential - rural India has for long struggled with economic growth and development and also employment opportunities. Nevertheless, in recent years, a hopeful trend has emerged, the grassroot entrepreneurship. By nurturing local talent, fostering innovation, and providing sustainable livelihoods, grassroot entrepreneurship has the power to unlock economic growth and transform the lives of millions in rural India.

Rural entrepreneurship aims to build sustainable livelihoods that are in accord with the environment and society. It goes beyond mere profit-making. By concentrating on areas such as agriculture, handicrafts, textiles, renewable energy, and tourism, rural entrepreneurs can generate value chains that create income while conserving natural resources and endorsing social inclusivity.

Rural India embraces incredible untapped potential - both in terms of natural resources and human capital. However, traditional blockades such as lack of education, limited access to finance, and inadequate infrastructure have stalled economic growth in these areas. Grassroot entrepreneurship offers an opportunity to tap rural talent and break free from these barriers by leveraging immediate local talent, knowledge, and resources.

One of the crucial inputs of grassroot entrepreneurship is nurturing local talent. The countryside areas have countless individuals with inherent skills, traditional knowledge, and innovative ideas. With training, mentorship, and financial support, the rural entrepreneurs can unlock their potential and thus develop sustainable trades and commerce. This will create numerous employment opportunities and also preserve and boost local culture and traditional practices. Thus, fostering a sense of pride and identity among rural communities.

Benefits of Rural Entrepreneurship

Rural Entrepreneurship is of immense usage in contemporary India. It is beneficial in number of ways. Some of them are -

Correspondence:

Hena Siddiqui

Head, Department of
Education, Isabella Thoburn
College, Lucknow, India.

1. Drop in Migration to Cities

There has always been a lot of deliberation around the ever-increasing migration of people to cities, for want of means of support, thus building up an unpleasant struggle for both funds and prospective openings. Occasionally, because of this exodus to cities, there is breach of basic services thereby leading to health and upkeep problems.

Migration has also led to the creation of huge slum dwellings and over-populated areas where people live in shelters and tents even in developed cities. The pressure on people moving to cities and urban dwellings can be reduced if rural entrepreneurship can create capital and provide enough opportunity in local markets,

2. Aids in Improving Prospects for Success in Rural Development Initiatives

Rural entrepreneurship can be very helpful in improving life and basic infrastructure of the villages. There remains lot of pressure on the Government to implement new schemes and initiatives. Nonetheless, it is very tough for the schemes to be successfully implemented owing to want of openings in the existing situation of rural India. By creating rural entrepreneurship opportunities, it is possible that many of the social schemes and development schemes thought of by the government can be taken to realization.

Entrepreneurship is a tool that can be used by both Agricultural and non-Agricultural trades for growth and development. It can also be used as a tool for enabling progress in both the sectors. In the present times there is tremendous pressure on supply of food and food grain expansion. This scenario can be used as an opportunity for advancement in rural entrepreneurship

Aspects like improved infrastructure, technology deployment, education, health, hygiene, etc., when infiltrated into the rural sector—improve the quality of life in the rural settings. This in turn will induce people to also start looking for an educated way of life, i.e. we can have farmers who are educated and adopt scientific approaches for their farming

3. Enhance and improve Economic Settings

When local produce is consumed, there are financial transactions and so more returns on produce. With greater surplus income on their hand, poverty levels and unemployment rates can be reduced. Both of these can happen when local markets are tapped and local industries are developed. Entrepreneurship in rural locations can effectively solve a number of social problems by having improvement in their economic conditions.

4. Positive Contributor to Nation's Growth

The rates at which rural markets are causal to the nation's GDP is not at parity with the industries in non-rural areas or service commerce or the exports. In fact, many of the rural industries are not expanding because of dearth of suitable provision and prospects. If rural entrepreneurship is encouraged, it can definitely improve the economy of the nation. It can consequently turn out to be the second engine for the country's development and growth.

5. Break Down Social Stigmas

If rural entrepreneurship is encouraged, basic stigmas and dogmas of the rural society can be eradicated. This is because with increasing wealth and access to education and awareness, people tend to get over basic stigmas and beliefs that have been practised in villages and rural areas, since ages. We all know that Access to education is a primary tool for all social reform

It is highly possible that once rural entrepreneurship is promoted and rural industries are allowed to thrive, people will focus on sending their wards to schools and education will improve. When literacy progresses, many of the social stigmas that are responsible for the breaking down of the society will inevitably halt.

