CHAPTER-2

REVIEW OF LITERATURE

This chapter presents the review of literature, an overview of the relevant and important literature on the research areas under consideration in this study. A literature review distills the existing literature in a subject field; the objective of the literature review is to summarize the state of the art in that subject field. From this review of earlier and recent work, it becomes possible to identify areas in which further research would be beneficial. An examination of the past studies serves as a pointer for future investigation. The present literature review is based upon a concept-Empirical evidence centric approach organized around the conceptual issues and empirical studies related to research topic and defined research questions. The review has been structured dividing into categories representing the conceptual subjects as well as the empirical findings of the entrepreneurship, rural entrepreneurship, Govt. sponsored rural socio-economic development programs, development institutions etc. Though the literature available on some aspects of the study is fairly large, the review is limited to the core issues to identify the major trends. Hence various referred empirical studies have been reviewed which are important, relevant and concerned with the intention of study and has been grouped into following categories:

- Entrepreneurship and Rural Entrepreneurship Development
- Entrepreneurship and Rural Development
- Govt. Interventions and Programs
- Misc Empirical Studies related to PMRY, SGSY, REGP, SBLP, HSIIDC/HFC

Discussing the following aspects-
Role of Development Institutions/Support Agencies
(Credit and financial Assistance/Infrastructural Support/Management and technical Assistance/Entrepreneurship Education and Training)
Impact of Development Programs

(Awareness about Govt. Schemes/Programs, Employment Generation in rural areas, The economic well being of the rural people, The growth of rural SSI and Village industries)
2.4 Entrepreneurship and Rural Entrepreneurship Development

The introductory chapter clearly spelled out and documented the conceptual and empirical review of Entrepreneurship and Rural Entrepreneurship Development. Review of a good number of books like authored by Drucker, Dailey, Deeks, Mancuso, McBennet, Desai, Sweeney, Desgpande, Gautam, Khanka, Kumar, Mishra, Sharma, Sameeudin, Singh, Hisrich & Peters and such other books has been reviewed and documented. Some more empirical reviews are listed hereunder-

Kuratka and Richard (1997) opined that entrepreneurship is the dynamic process of creating incremental wealth, created by individuals who take the major risks in terms of equity, time and career commitment of providing value to some products or services.

Zhang (2002) defined entrepreneurial attitude in terms of individual’s tendency toward a specific thing and environment, target, analogous to inclination and factors affecting the formation of attitude.

McClelland (1961) pointed out that the man who organizes the business unit and/or increases its productive capacity is an entrepreneur, Whereas, Lockwood (1965) defined the entrepreneurship as the ability to recognize and exploit economic opportunity. Entrepreneurship is the purposeful activity (including an integrated sequence of decisions) of an individual or group associated individuals (Cole, 1959).

E.D. Shetty (2002) documented a brief discussion of rural industrialization in the prevailing economic situations and an overview of the kind of industrialization in rural economy.

Kulawczuk (1998) argued that rural entrepreneurship occurs in economically and socially depressed areas with inadequate infrastructure, economic stagnation, low levels of education, low skilled workers, low income, and a culture not supportive of entrepreneurship.

Leeds and Stainton (1978) defined micro entrepreneur as a person who initiate production, takes decision, bears risks, involves, organize and coordinates the other factors in their own prevailing rural conditions, economic structure, social infrastructure and market forces.

A. Usha Devi (2004) explored the conceptual framework of rural area and rural entrepreneurship and discussed the need for rural entrepreneurship in India and the emerging entrepreneurs in the context of existing rural entrepreneurs in India.
B.K. Pandey (2005) examined the rural micro-finance as development initiatives and rural entrepreneurship promotional tool.


R. V. Rao (2007) discussed about the strategy of rural development viz. improving the economic conditions of the individual rural poor and investment to develop overall rural economy to solve the problems of unemployment, underemployment and poverty.

Mohanty, S.K. (2009) explored the rural entrepreneurship through poverty alleviation programs and recommended measures to boost up rural entrepreneurship.

Shetty (2002) analyzed the changes in entrepreneurial attitude orientation and has measured attitudinal characteristics of rural Entrepreneurs as a result of exposure with various entrepreneurial development and promotional programs and activities by different agencies and institutions. He views rural entrepreneurship as a pursuit of opportunities existing in the rural areas without limiting oneself to the accepted within the existing norms and confines of an organization.

Singh B Mnamboodiri K V N (2007) critically appraised the rural unemployment in India and profiled the characteristics of rural entrepreneurs in India.

