

Role of NGOs in Rural Entrepreneurship

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Abstract : *The role of NGO was shown inside this research paper, Entrepreneurship became the most important means of providing employment. At the primary level, NGOs have played a very good role in entrepreneurship. One of the major problems faced in developing entrepreneurship in rural areas is lack of awareness and knowledge about the importance of developing industries in rural areas. NGOs all different entrepreneurship like small , medium also help everyone in different ways.*

Keywords: NGOs, Entrepreneurshi, NAYE

Introduction : There is no denying of the fact the development of entrepreneurship has emerged as a nation movement due to its strengths to solve the twin problems of unemployment and poverty, In fact, the need for development of 'spirit of enterprise' among the target population intensified more during the nineties with the failure of the 'trickle down theory' to percolate the development benefits to the masses at grass-root level. Rural industries are generally associated with agriculture. According to the Khadi and village Industries Commission (KVIC), "village industry or rural industry means any industry located in rural area, population of which does not exceed 10,000 or such other figure which the fixed capital investment per head of an artisan or a worker does not exceed a thousand rupee. Rural industries being labour intensive have high potential in employment generation. Thus, they serve as an antidote to the widespread problems of disguised unemployment or under-employment stalking the rural territory. By providing employment, these industries have also high potential for income generation in the rural areas. These, thus, help in reducing disparities in income between rural and urban areas. These industries encourage dispersal of economic activities in the rural areas and, thus, promote balance regional development. Development of industries in the rural areas also helps build up village republics.

Its is against this background, several self-employment and anti-poverty program like PMRY, TRYSEM etc. , involving some entrepreneurial qualities were introduced by the government as a tool of bottom up mode development. However, these program executed by the Government agencies proved ineffective due to their weakness of one type or other. Such a situation necessitated the NGOs to come out of traditional bounds like health, sanitation, education, family planning, environment protection etc. , to join a noble mission to entrepreneurs the lesser known target groups 14. the government agencies engaged this activity strengthened the NGOs by co-opting and collaborating with them to reach the lower rungs of the society.

Objectives:

- To list out the classification of Entrepreneurs.
- To find out training imparted to the NGOs
- To know the strengths and weakness of entrepreneurship development
- To highlight problems of rural entrepreneurship.

Today, we have several NGOs contributing to entrepreneurship development in the country. The major ones are National Alliance of young Entrepreneurship (NAYE), world Assembly of Small and Medium Entrepreneurs (WASME), Xavier Institute for social studies (XISS), SEWA of Ahmadabad , 'Y' Self-Employment of Calcutta, AWAKE (Association of Women Entrepreneurship of Karnataka), and Rural Development and Self-Employment Training Institute (RUDSETI s) based in Karnataka.

The NGOs involved in entrepreneurship development can be classified into three types:

1. **Primary level NGO's:** The NGO's who mobilize their own resources, operate at international level execute developmental activities themselves or through intermediate fall within this category. ACTION, OXFAM, Christian Children Fund etc. are prominent examples of the primary level NGO's in India.
2. **Intermediate NGO's:** These NGO's procure funds from various agencies, important training, and conduct workshops for target work force. SEWA and AWAKE are examples of intermediate NGOs.
3. **Grass Root Level NGOs:** These NGOs are those who conduct field activities by establishing direct contact with the grass root people (needy). Examples of such NGOs are RUDSETIs, ANARDE Foundation (Gujarat), Indian Institute of Youth Welfare (IIYW) of Maharashtra etc.

The training imparted to the needy by the NGOs can be classified into three types:

1. **Stimulation:** Conducting EDPs and other training programmes for the target people with a view to stimulate enterprising attitude among them.
2. **Counseling:** Providing counseling and consultancy services to the needy ones how to prepare a project, feasibility report, purchase of plant and machinery, and performing other procedural activities.
3. **Assistance:** Assisting the target group in marketing their products and securing finance from financial institutions.

Lastly, the role of NGOs in entrepreneurship development can be better being understood in terms of their strengths and weakness in the context of entrepreneurship development.

The NGOs have revealed the following strengths as an edge over others:

- The lean overhead and operating costs to reach the poor and needy.
- Flexibility and responsiveness in operation to invent appropriate solution.
- Nearness to client groups made them to be sensitive to community need.
- Capacity for innovation and experimentation with new groups and untried development approach.
- Stimulating and mobilizing interest in the community.
- Dependence on customer satisfaction.