6. in brief we can say that Rural industrialisation fosters economic development in rural areas. Thereby putting a check on

- exodus from rural to urban zones, thus
- decreasing the disproportionate growth in the cities,
- thus, reduce growth of slums, social tensions, and atmospheric pollution.

Barriers in Rural Entrepreneurship

Rural Entrepreneurship has vast benefits but on real-world level it faces several barriers. The rural entrepreneurs in the present time are mostly the first-generation entrepreneurs and they experience a number difficulties in their endeavour like -

- Lack of Finance
- Shortage of raw materials
- Lack of market coverage
- Lack of technical/managerial skills
- Improper project planning
- Shortage of power
- Lack of transport/communication facilities, and
- Lack of testing facilities etc.

Reasons For Lack of Entrepreneurship Among Rural People

Along with the aforesaid problems another important aspect that needs to be discussed is why Entrepreneurship among rural people is lacking –

It is mainly due to:

- Risk taking abilities
- Lack of business experience
- Lack of aptitude and necessary motivation
- Administrative measures involved in locating up of the units
- Initial harassment and hardships
- Obliviousness of the available basically facilities and incentives.

All these make them not to venture with any attempt to set up industries. Further, lack of infrastructural facilities is a great hurdle in the growth of industries in backward regions, which is a basic prerequisite and has been neglected. A dynamic organisational infrastructure to coordinate and galvanize entrepreneurial development is essential to - effectively handle the lacunae in these stated areas.

Efforts To Promote Rural Entrepreneurship

Various efforts need to be put in to promote rural entrepreneurship.

- Having proper coordination between concerned authorities
- Deploying a special cell having adequate staff for selecting and guiding genuine investors. The staff should be honest, sincere and have motivating qualities for providing genuine support.
- Proper guidance should be available in preparing techno-economic viability report

- development of Proper infrastructural facilities should be done
- then Planners and policy makers should make themselves familiar with the problems and concerned urgencies of the area
- Problems in the institutional framework and numerous schemes of support should be removed
- Emphasis should be laid on industries founded on local resources
- Arrangements for Monitoring the progress of assisted units should be done till it stabilises.
- Then an integrated and multidimensional approach is required for the growth of entrepreneurship in rural areas and for identifying opportunities. The necessary technology, finance and other assistance are also to be provided.
- The government agencies and financial institutions regularly make available essential infrastructural services e.g., land, power, raw supplies and finance at concessional charges. They also apprise and explain the existing technical guidance, training, marketing support, aids, subsidies, and tax exemptions.

Classification of Rural Entrepreneurship

The rural entrepreneur brings in overall change through innovation, new ideas for the maximum social good in rural areas. Therefore, the rural entrepreneur is one of the factors of rural growth and development. Fundamentally, he is an individual responsible for achieving change, enhance value to art and crafts.

In non-urban areas, excluding the agricultural workforce, all are entrepreneurs with a mark of differences. Rural entrepreneurship survives in agriculture, agriculture related activities, the micro industries, small businesses, rural artisans and others. Yet, rural entrepreneurship is in a latent phase for want of awareness, help and training.

Rural entrepreneurs are broadly classified into:

1. Agricultural Entrepreneurs
2. Micro Entrepreneurs
3. Small Business Entrepreneurs
4. Rural Artisans.

1. Rural Artisans:

The rural artisans are creative hands living in rural areas, play a key role in the growth and development of rural economy. The artisan may be a technician, mechanic, driver, machinist, guard, or just a craftsman of either gender. They may be skilled in any field, a journeyman or an apprentice.

The craftsmen specifically mentioned are in the following categories viz. turner, potter, joiner, cabinetmaker, carpenter, carver, woodworker etc. other categories are - architect, master mason, house builder, bricklayer, smith, blacksmith, coppersmith, etc.,

2. A Mass Movement:

For the rapid growth of rural industries, the programme should be launched like a mass movement, with the emphasis on rural products. Major effort should be put in to carry the message of rural development to the rural people. Other than this, a certain market is developed for the rural consumer goods and urban and international markets are created for artist's works. Industrialisation in rural areas is an integral part of general rural economy. It will help to accelerate and develop integrated rural development.

The traditional village industries and crafts still play a key role in providing new markets. The most prominent being - handicrafts, handlooms and other different crafts. Though, even till date, the rural potential has not been utilised effectively. In addition, a number of industrial activities have been initiated to play important role in rural areas in the generation of employment.