Singh Kuldeep (2010) documented that in the Indian context, rural entrepreneurship is one of the best solutions to eradicate the rural evils like poverty, unemployment and the problems/challenges faced by rural entrepreneurs in the shape of easy availability of credit and finance, shortage of raw material, lack of market knowledge and inadequate infrastructure & support system.

2.5 Entrepreneurship and Rural Development

Yadav C.P. (2000) studies the economics of developing rural women entrepreneurship and critically reviewed the recent studies on rural entrepreneurship development.

D. Himachalan emphasized on Entrepreneurship Development in small scale sector and the importance of development of rural industrial entrepreneurship as an ingredient of economic development. Economic development essentially means a
process of upward change whereby the real per capita income of a country increases over a period of time. Entrepreneurship has an important role to play in the development of a country. It is one of the most important inputs in economic development. The number and competence of entrepreneurs affect the economic growth of the country.

Eren Ozgen, Troy University Dothan Barbara D. Minsky (2006) critically analyzed the promotion of rural entrepreneurship development as an effective strategy in alleviating rural poverty in developing countries. The author introduced a framework that relates certain intellectual, human and environmental resources and national framework conditions to opportunity recognition in rural areas.

Petrin (1994) noted that Fostering entrepreneurship is a crucial factor in energizing the rural economy in impoverished rural regions because entrepreneurship creates wealth and employment and has a profound impact on the quality of livelihood of rural populations (FAO Corporate Document Repository, 1997). Brian Dabson (2008) explains entrepreneurship as an Economic Development Strategy.

Sanjeev Kumar (2005) explored how a rural development strategy focusing on rural industrialization can bring about significant, and mostly positive, change not only in the lives of rural people but also in the structure of the rural economy.

Vinod S. Gaikwad (2010) emphasized that various government initiatives backed by corporate CSR activities have helped in overall development of the rural population. The rural economy is being continuously upgraded on many dimensions and facets like Physical connectivity (in terms of Roads, Rails and Public infrastructure), Economic connectivity (in terms of Markets/Retail, warehouses, agro industries, micro power plants, coop production marketing and micro finance etc), Electronic connectivity (in terms of Telecom, internet, E-learning, E-governance and e-healthcare), and Knowledge connectivity (in terms of Schools, Libraries, proactive healthcare and manufacturing knowledge).

Huneker S.G. (1995) explored and documented the basic aspects of rural development in India and role of financial institutions in initiating change in rural society by promoting entrepreneurship and bringing about overall development.

2.6 Govt. Interventions and Programs

Ahmed J. U., Purohit V., Sangma S. A. (2012) examined a number of agencies in India which are engaged in disbursing the financial assistance to village level SHGs in
India. They found that along with the highest contribution by commercial banks, micro credit given by cooperative banks has been increasing in terms of amount but percent wise decreasing. The micro credits given by RRBs have not shown any significant change over a period of time during this tenure. Author concluded that NABARD has been instrumental in facilitating various activities under microfinance sector, involving all possible partners at the ground level in the field. It has been encouraging voluntary agencies, bankers, and socially spirited individuals, other formal and informal entities and also government functionaries to promote and nurture SHGs.

Arun Agrawal & Nicolas Perrin (2009) documented the existing institutional network and various govt. support agencies to provide the infrastructural support to entrepreneurs like NABARD, DRDA, KVIC, SIDBI, RRBs etc.

Ashappa C., Hanamanthappa B. Sedamkar (2011) viewed the Govt. Policies, Assistance and Programs as the means of self-employment to the person concerned providing direct and indirect employment opportunities to many others particularly those in the rural areas of the country.

B. Sella Raja (2004) explored the need for government assistance and listed the non-financial assistance in identifying business opportunity in the rural areas, preparation of feasibility studies and Project reports, providing for managerial, Technical and Marketing assistance.

Chandrasekhar (2006) documented that EDPs are the essential part of any self-employment scheme of the Govt. and are conducted mainly for the purpose of identifying and developing potential entrepreneurs.

D. K. Singhal and Vaishali Desai (2009) Author examined the financial assistance to Swarozgaris and credit and Subsidy disbursed under SGSY. Author found the utilization of loan amount almost 90-95% in cases of SHGs as compared to 30 to 40% in non-group cases. SHG approach has helped the banks in rehabilitation of some of the hard core defaulters to the banks.

Deepti Pachauri (2012) conducted a study in various KVIC and MSME centers of Agra and Firozabad district in the state of Uttar Pradesh on the emergence of women entrepreneurship making significant impact in all segments of economy and the problems faced by them in setting up and running their enterprise. Author concluded that KVIC, MSME conducted EDPs for educated unemployed women entrepreneurs and youth.
MDP on Management Information System was also conducted by various KVIs and MSME centers.

