



# A Study of Rural Entrepreneurship in the Khunti District of Jharkhand through the Mukhya Mantri Anusuchit Jan Jati Gram Vikas Yojna

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**Abstract:** The Khunti District primarily comprises rural areas with high migration rates due to rural unemployment. In addition, the lack of alternative livelihood options outside of agriculture has contributed to this trend. To address this issue, the government of Jharkhand launched the MMAJJGVY program in 2015, which focuses on promoting entrepreneurship and providing employment opportunities for educated youth and local women. However, traditional small-scale businesses in rural areas need help adapting to an increasingly globalized environment, hindering their growth and development. Obstacles in rural entrepreneurship also drive the unbalanced development of the region. This study examines the nature of entrepreneurship practices and their challenges, offering recommendations for overcoming these obstacles. The future development of the Khunti area is sustainable entrepreneurial opportunities, with rural tourism being identified as a sustainable means of livelihood for the rural population.

**Keywords:** Rural entrepreneurship, Tribal Community, Youth Development, Women Development, Livelihood, MMAJJGVY program, Rural Sustainability

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## INTRODUCTION

In India, rural unemployment is a significant contributor to the high incidence of migration. With limited livelihood options aside from agriculture, it is crucial to explore sustainable entrepreneurial opportunities in rural areas to provide alternative means of living for the rural population. Currently, 65 percent of the Indian population resides in rural areas, and 75% of the workforce depends on agriculture for its livelihood. While the agricultural sector in India provides a significant source of income for rural residents, it cannot absorb the labor force due to limited land availability. As a result, migration occurs when employment opportunities are scarce, or livelihoods are threatened. Therefore, it is crucial to focus on the growth and development of rural economies, which are essential for the nation's overall development.

### Mukhya Mantri Anusuchit Jan Jati Gram Vikas Yojna

Honourable CM Raghubar Das Ji launched the scheme in August 2015. It was one of the schemes in Jharkhand to promote rural entrepreneurship. To develop tribal-dominated villages in the state, the government started MUKHIYA MANTRI ANUSUCHIT JAN JATI GRAM VIKAS YOJNA. These villages will be formed by linking them with educational, social, economic, cultural, health, and other development schemes. Village Gram Sabha has to select one women's self-help group in each village. After

assessing the village's social, economic, and geographical condition, a business that can generate employment for the local tribal community will be chosen. The welfare department trains women's self-help groups and Youths through voluntary organizations. The Gram Sabha must select five educated unemployed youths and girls with matriculation passes for self-employment. The government (welfare department) provides up to 2 lakh rupees in grant funding to assist in start-up businesses.

## LITERATURE REVIEW

**H. Bhuvaneswari, Dr. S. Raju (2014):** The primary topics covered in this study are rural entrepreneurship's functions, needs, issues, and solutions. There are many problems that entrepreneurs face in this study, such as lack of electricity, lack of infrastructure, and lack of road facilities. The youth in rural India need to receive extensive training. It is necessary to put together a committed team to pursue training in rural entrepreneurship through the integrated rural development program.

**Saud Ilahi (2019):** Based on a review of the results of the NSS 73rd Round of NSSO, connected to the rural sector, the current study offers a comprehensive assessment of rural entrepreneurship in India. It considers rural entrepreneurship's state, its growth plans, government initiatives to restore traditional industries following demonetization, and issues with rural entrepreneurship. Even though entrepreneurial activities have increased in rural areas with time, they are still far less numerous than in urban areas. Recent data shows that rural entrepreneurs own 51% of Micro, Small, and Medium Enterprises, most of which are microscale enterprises. Since independence, the government has attempted to develop and support rural entrepreneurship through various policies and schemes, but these efforts have failed. The government must evaluate its rural entrepreneurship development schemes and programs to achieve the desired results in rural areas. Several problems related to rural entrepreneurship are also discussed in this study, such as lack of information, a shortage of raw materials, and poor quality of products.

**Dr Sonal Jain (2021):** The purpose of the study is to identify women entrepreneurs and the significant problems they face. It also aims to give women equal access to participation and decision-making processes in social, political, and economic life. The government-sponsored development efforts have only benefited a tiny group of women, namely the urban middle-class women. Hence, the Jharkhand women need to catch up in using this chance. In India, women make up almost 45% of the population. Despite all of these obstacles, there are successful female business owners. After examining the operation and effectiveness of the various governmental and non-governmental Institutions working for the welfare of women in the state, the active programs and their successes, and the various social, economic, and health indicators, one concludes that Jharkhand needs to travel a long, arduous path toward the development of women entrepreneurs.

