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## **Entrepreneurial opportunities in rural areas of Bihar**

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### **Abstract**

The rural area micro entrepreneurs are facing many problems day by day and most of them are closing their business units. Many of the people in rural area are not interested to become an entrepreneur. The study is to identify the reasons for the entrepreneur's development issues. It helps the entrepreneurs to develop their organisations by in rural area. This study is focused on the factors affecting potential entrepreneurship, the researcher attempted to analyze perception of potential entrepreneurs who are able to create own jobs rather than seeking employment in any organisation.

**Keywords:** economy of Bihar, entrepreneurial activity, rural area, socio-economic development

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### **Introduction**

The entrepreneurs are key persons of any country for promoting economic growth and technological change. The appearance of their activities i.e. the development of entrepreneurship is directly related to the socio-economic development of the society. The growth of the modernisation processes, such as industrialisation technical change, urbanisation and migration further encourage it. Industrialisation through technical change provides firstly, greater opportunities for productive employment, and secondary, its function as an instrument of social and economic change.

Entrepreneurship has been conceived in many ways, viz. personality characteristics, innovative activities and managerial abilities. The French economists of the nineteenth century reduced it to the risk-taking involved in the capital investment; Schumpeter took it for innovative activities; and Carroll conceived it as coordinating function, i.e., bringing together the various sources and factors of production. Sometimes these functions are not associated with a specific social category or status of people. As a result, references to agri-entrepreneur, scientist entrepreneur, business entrepreneur, manufacturing entrepreneur, etc. are frequent in the relevant literature. However, such a general treatment of the concept may not prove very useful so far as the construction of a theory of entrepreneurship is concerned.

Bihar is a rural based economy. For the generation of employment opportunities at the grassroot level and to encourage rural youth to undertake industrial activities either individually or by forming small cooperative societies/ groups in their areas, promotion of cottage industries in villages is essential. The entrepreneurs face number of problems in promotion of units and during production, marketing, distribution, procurement of raw material and availing the incentives offered by the State Government. There are a number of factors, which motivate a person to enter into industry. There are internal as well as external factors. Among the external factors, incentives to set-up the new units prompted many to enter into entrepreneurial activity. Heavy demand for the product, high profit margin and other external factors motivated them to start the business units in the state. Among the internal motivating factors, strong urge to do some independent job accounted for a major chunk.

Identification of a single or multiple project ideas is crucial for the purpose of converting the entrepreneurial urge into a recognisable form. Search for ideas is a beginning-An ice breaker. It is the first step in the actual entrepreneurial journey. It enabled services, events management, food processing, potable bottled water, courier services, herbal sector, tourism sector, vermiculture are a few among the business opportunities which are waiting to be tapped by potential as well as existing entrepreneurs in rural areas of Bihar.

### **Review of Literature**

Many people seem to be believing that entrepreneurs are born and not made. True, some are certainly born as entrepreneurs, but it has also been proved by foreign and Indian experience of one and a half decade span that with the right type of training and follow-up support and assistance, one can develop oneself as an entrepreneur. The right type of entrepreneurial training helps to identify and develop the natural, inherent and potential virtues of the human beings, which are lying dormant.

Rural entrepreneurship has emerged as a dynamic concept. It is generally defined as entrepreneurship emerging at village level which can take place in a variety of fields of Endeavour such as business, industry, agriculture and acts as a potent factor for economic development. Rural entrepreneurship can be considered one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural areas and backward regions. Ramalingam and Gayatri (2009) found that innovation could be used as a strategic tool for development of entrepreneurship. The study concluded that small innovation in the rural area would definitely catch up the majority of the population, thereby leading to better quality of life of many people in the country. Ganly and Mair (2009) observed that one way to conceptualize the role of social entrepreneurs in social change processes is to view them as institutional entrepreneurs, i.e., entrepreneurial actors who introduce and push through the alternative conceptions of social, political or cultural order. The study addresses the issues of institutionalized inequality and social exclusion through community development work in eastern India. Sharma *et al.* (2011) indicated that various social, economic, political and ecological problems in rural areas in developing countries like India create challenges in employment, decreasing agricultural production and increasing food shortage. This has resulted a huge impact on the domestic production, employment etc. To a certain extent, these problems can be solved by developing entrepreneurship in rural India. Mehta (2011) in his study indicated that many Indian companies including MNC started developing business strategies to tap the untapped rural market in India. Kumar (2016) has opined that Indian rural sector is no longer primitive and isolated, hence when entrepreneurs are encouraged in the rural and tribal society in large, in order to overcome the problems of poverty, economic disparity, unemployment, living standards of people etc. The study was based on secondary data and it has made classification of the types of rural entrepreneurship like

- individual entrepreneurship,
- group entrepreneurship,
- cluster formation entrepreneurship,
- Co- operative entrepreneurship.