Ekatra (2007) found that training for capacity-building of the SHG-members under the scheme SHG was given but the training aspects in the sample area were very weak as analysis at various stages reveals that even the method of operation of the Scheme is not very clear to the Swarozgaris.

Ekong (2000) defined rural infrastructure as those basic physical, social and institutional forms of capital, which enhance rural dwellers’ production, distribution and consumption activities and ultimately the quality of life. These infrastructures include transportation, storage facilities, power supply, communication facilities, water supply, health facilities and other community services.

Ibrahim, M.S. (2020) concluded that performance of rural banks in India has significantly improved after amalgamation process which has been initiated by the Government of India and playing instrumental role in the promotion of small and micro village enterprises in rural India.

J. Madhi Vani (2004) discussed about rural employment opportunities and policy initiatives in the form of government assistance for rural employment, micro finance and micro enterprises.

K. G. Karmakar and N.P. Mohapatra (2009) The author documented that many poverty alleviation programs like IRDP, PMGSY etc. have been launched by the Government of India since 1967. Besides the above measures of the Government of India/RBI, banks have, over the years, developed a number of innovative products and services to provide credit and financial services to the rural poor. Author concluded that Banks need to develop an array of financial products and services that are adapted to the needs of the majority of rural people at affordable prices.

Kalbag S.S. (2003) emphasized the need for educating the rural youngster to achieve the objectives of integrated rural socio-economic development in India.

Kalpana Vaish (1993) explored the entrepreneurial role of development banks in backward areas and documented the institution wise assistance and the promotional efforts.

Khandker and Shahidur (1998) observed that the micro-credit and financial assistance to the poor with access to financial services is one of many ways to help increase their
incomes and productivity. However, traditional financial institutions have failed to provide this service. Microcredit and cooperative programs have been developed to fill this gap. Their purpose is to help the poor become self-employed and thus escape poverty. Many of these programs provide credit using social mechanisms, such as group-based lending, to reach the poor and other clients, including women, who lacked access to formal financial institutions.

Kroon et al (2006) argued that entrepreneurship development programs are devised for grooming potential people through entrepreneurial training to develop and strengthen the entrepreneurial quality and competencies, having potential to become entrepreneurs and willing and ready to build their own business or enterprise creation.

Manju Dahiya (2011) evaluated the impact or micro credit assistance provided to the members of SHGs under SGSY and found an improvement in the socio-economic condition of members as a result of taking up micro-entrepreneurial activities. The annual income range of mostly members increased from low range to high range, showing positive impact on monthly saving and both positive and negative impact of annual savings, positive impact on assets holding of the members. Author concluded that financial assistance to poor rural people has improved the economic position of mostly members. It may the one of the method which can tackle the problem of lack of credit from the entire society and the objective of the social and economic empowerment of members can be achieved. The author also reported some drawbacks that group members faced many problems in receiving finance from banks due to lack of awareness.

Manoj Saxena (2001) examined the measures undertaken by Ministry of Rural Development, Government of India for development of non-farm sector by creating employment opportunities through various sponsored schemes like SGSY, EAS, DRIP, and Rural Entrepreneurship Development Program (REDP). The author concluded that efforts are needed to identify appropriate and effective institutional vehicles for development of non-farm sector policy and interventions for creating employment opportunities. The issue of infrastructural needs, market prospects and technological requirements for some of the key RNF activities needs to be examined and appropriately dealt with regards to both forward and backward linkages with a view to make the activities self-sustaining in the changing competitive environment.
Mark and Khandker (1996) examined the credit program to SHGs in Bangladesh and highlighted that usefulness of targeted credit programs through Grameen Bank which aimed at empowering women by increasing their contribution to household consumption expenditure and the value of their assets. The study clearly indicated that microfinance programs have increased the total per capita consumption of the poor and the asset holdings of women.

Meenu goyal, Jai Prakash (2011) reported the lack of awareness about the financial assistance in the form of incentives, loans, schemes etc. by the institutions in the financial sector. Hence, the sincere efforts taken towards women entrepreneurs may not reach the entrepreneurs in rural and backward areas.

Menon (2009) praised the NABARD for initiating and supporting innovations in credit and credit related areas which has result in employment generation, financial inclusion and poverty alleviation. In order to ensure sustainable livelihood opportunities for tribal families NABARD has set up a Tribal Development Fund. The support is provided to NGOs to assist tribal families to take up cultivation of suitable horticulture/ agriculture crops.