**Dr. Suyog A. Amrutrao (2019):** This study's completion aims to describe the current state of rural entrepreneurship. According to a researcher, many obstacles include pastoral entrepreneurship difficulties, including a lack of amenities, financial means, entrepreneurial education, etc.

**V. Nandhakumar (2018):** Rural entrepreneurs play a critical role in the national economy, particularly in our countries. Data is obtained from secondary sources to learn about different sorts of entrepreneurs and the issues they confront during the start-up phase. As a result, rural entrepreneurs are significant not just as

a source of employment in rural areas but also as a means of reducing poverty, reducing migration, balancing the economy, preventing unemployment, and resulting in development in rural areas and backward regions.

**I.Sathya (2019):** The study also tries to identify the obstacles and issues that rural entrepreneurship may face. It also seeks to focus on the main problems that business owners confront, particularly in marketing their products, as well as other essential amenities like water supply, electricity availability, transportation options, needed energy, and financial amenities. Suggestions in the context of the problems shared above for the Young people in rural areas can inspire them to pursue entrepreneurship as a career. Additionally, there should be well-regulated, practical marketplaces, and governments should support these efforts. Standards and grading should be encouraged to help rural entrepreneurs. Promotional efforts should also be improved. The government ought to offer NGOs complete support as well. In the current environment, studying entrepreneurship aids business owners in meeting both their demands and the financial needs of new companies. Rural entrepreneurship plays a significant role in economic growth by acting as a primary link between innovation and the market, which has the added benefit of raising national income by generating new jobs.

**Sujata Kumari, Vandana Kaushik, Neeta Lodha (2010):** The study aimed to examine the issues faced by rural women business owners. It involved 60 rural women from Rajasthan, half of whom were involved in entrepreneurship and half of whom were not. Data from women was gathered using the interview method. Information on the issues facing entrepreneurs was collected and examined. According to the study's findings, rural women entrepreneurs in rural regions had severe problems with a lack of a supportive network, money issues, and marketing issues. This made other women less likely to start their businesses.

## OBJECTIVES

1. To identify the nature of entrepreneurship practices.
2. To investigate the socioeconomic background of the entrepreneurs under study.
3. To determine the fundamental problems that entrepreneurs face and provide recommendations.
4. Exploring potential sectors for entrepreneurship development.

## METHODS

The study collected data through a semi-structured questionnaire, which was distributed to 100 participants who were entrepreneurs benefiting from MMAJJGVY and residing in the study area. The inclusion criteria were participants over the age of 14. A face-to-face survey was conducted to gather primary data on the subjects' personal information, business information, financial aspects, motivating factors, government programs, problems, and other pertinent areas. Microsoft Excel was used to calculate percentages, create graphs, and analyze and interpret the data from the questionnaire.

## FINDINGS

Based on the survey, it was found that 44% of the participants have sources of income from cultivation and livestock. However, these sources are rare due to small land sizes and limited production capacity. Regarding livestock, profits are only good during certain times of the year. Moreover, 46% of respondents have an irregular wage-earning occupation. Out of 100 entrepreneurs, only 10% have agricultural enterprises, while most operate small or micro businesses such as agri-processing, selling paddy, and running fertilizer shops. It was also noted that most entrepreneurs use unregistered business operations and are solely responsible.

Most respondents are predominantly female and fall within the 21-30 age range, indicating a positive trend towards gender equality. Married is shared among the respondents, which aligns with India's cultural norms that promote financial activities after marriage. While they have completed their secondary education, challenges such as living in underdeveloped areas and lack of exposure exist. Nevertheless, their education serves as a promising indication of their potential to make significant contributions in the future. Joint families are prevalent among these entrepreneurs, providing support for business operations. Despite having less than an acre of land, low farm productivity is still general. Rural entrepreneurship has become an essential source of income for families with larger family sizes, which can lead to increased social and financial obligations.

The survey results show that most entrepreneurs earn a daily income between Rs 101 and Rs 500 and have monthly family incomes ranging from 15 to 20 thousand rupees. Their monthly expenditures are usually up to fifteen thousand rupees, leaving minimal savings. Most entrepreneurs have gained at least three years of experience in the business world, which is a positive sign. They are highly committed to their work and spend up to ten hours daily running their businesses from their buildings. The survey also revealed that entrepreneurial training has helped improve their communication skills, self-confidence, technical skills, knowledge of financial and accounting matters, and marketing skills.