NGO is a Non Governmental Organization and they do social work for a cause. The NGO's get funds and donations from society. Their Functions involve various tasks to achieve their respective goals.

- Like spreading awareness in society about the problem.
- Development of infrastructures.
- Strategic plannings.
- Creating plans and programmes.
- Work on accomplishing targets.
- Showcasing their work to society.
- Eradication of poverty
- vast employment
- Better life style of rural people
- social changes
- High density of population

Problems of Rural Entrepreneurship

Developing entrepreneurship especially rural entrepreneurship is as important is not so easy. It is constrained with several problems. The general bottle-necks in the development of village industries are financial constraints, lack of technical know-how, lack of training and extension services, management problems, lack of quality control, high cost of production due to high input cost, lack of communication and market information, poor quality of raw materials, lack of storage and warehousing facilities, obsolete and primitive technology, and lack of promotional strategy.

According to the Ninth Plan, the major problems faced in developing entrepreneurship in rural areas are

- (i) Inadequate flow of credit,
- (ii) Use of obsolete technology, machinery, and equipment,
- (iii) Poor quality standards, and
- (iv) Inadequate infrastructural facilities.

One of the major problems faced in developing entrepreneurship in rural areas is lack of awareness and knowledge about the importance of developing industries in rural areas. Added to this is disinterest shown by rural people towards assuming the career as an entrepreneur for one reason or other. Rural /village people generally want to take up

salaried employment because of assured income, lesser hours of work, lesser Degree of responsibility etc. This is supported by the society's higher degree of status accorded to the salaried people than to self-employed ones, or say, entrepreneurs. Further, the rural people are generally not aware about the entrepreneurial opportunities available and also about supneural career. Even those who are aware about the facilities and support system for starting entrepreneurial career find organizational climate to be not so helpful. Thus, the environment in the family, society and the support system is generally not conducive to encourage the rural people to consider self-employment and entrepreneurial career as an option to salaried employment 12.

Besides, developing rural entrepreneurship face all those problems that are faced in the development of small-scale industries in the country. The major ones of these problems are discussed later in the chapter 10: small Enterprises: An Introduction. These are not discussed here for the sake of repetition.

Conclusions

Establishing an industry and, thereby developing entrepreneurship is not one-man activity. In fact, it involves multi-pronged activities. Though the answer to the question how to develop entrepreneurship lies in the solutions of the problem s faced in this regard, yet the following measures are suggested for developing entrepreneurship in the rural areas in the country.

1. Raw material is a must for any industry. However, the non-availability of raw material accompanied by their prohibitive cost has weakened the viability of these industries. Past experience bears evidence that rural industry with employment potential can not be sustained for long unless a strong raw material-base is created in rural areas itself. Therefore, an urgent policy is called fir to strength the raw material base in rural areas.

2. Finance is considered as lubricant for setting up and running an industry. Funds, therefore, need to be available on time at soft terms and conditions to those who really need it.

3. In order to solve the problem of marketing for rural industries, common production-cum-marketing centers need to be up and developed with modern infrastructural facilities, particularly, in the areas having good production and growth potential. This would help in promoting export business, on the one hand, and bringing the buyers and sellers is close interaction avoiding middleman In between them, on the other. Legislative measures have to be taken to make the government purchases compulsory from rural industries.

4. One peculiarity of rural entrepreneurs is that most of them join their entrepreneurial career not by choice but by chance. Lack of aptitude and competency on the part of such entrepreneurs makes the units sick. Hence, there is a need to develop entrepreneurial attitude and competencies among the prospective entrepreneurs through the training interventions like Entrepreneurship Development Program (EDP), Women Entrepreneurship Development Program and TRYSEM.

5. One effective way to inculcate the entrepreneurial acumen and attitude may be imparting entrepreneurial education in the schools, colleges, and universities. That younger minds are more susceptible to be moulded is well evidenced by the popularly known 'Kakinada Experiments' 13 in Andhra Pradesh.

6. Sometimes the real problem in setting up industries is not the non-availability of facilities, but non-awareness of facilities whatever are available. The need is, therefore, to disseminate information about all what is available to provide to the entrepreneurs to facilitate them in setting up industries.

7. Proper provision need to be made to impart the institutional training to orient the entrepreneurs in specific products and trades so that the local resource can be harnessed properly.

8. Our accumulated experience bears ample evidences to the fact that the non-governmental organization, popularly known as NGOs, can prove instrumental in developing rural entrepreneurship in the country. The role of NGOs in developing entrepreneurship is, therefore, discussed separately.

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