Mookkiah Soundarapandian (2001) discussed emerging perspectives and highlighted the role of District Industries center and cooperatives in rural enterprise development.

N.C. Saxena (2007) documented that government in India at centre and state level have provided policy framework supporting rural entrepreneurship development, formulated and launched development programs/schemes and ensured institutional support to rural entrepreneurship and entrepreneurs.

Nitin Jain (2006) provided an overview of various self-employments and income generating program/sponsored schemes launched by Govt. of India and A few Development banks like NABARD. He concluded that such Govt. interventions primarily aimed at rural entrepreneurship development in the country.

P. Satish (2010) examined the flow of micro credit and credit to agriculture from institutional sources and found disturbing trends and insufficiency of the share of commercial banks. Author found RRBs playing important role in dispensation of credit in rural areas, especially to the weaker sections of society.
Pawan Kumar Sharma (1991) highlighted the conceptual framework of entrepreneurship, problems and difficulties of entrepreneurship and given an overview of future of entrepreneurship promotion in India.

Pukhrem Sharat Chandra Singh (2001) addressed the problem of unemployment and consequential poverty in India and analyzed the government formulated anti-poverty programs for the generation of both self-employment and wage-employment in rural areas. He explored some of the training-cum-employment-cum-income generation intervention measures like Swarnjayanti Gram Swarozgar Yojana (SGSY), Employment Assurance Scheme (EAS), Support to Training-cum-Employment Program (STEP) and Employment-cum-Income Generation-cum-Production Units (NORAD).

S. R. Maheshwari (1994) critically overviewed, from a public policy perspective, the government's rural development schemes which have been implemented with the objective of alleviating rural poverty.

Seibel (2000) experimented that the credit and financial assistance is a relief for short-term, and it is ineffective in the long run. Therefore, sustainable poverty reduction can only be attained through well-designed long-term development measures.

Shamim and Khan (2010) observed that in rural areas, micro-credit and financial assistance beneficiaries are usually small farmers and others who are engaged in small income generating activities such as food processing and petty trade. In urban areas, micro finance activities are more diverse and include shopkeepers, service providers, artisans, street vendors, etc.

Smallbone and Welter (2006) stated the need of Institutional environment as that one of the key external factors influencing the nature and extent of entrepreneurship is the behavior and orientation of local institutions. Moreover, it can be argued that such factors are particularly important in post-socialist economies.

Tandon K. and Malhotra N. (2011) The author critically evaluated the regulatory framework for financial institutions which provide thrift, credit and other financial services and products of very small amounts mainly to the poor in rural, semi-urban or urban areas for enabling them to raise their income level and improve living standards. He described micro-credit and micro finance programs as those extending small loans to poor people for self-employment projects that generate income, allowing them to care for themselves and their families.
V. G. Patel (1987) argued that through institutional support and sponsored schemes, Government intervenes in the economy or society in order to achieve an outcome that is better than would otherwise be the case. He added that Government conceptualized, operationalised and institutionalized a good number of such schemes/programs under the five year planning regime like IRDP etc.

Vaidyanathan S., Sundar V. (2011) explored a number of institutions and government agencies at different levels in the country involved in entrepreneurship development and creating and fostering entrepreneurial eco-system.

Yunus (2009) opined that microfinance, credit and financial assistance in India had touched the 33.6 million client-mark in 2007-08 of which 14.1 million were still remaining served by MFIs, It also put the clients outreach at over 100 million. He has highlighted that the microfinance must grow steadily and steeply, all indicators pointed to the flattering growth curve.

2.7 Misc Empirical Studies

Abdullah- Al- Mamun et al. (2011) reported an increase in the employment generating opportunities at household and community level as a result of participation of people in AIM’s microcredit program. Findings of this study indicated that a relatively higher percentage of total adult household members among old respondents are gainfully employed and the mean numbers of gainfully employed members among the old respondents’ households are significantly higher than that of new respondents.

Abdullahi S. A. (2012) appraised the impact of public policies on the development of entrepreneurship in Nigeria and examined the relationship between entrepreneurship and economic growth & development. Study concluded that team enterprises contributed more to employment generation, income earning and economic empowerment as well as overall economic growth than sole enterprises. Author recommended that entrepreneurship development and entrepreneurial orientation should be more vigorously pursued by government in order to accelerate economic growth and development in Nigeria.

Abdullahi, S.A. (2008) noted that Entrepreneurship stands as a vehicle to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. The study further documented that the acceptance of entrepreneurship as a central development force by itself will not lead to economic
development and the advancement of private enterprises until an enabling environment necessary for entrepreneurship to be rewarding is created within communities.