These activities have been more rewarding economically than the traditional ones. They have been providing lucrative employment and shown a fairly better growth potential. Therefore, the emerging pattern of rural industries and their relative performance indicate that rural industrialisation is an effective means for the generation of growth and employment in rural areas. They utilise the budding new businesses and also the traditional ones.

Types of Rural Entrepreneurs

Rural entrepreneurs characterize a multifaceted diverse social structure having a wide erraticism.

Generally, the rural entrepreneurs can be placed in the following types:

1. Farm Entrepreneurs:

The primary occupation and main source of livelihood of these individuals is farming. Individuals who do not have land or other farming resources but are keen to take up an enterprise in the village that will help and support agriculture, will be observed as farm entrepreneurs.

2. Artisan Entrepreneurs:

The artisan entrepreneurs are the skilled persons in rural society. The skills are developed either through specialized training in association with their affinity group, or done over by inheritance as for example, blacksmithing, carpentry, to name a few.

3. Merchant and Trading Group:

These comprises primarily of the business group of rural areas who make up a small section of rural inhabitants. It is part of the bigger businesses in the community. These people are alleged to be traditionally exploitative class. They play the role of middleman in business in the pursuit of any vocation in the rural areas.

4. Tribal Entrepreneurs:

Tribal entrepreneurs are regarded as an entrepreneurial class by itself. They mostly reside in tribal villages. Their basis is primarily the tribal community. Their entrepreneurship can lead to the search of any vocation in the rural areas.

5. General Entrepreneurs:

This class usually comprise of high school drop-outs, educated unemployed persons, landless labours, daily wage earners, and people belonging to the scheduled castes, etc.

The rural entrepreneurs can begin their enterprise in any of the following categories that are designated as rural industry.

- i. Forest based industries comprise of beedi making, honey making, cane products, wood products, bamboo products, coir industry, etc.
- ii. Industries based on agriculture comprise of produce and sale of agricultural harvests like pickles, jaggery, juice, fruit jam. The dairy products, goods made out of rice, processing oil from oil seeds.
- iii. Industries based on minerals consist of stone crushing, cement industries, making of statues, decorative items made of marble and granite.

- iv. Textile industry consist of weaving, knitting, spinning and dyeing of clothes. This industry includes within its domain cloth materials like khaadi, tussar- silk, muga -silk etc.,
- v. Enterprises based on handicrafts incorporate household and decorative products like things made out of cane, bamboo and wood that are available in the concerned area.
- vi. Engineering industries includes within its gambit the manufacturing and repairing parts of agricultural equipment, implements and tools, parts of machinery etc.

For a country like India, the role of supportive and scaling rural enterprises by the government is of pivotal importance

- The government needs to put in Concrete steps for structural transformation of the rural economy by significantly raising agricultural growth and strengthening rural industries.
- labour absorption has to be given high priority in the development strategy. This would require improving access to infrastructure, technology and credit, especially for the resource-poor section.
- In other words, development policy has to be more inclusive, concerned not merely with structural adjustment but also with structural changes with a view to simultaneously making markets friendly to the poor by strengthening their socio-economic position.

It has been observed that access to finance and technology has been a significant barrier for rural entrepreneurs. However, with the start of digital platforms and innovative financial mechanisms, this breach is progressively narrowing. Various government initiatives, such as the Pradhan Mantri Mudra Yojana and Stand-Up India, have enabled access to credit for micro-entrepreneurs, enabling them to invest in their businesses and expand their operations. Moreover, the proliferation of mobile technology and internet connectivity has opened up new boulevards for market access, knowledge distribution, and e-commerce, empowering rural entrepreneurs to reach a larger customer base.

To harness the full potential of grassroot entrepreneurship, it is vital to establish strong support ecosystems. This involves creating incubation centres, skill development programs, and business development services tailored according to the unique needs of rural entrepreneurs. Additionally, partnership between government bodies, non-profit organizations, academic institutions, and the private sector is crucial to offer mentorship, technical assistance, and market linkages. Nurturing an enabling environment, can encourage a generation of rural entrepreneurs who are fortified with skills, knowledge, and networks mandatory to prosper in the competitive business landscape.

Impact Of Khadi and Village Industries in Building Rural Entrepreneurship.

The impact of khadi and village industries is immense in building rural entrepreneurship. They have a distinct role in rural entrepreneurship.