Some of the disadvantages of rural entrepreneurship which have endangered the existence of rural entrepreneurs and survival of rural industries are specified as global slowdown, insecurity, outsourcing, discrimination etc. Gautam and Mishra (2016) observed that rural women entrepreneurship will bring-in new economic opportunities for women in rural and contribute to the overall development of rural and semi- rural individuals who migrate to urban areas. They have discussed the issues and detailed the supporting element of women entrepreneurship in rural India. The research methodology they have used investigative research as the research has both exploratory and descriptive. The outcomes of the paper pictured that there is a lack of balance between family and career obligations of women, poor degree of financial freedom and low risk bearing ability, self-confidence, lack of technological awareness, absence of motivation and legal formalities. The study by Jayadatta (2017) reveals that rural entrepreneurship is an important opportunity to develop, but the major contrary is rural entrepreneurs are facing the challenges such as lack of basic amenities in the rural villages particularly in developing nations. He specified the major problems are financial issues, conceptual ability, lack of education and the living standards of rural mass. This paper found the challenges and problems of rural entrepreneurs to improve their potentiality and the problems especially in the field of marketing of products, basic amenities such as electricity, water supply, and transport facility financial amenities. Finally, the found the challenges and problems in the Indian market by en-cashing the possibilities and prospects of the same to become a successful entrepreneur.

Sathya (2019) explained the major opportunities that are in the rural entrepreneurship are

1. There develops the rural prosperity through better distribution of farm produces in the rural,
2. Reduction of disguised employment opportunities due to entrepreneurial occupation to the rural youth,
3. Big co-operatives in the rural will form the optimum and maximum utilization of the farm produces and the local resources.

### **Objectives of the Study**

**The study has been undertaken with the following objectives**

- To know the readiness to start own business in rural area,
- To find the areas of interest for entrepreneurs in rural area, and
- To know perception regarding various facilities available in rural area to start business.

### **Methodology**

Research methodology deals with the research design used and methods used to present the study. The study has adopted descriptive research design. The sample size of the study was 160 respondents. The sample respondents of the study were villagers in and around Darbhanga district. Questionnaire was used to collect the primary data. The statistical/mathematical tools used for the analysis and interpretation of the data are percentage analysis and Chi-square test.

### **Data Analysis and Interpretation**

The term data comes from the word datum, which means a fact. The data is a fact about people place or some

Activities. The data after collection has to be processed and analyzed. The establishment of some explanatory concepts interpretation is essential for the simple reason that the usefulness and utility of research finding lies in proper interpretation.

**Table 1:** Readiness to Start Own Business

Particular	Frequency	Percent
Yes	62	39
Undecided	40	25
No	58	36
Total	160	100

**Source:** Primary Data

39% of the respondents said they are ready to do own business and 36% of the respondents they are not to start a business.

**Table 2:** Interest Area to Start Business

Particular	Frequency
Primary agriculture	18
Retail distribution	15
Financial related business	35
IT related business	8
Manufacturing food items	26
Total	102

**Source:** Primary Data

35 respondents said they are interested to start finance-related business and 26 respondents said they are interested to start manufacturing food items.

**Table 3:** Respondents Business Knowledge

Particular	Frequency	Percent
Very much	96	60
Medium	32	20
Very Low	32	20
Total	60	100

**Source:** Primary Data

60% of the respondents said they are having business knowledge.

**Table 4:** Respondents' Business Experience

Particular	Frequency	Percent
Strongly agree	32	20
Agree	56	35
Neutral	40	25
Disagree	32	20
Total	160	100

**Source:** Primary Data

55% of the respondents said they are having business experience and 20% of the respondents said they are not having experience.

It reveals that 35% of the respondents are highly satisfied and 20% of the respondents are satisfied with the existing financial assistance. 50% of the respondents are not satisfied with human resource availabilities in rural areas. 54 respondents said that they are highly satisfied and 34 respondents are highly dissatisfied with the transport facilities in rural area. 45% of the respondents said that they have low level of infrastructure availabilities in rural area. 45% of the respondents are satisfied with the communication facilities.

In order to find out the relationship between business knowledge and experience the chi-square test was employed.

### Findings of the study

Major findings of the study are

Majority of the respondents are ready to start a business/ an enterprise.

Most of the respondents have either affirmed or are interested to start finance related business.

The study reveals that majority of the respondents are having business knowledge.

It is found from this study that most of the respondents are having business experience.

Most of the respondents opine that they are highly satisfied with the financial assistance received from Government/ Non-Government agencies.

- It is found that most of the respondents are satisfied with the transport facilities and communication facilities available in rural areas.
- Most of the respondents opine that there is low level of infrastructural facilities/ infrastructure availabilities in rural areas.
- It is found that there is low level of human resource availabilities in rural areas.
- Further, the study reveals that although there is plethora of entrepreneurial opportunities available in rural areas but a series of hurdles are in the way too. It is high time that well structured. Entrepreneurship Development Programmes be organised quite often in order to inculcate and promote entrepreneurial culture among the rural populace.

### **Conclusion**

Bihar's economy is mainly agro-based. Therefore, the need of the hour is to encourage diversification in Agriculture and to build-up a climate for industrial investment by providing linkages between agriculture and industry. The policy framework for promotion of small scale industry indicates that various incentives provided are quite inadequate and are being availed by some of the bigger units who have developed their ancillary and other small-scale units. It would be better if a total change is made in the Industrial policy of the state of Bihar. More and more persons should be inspired to set-up industrial units. This can be done by locating new aspirants and giving them various incentives for industrial ventures. The financial assistance should also be offered on instalment basis. Small entrepreneurs need to be better managers than large business tycoons. They face, down scaled of course, all the problems of the large business and have to deal with most of them personally, without the backup of professionally trained staff and fewer resources. However, better managing yields rich dividends to the small business persons, earnings on assets have typically been found to be higher for the small entrepreneur. So, there is an urgent need to explore potentialities of entrepreneurial opportunities available in rural areas of Bihar.

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