Ahirrao J. & Sadavarte M. N. (2010) Stated that Rural women entrepreneurs are those entrepreneurs who actually reside in rural areas and mobilize human resources requirements from those areas in which they live. A rural woman entrepreneur is a woman or group of women who undertake to organize and run an enterprise in a rural area.

Ahirrao J. & Sadavarte M. N. (2010) stated that the self-employed entrepreneur creates employment opportunities to other rural people and therefore it is most important to create a favorable atmosphere for a healthy development of entrepreneurship. The study documented some other specific problems faced by rural women entrepreneurs with relevance to social and financial matter to banks and Financial Institutions take long time for appraising and finalizing the projects.

Alagappan (2004) who studied employment pattern in rural industries located in Keerapalayam Panchayat concluded that wage cum self employment pattern of wage payment proved to be effective. Therefore the pattern of employment generation is to be decided after weighing the relevant factors dominant in each pattern of employment generation.

Anand Chakravarthi (2013) in his study on the development of entrepreneurship in Micro-Enterprises ascertained the factors of growth that contributes to the entrepreneurship in Micro-Enterprises and examined the socio-economic origins of entrepreneurship in Micro-Enterprises. The study reported very poor awareness among the entrepreneurs about the latest developments in the fields of industry, economics and society.

Anuj Jain & Avinash Chiranjeev (2012) studied Government initiated credit-based Programmes, NABARD SHG (Self Help Group) Bank Linkage programme and SHG-informal thrift and credit groups of poor and impact on entrepreneurship development in rural areas.

B. Sultana, Z. B. Zaaba and K. Umemoto (2010) Discussed about the Credit institutions as the providers of small loans. Microfinance organizations extend small loans and technical assistance to the poor for self-employment projects that generate income, allowing them to care for themselves and their families.
Batra V. & Chakravarty K. (2012) analysed the impact of microfinance on household welfare. The research brings mixed results of the impact of microfinance on household welfare. The average level of income earned by members was found highest in SGSY groups as compare to other programmes. The study observed improvement in assets base among the members however many members had not purchased any productive items and loan amount from bank/MFI as well as group was also the main source of finance to acquire these assets.

Busenna P. & Reddy A. A. (2011) assessed the employment generation potential of the Khadi institutions. The study revealed that most of the institutions are suffering from shortage of working capital. Institutions also require financial help for improvement of retail outlets, for quality testing labs, and development of work sheds for spinning and weaving. Most of the artisans are not satisfied with the performance of the existing charkhas and looms.

C. Rathna & V. Badrinath (2012) maintained that entrepreneurs can be developed through appropriately designed entrepreneurship development programmes which helps in creating more employment opportunities as well as it is capable of achieving a higher rate of economic growth.

Caroline J., (1991) in a study found that entrepreneurs training given by the DICs should be made more meaningful and be conducted more frequently and made compulsory for all applicants before disbursement of loan. The beneficiaries in many cases selected self employment activities without evaluating the feasibility and profitability of such activities. The guidance of the District Industries Centre officials was found to be not at all helpful.

Chellappan (2006) in his article has appealed to the Govt of India to patronize the products produced by self help mechanism and this would serve as a head ache balm to give an eternal relief to rural enterprises, at present rural bazaars have been set up at District Head Quarters for marketing the output of self-help group entities.

Choudhury S. & Agrawal V. (2012) made an attempt to attempts to focus on growth of rural economy through development of Khadi and Village industries considered to be major engine for growth in a labour intensive country like India. The study explored the govt. policies redefining the Indian Economy through economic prosperity of Rural India.
Chowdhary N. & Prakash M. (2010) investigated the less than acceptable performance of rural entrepreneurship development programmes in the state of Rajasthan (India). The study reported several areas of inadequate performance- choice and deployment of faculty, course material, expectations of the participants, timing, delivery and focus of the programme.

Desai B. M. (1989) conducted a study on Objectives and Role of Institutional Finance for Agricultural and Rural Development. The study documented that institutional finance to rural sector is provided to achieve the objectives of high rural growth, better equity, and viability of institutional finance. The author discussed the rationale for institutional finance, its role and functions, and the policy support required for undertaking its multi-functional role effectively to extend direct and indirect rural credit for rural development.