Broadly it observes three pronged objectives –

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Khadi and Village Industries are playing an important role in Indian economy as it covers about 2.48 lakh villages throughout the country. Over the years, the main thrust of Khadi and Village Industries activities has been to provide a larger share of employment to the marginalized section of the population. At present the backward section comprise nearly 32.0 percent and women constitute 46 per cent of the work force.

Khadi and Village Industries puts in colossal contribution for the development of rural industries. It helps to-

- make use of locally available materials and skills in bringing out a series of articles for use in the society.
- The village level artisans, builders, and makers of different products get their share in the process and contribute to the development of rural economy.
- They produce and consume products of Khadi and Village Industries giving name and fame to the simplicity of rural India.
- The entire rural sector does not have much of the saving to be channelized into surplus funds. The disparities between income and savings are too huge to be overcome through organized sector of the Indian economy. This problem is tackled by Khadi and Village Industries.
- The village artisans suffer a lot for want of credit to the required extent. Khadi and Village Industries transmutes the agriculture produce into raw material for large scale industries thereby acting as an in-between for important industrial sector.
- A large number of Indian populations lives in the villages therefore it is essential that Khadi and Village Industries should cluster to produce products needed for the consumption of rural population and after value addition the same products can be transported for the consumption of urban masses to meet the diverse requirement and lifestyle of urban population.

Khadi A Symbol of Self Reliance

Khadi, a legacy of Mahatma Gandhi is a powerful symbol of India's independence movement- a reminder of the country's struggle for freedom and its commitment to self-reliance and social justice. Khadi very relevantly still remains an ideology and a mark of our promise to the nation.

The last few decades have seen changing face of Khadi from being a symbol of India's rich cultural heritage to becoming a cool contemporary fashion.

In fact -Khadi transcends being a mere fabric; it embodies sustainability and cultural heritage. Khadi is an example of sustainable, eco-friendly clothing with the least carbon footprint. It is made from natural fibres such as cotton, wool, and silk. Khadi stands out as a breathable, sustainable, and eco-friendly making it an ideal choice for all seasons. Its distinctiveness lies in its process of sustainable production, which is energy-neutral. This is a perfect process for the universal push toward eco-conscious living.

Khadi has been reimaged by fashion designers in present times. They have incorporated its timeless appeal into modern designs in clothing and also merging tradition with innovation.

The resurgence of Khadi not only preserves traditional craftsmanship but also empowers local artisans and revitalizes and boosts rural economies. The growing acceptance and global recognition of Khadi, driven by the endeavours of Prime Minister Shri Narendra Modi, hold the promise of brighter future for countless families in rural areas.

Prime Minister Mr. Narendra Modi gave the mantra of - "Vocal for Local Pledge" on 15th August 2020. He urged the countrymen to use vast natural resources of our country for economic development. The prime minister stated that our mission for Vocal for Local, re-skill and upskill will support in building an economy of self-reliance particularly among those living below poverty line.

Prime Minister Modi also gave the mantra of 'Khadi for nation, Khadi for fashion'. The prime minister advocated the idea that Khadi can become a symbol of national pride and also a fashion statement, which can be promoted among the youths. When we purchase a Khadi, we are brightening the lives of lakhs of weavers who toil day and night.

The foundation of India's Atmanirbhar Bharat mission, which strives to achieve self-reliance for MSMEs, (Ministry of Micro, Small & Medium Enterprises) lies in grassroot entrepreneurs. The mission is centred around PM Modi's belief that when all Indians advocate for local products and services, it is only a matter of time before these "local" entities expand globally. The locally available supply chains offer several advantages that comprise of greater adaptability, augmented authority, cost drop, access to new customers, and the skill to foster innovation and partnership. By providing support to grassroot entrepreneurs and facilitating their integration into the broader ecosystem, policymakers and stakeholders can establish a robust and flourishing business environment.

Conclusion

Grassroot entrepreneurship holds immense promise for empowering rural India and driving economic growth. By tapping into the intrinsic aptitude, talent and resources of rural communities, we can generate sustainable livelihoods, foster innovation, and bridge the urban-rural divide. Nevertheless, this alteration necessitates rigorous and determined efforts from all stakeholders, that includes the government, the civil society, and the private sector. Collectively, the rural India can be empowered with a concerted effort to unlock its true potential, and thereby build a more inclusive, developed and prosperous nation for all.

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