Entrepreneurs in the Khunti District encounter diverse challenges. Social constraints affect 53%, with 23% citing financial constraints and 8% facing both. Marketing challenges prevail, requiring customized training programs. Social constraints encompass the absence of family encouragement, marketing issues exacerbated by the global pandemic, fear of credit sale and recovery, inability to add value to products, a small local market, and transport and communication limitations due to Khunti's geographic characteristics. Financial constraints include shortages of fixed and working capital, hindering business expansion. Despite these challenges, all respondents express an interest in expanding their businesses. However, growing businesses pose additional challenges, including lack of financing, limited awareness, and access to business support. Entrepreneurs typically rely on informal means such as friends, relatives, and money lenders to address financial difficulties, needing formal institutional support. This relaxed approach often leads to higher interest rates and relative capital rates.

Rural tourism in Khunti offers excellent job creation and sustainable development opportunities. The hilly terrain and tourist attractions make it an ideal location. A SWOT analysis revealed six strengths and four weaknesses, with seven opportunities and five threats. Converting opportunities into strengths can make a massive difference for the rural population.

## SWOT ANALYSIS FOR RURAL TOURSIM

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• One of the most popular tourist destinations is Khunti. Most people underutilize several places in the Khunti district and have the potential to expand their market.</li> <li>• It has become advantageous for rural women who do not have a source of income to stay at home.</li> <li>• Rich in forests and forest products.</li> <li>• Create a local market in the area and sell natural goods there to tourists.</li> <li>• Natural resources are considered and conserved when they bring in money (e.g. Forests, waterfalls, etc.)</li> <li>• Those who want serenity and seclusion from city life prefer a pure and serene environment.</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• The village needs more trained and skilled personnel.</li> <li>• Inadequate local government support for managing tourist destinations to achieve sustainable tourism</li> <li>• There are still just a few tourist attractions that take advantage of nature's full potential, giving visitors a limited range of options and necessitating the development of more engaging programming.</li> <li>• Lack of infrastructure supporting tourists, including sewage and roads.</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Homestay, gift, and tour package effects have the potential to boost the local economy.</li> <li>• The local government can finance the construction of several of Khunti's settlements as tourist villages.</li> <li>• Government planning and incentives for private investment should receive more attention.</li> <li>• Two goals are increasing regional employment and preventing young people and economic activists from moving to other locations.</li> <li>• The people's handicrafts, bamboo work, and Dhokhra metal casting are only a few examples of the local potential that might be exploited in the souvenir industry today.</li> <li>• There is potential for expanding adventure tourism, spiritual tourism, and picnic areas.</li> <li>• Locals might be encouraged to make investments in these areas on an individual basis.</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Scenic area damage</li> <li>• Noise pollution can increase.</li> <li>• Tourists commit more social offences.</li> <li>• Concretization is necessary for infrastructure development, which will cause soil erosion, infertile soil, etc.</li> <li>• Natural resources like forests and water resources are being destroyed and overused.</li> </ul>

## RECOMMENDATIONS

Rural entrepreneurs constantly upgrade their knowledge through various mediums, and forming self-reliant groups can help them discuss their needs. Lack of access to information is a problem for entrepreneurs, but they can benefit from public relations and supportive organizations. Family support is crucial, and group entrepreneurship can mobilize significant capital, reduce workforce burden, and contribute to rural development. Saving habits need to be improved, and entrepreneurs should register their businesses to take advantage of government benefits in the future.

The government can assist rural entrepreneurs by providing financial literacy and assistance with minimal interest rates, and the Department of Agriculture can play a leadership role in developing entrepreneurial skills for agro-based businesses. Successful tribal entrepreneurs can serve as role models, and partnerships between NGOs, local communities, and public and corporate sectors can empower locally-based tourism. Rural infrastructure should be developed to minimize environmental damage, and tourists should be encouraged to practice sustainable consumerism. The government should provide entrepreneurial education

and skills training for young people and incorporate rural entrepreneurship courses into school and university curricula. Special attention is needed for areas needing more adequate infrastructure. Customized training programs should be offered to entrepreneurs to help them meet their unique challenges.

## CONCLUSION

In conclusion, the entrepreneurial spirit is alive and well in the rural communities of Khunti, and the MMAJJGVY program plays a vital role in creating employment opportunities. Training programs are essential to help entrepreneurs overcome challenges and make them sustainable. While there are already micro and small businesses in the area, the study explored other employment opportunities for the rural population, considering the low population density. Khunti can continue to grow and thrive by promoting tourism and supporting entrepreneurship. Sustainable livelihoods are an option only to reduce migration rates and community development.

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