Dheenadhayalan V. (2012) observed that SHG bank linkage programme has become a supplementary channel for providing financial services from formal financial institutions to excluded category of poor segments of population. The paper discussed about the Models of Micro Credit Mechanisms in Self Help Groups – Bank Linkage Programme in India in terms of Growth, Models, Agency as well as Regional Distribution and Concluded with Recovery performance of Bank loan to SHGs.

Dinis A. (2002) in his study highlighted that entrepreneurial process has to be seen and analyzed as both an individual and collective phenomena where economic rationality is mixed with other rationalities. It also means that economic development is more probable and sustainable in a context of socio-cultural development.

Ekatra (2007) found that The SGSY Scheme has created more economic burden than to alleviate poverty in Kolaras Block in Shivpuri District. Leakage of funds from SGSY is apparent at every stage of implementation of the Scheme and the benefits of the Scheme have not reached the beneficiaries. Independent Individual Swarozgaris have not been successful.

Hemalatha A. V. (2012) assessed the skill development of rural women through the formation of Self Help Groups in different parts of Kerala. The study explored the socio economic status and the extent to which the members acquired entrepreneurial skill after becoming members of the group and availing the opportunity of attending Training program conducted by Institutions like NABARD, NGOs and Gram Panchayats.
Hossain (1988) noted that the most direct effect of microcredit has been on the accumulation of capital by the poor. The amount of working capital employed by clients’ enterprises was increased by an average of three times within a period of 27 months.

Inayatullah J. & Hayat S. (2011) exemplified micro-credit Programs of a selected non-governmental organization working in the area have enabled rural women to improve their self-respect and social-image. This has further helped rural women in self-employment generation and financially rewarding activities and enabled them to challenge and change the inequitable and hierarchical relationships in their society already dominated by male.

J. Ahirrao, S. Ambhore (2009) in his research paper observed that the promotion of rural entrepreneurship is vital in the context of generating gainful employment and minimizing the widening of disparities between rural and urban population. For reducing poverty and to overcome low productivity in the farm sector rural entrepreneurship is necessary.

J.S. Chaudhari, Vatsala.G (2012) has analysed the government role in development of entrepreneurship, financial and non-financial initiatives taken by the government for the developing and promoting the entrepreneurship and the various kinds of assistance given by the government. There are several programmes initiated by the Government; either directly or indirectly in encouraging people to become entrepreneurs.

Jagtap K. N. (2012) in his study on rural women entrepreneurs concluded that rural women entrepreneurship should be given liberty to choose their business activity. This creates interest in the entrepreneurship and attracts her commitment and an all out effort of the success of business undertaken by her. Rural women entrepreneurs should be made aware of avenues of opportunities, procedures and techniques to exploit such opportunities to their benefit.

Jayamaha A. (2012) in his study documented that small financial institutions play an important role in meeting the rural credit needs in rural sector in Sri Lanka and gained an increasing share of financial assets, which has been particularly helpful for satisfying the growing demand for loans and advances in poor people in the country.

Jha U. M., & Jha N. (2008) in a study noted that rural development is a comprehensive and multidimensional concept and encompasses the development of agriculture and allied activities, village and cottage industries and crafts, socio-economic infrastructure, community services and facilities, and above all, human resources in rural areas.
K. Moorthy (2012) in his study maintained that that financial services and products should be made available to the entire population without any discrimination to foster and support the rural economic development of the country by the way of improving the industrial production, revenues, employment opportunities, standard of living, and prevention from poverty, etc.,

K. P. Nandanwar (2011) is of the view that there are large number of opportunities available for the rural entrepreneurs what is needed at core area of rural development is 'pull together a unique package of resources to exploit an opportunities'. The author concluded that Entrepreneurship in rural areas is finding a unique blend of resources, either inside or outside of agriculture.

K. Sundar and T. Srinivasan (2009) concluded that Village and cottage industries and agriculture sector which were accommodating rural population have been losing ground to service and industrial sector. The share of agriculture in the GDP has steadily declined from 36.4% in 1982-83 to 18.5% in 2006-07, although this sector supports more than half a billion people, providing employment to 52% of work force.

Kabir M. S. et al. (2012) confirmed that most of the entrepreneurs have improved their socio-economic conditions through small scale entrepreneurship. A livestock and poultry entrepreneurship is significantly associated with financial, physical and social capital. Vegetables entrepreneurship has significant co-efficient with natural and physical capital, fisheries entrepreneurship also significant and positively associated with human capital.

Kalkundrickars (1990) found that these banks had benefited the beneficiaries in raising their income, productivity, employment and use of modern practices and rehabilitate the rural artisans.

Kamaraj K. et al. (2012) explored the importance of geography for the entrepreneurial profile in the urban and rural areas. The study implicit entrepreneur’s knowledge, identity and networks are similar in the urban and rural areas and the same time it has great influence by the geographical lineaments.

Karmakar (1999) illustrated that the different dimension of microfinance, creates access to income generation for the poor, support to education and training, and social capital, achieved through people organization building, support to people to move from poverty.

Keshab Das (2009) examined the approaches and challenges to explore possibilities of moving the rural industrialization on to a higher level of performance and spread. The
author argued that rural industrialization has been languishing with poor product quality (a direct fall-out of low levels of technology and lack of incentives to innovate), feeble links with active marketing/distribution channels and a persisting complacency with low factor productivity.

Khandker and Chowdhary (1995) conducted a study on Grameen bank’s clients in Bangladesh, noted that the increase in self-employment among the poor with access to credit has resulted in an increase in rural wages.

Khandker, Samad and Khan (1998) mentioned that microcredit program have positive impact on income, production and employment particularly in rural non-formal sector.

Kumar A. & Honnakeri P. M. (2012) examined the impact of Micro finance through Self Help Group (SHGs)-Bank Linkage Programme on the rural people especially women with respect to poverty alleviation and socioeconomic empowerment. The study provided insights into the impacts of Micro-credit and/or Microfinance on poverty alleviation and the development of rural entrepreneurship.

Kumaran (2002) found that the micro enterprises which were set up by the SHGs promoted by NGOs and banks were more viable & sustainable when compared to the micro enterprises of SHGs promoted by DRDAs because of differences in the quality of technical training and escort services provided to the entrepreneurs.

Larson & Shaw (2001) observed that the challenges of agricultural growth in developing countries include the lack of access to technology and infrastructure (institutional, physical, financial, skilled human resources).

Latifee (2003) in his study mentioned that participation in microcredit program reduced unemployment rate among clients, and made a positive contribution to their standard of living.

Mainoma and Aruwa (2008) expressed that entrepreneurship education generally refers to programmes that promote entrepreneurship awareness for career purposes and provide skill training for business creation and development.

Manon (2007) has observed in his article that too many schemes, too many government agencies dual governments, high leakage of financial assistants and role ambiguity made little impact on abject rural poverty and growing rural unemployment. A clear-cut policy
for rural industrialization is to be evolved which should address the likely pitfalls in the road to rural industrialization.

Mehta A. (2011) conducted a study on conceptual understanding of rural entrepreneurship and discussed a framework for the development of rural entrepreneurship in India. The study reported that there is an urgent Need for entrepreneurship development programs with special reference to small family based or generation based business for the scientific and practical trading and development of the entrepreneurs, Need for strong infrastructure development especially in terms of transport, water, electricity, land, and school.

Mishra and Hossain (2001) in their study assessed the impact of mahila mandals’ rural SHGs, in Orissa in the pre- and post- SHG periods. The study concluded that there was a considerable increase in the revolving funds, loans extended, grants availed, savings accumulated etc. The loans were given both for consumption and social obligations. There was a considerable improvement in the socio-economic status in terms of literacy, housing conditions, food security to manage the lean season, nutritious level of food etc in the post-SHG situation compared to pre-SHG period.

Mohamed (2001) reported that rapid growth of rural and small scale sector were being marked by some problems i.e. technological stagnation, under utilization of capacity, lack of vertical mobility, sickness and high mortality rates, followed by shortage of finance, inadequate facilities of storage, inadequate marketing, stiff competition, low mobility, family responsibilities and, social attributes.

Mohan Reddy P. et al. (1990) in a study maintained that it is necessary to impart self employment skills through training to make rural people self employed. The training programmes should enable the rural women to take up individual and entrepreneurial activities, to impart skills in the selection of a product and to provide skills in managing the enterprise effectively.

Moorthy K. (2012) in his research paper concluded that out of 147 million households in rural areas, 89 million are farm households of which 51.4% farm households have no access to formal or informal sources of credit. High level of rural poverty is caused as they are due to inaccessible to financial services and products offered by formal financial institutions.
Moyong O. (2012) made an attempt to highlight the prospect of rural entrepreneurship in Small Scale Industrial (SSI) Sector in Arunachal Pradesh. Author believed that rural entrepreneurship in Small Scale Industrial (SSI) sector in India is occupying prime importance in the sense that it stands as a vehicle to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment and the state of Arunachal Pradesh is not an exception to it.

Moyong O. (2012) observed that rural entrepreneurship implies economic betterment as well as greater social transformation of the people lives in rural areas. To this fact, government of India have been focus on employment generation and asset creation through various interventions of plans and policies and even come out with many successful events especially in the field of employment generation.

Murthy et. al. (2005) studied the South Asia Poverty Alleviation programme in Andhra Pradesh. It was observed that members of SHGs had better access than non-members with respect to almost every basic need. There was substantial reduction in poverty and causes of poverty and gender disparities among members were less than non-members.

Naidu, L.K. (1988) conducted a study on RRBs taking a sample of 48 beneficiaries of rural artisans in Cuddapah district of Andhra Pradesh under Rayale Seen Gamin Bank. In this study, it was concluded that the beneficiaries were able to find an increase in their income because of the finance provided by the bank.

Narayanaswamy et al. (2005) found that the average saving of each group was Rs. 28,000. The majority of the loans were used in animal husbandry (24 per cent), household expenses (17 per cent) medical expenses (16 per cent) and micro-enterprises (13 percent). The net return on investment was highest in case of pottery followed by garments, sale of dates and garlic, brick chamber, masla powder making, flour-making, vegetable vending, and meat shop. More than 70 per cent members saw an increase in income of Rs. 2000 per month and remaining reported from Rs. 1000 to Rs. 1500 per month.

Nirmala et al. (2004) studied the factors determining the earnings of SHG members in Pondicherry. The study showed that around 80 per cent of the SHG members had initiated income generation activities and the majority of them were engaged in non-farm activities that were traditional and less remunerative. Marketing of goods and less availability of raw material were the main problem.
North D., Smallbone D., 2000 noted that rural entrepreneurship focuses on creating new workplaces by implementing investments in rural communities. Study further documented that rural entrepreneurship represents that type of entrepreneurship that is able to offer added value to all type of rural resources (natural, material, financial, human) in rural areas rendering in this process mainly rural-based human resources.

Nwachukwu I. N. & Ezeh C. I. (2007) made an attempt to study available rural development programmes with poverty alleviation objectives in the area; assess the extent of awareness and participation of rural people in the programmes; and examine the impact of the programmes on farmers’ income, farm size, production and productivity.

Otieno Simeyo et al. (2011) evaluated the effect of provision of micro finance on the performance of youth micro enterprises under K-REP program in Kisii County, Kenya. The study employed a cross sectional survey design. The empirical results revealed that loan had the largest significant effect on performance of micro enterprises with a beta coefficient of 0.385, followed by training in micro enterprise investment with a beta coefficient of 0.281 and Savings mobilization had the least but significant effect with a beta coefficient of 0.272.

P. Bhatia (2012) holds that Khadi and Village industry plays a significant role in the development of the economy. It contributes significantly to the national income and provides employment opportunities to the large number of the rural economy.

P. K. Dhiman (2011) has emphasized in his research paper on the remedial measures to improve the working of government towards providing employment and upliftment of rural masses. He made an attempt to find out the role of rural development for imparting employment opportunities among the rural masses and various other factors responsible for creating hindrance in the working of the rural masses.

Pal and Sura (2006) conducted a study on rural credit in the post-Independence Period with reference to RRBs and found that Credit is one of the most urgent aspects to make rural development strategy and despite major structural changes in credit institutions and forms of rural credit in the post-Independence period, the exploitation of the rural masses in the name of credit facility is one of the most pervasive and persistent features of rural India.
Palaneeeswari T. & Sasikala S. V. (2012) examined the personal and economic empowerment of rural women involved in self-employment from a rural area and revealed that self-employment not only helps the respondents to generate additional income but also enables them economically independent and self-sufficient.

Panda (2009) in a study of Orissa found that microfinance interventions had led to a positive impact on the socio-economic development of poor villagers in the state. The probit model was used to understand the impact of explanatory variables like income, literacy and migration on the probability of participation of households in the group-based microfinance programmes.

V. G. Patel (1987) is of the view that lack of coordination among the various poverty alleviation programmes contributed least to the fight against poverty and unemployment in rural horizon. There is no coordination among these programmes.

Phillips (2006) opined that Quality of life in the rural setting is a multifaceted phenomenon determined by the cumulative and interactive impacts of numerous and varied factors like housing conditions, infrastructure, access to various amenities, income, standard of living, satisfaction about the physical and social environment.

Pi-Shen, Lip-Chai (2006) examined the entrepreneurship education based on concepts of experiential learning and its effect on changing the entrepreneurial perceptions, intentions and competencies of potential entrepreneurs. Experiential learning has been found to be an effective sub-approach of action learning in management education and has been particularly useful in entrepreneurship education. This is because experiential learning helps build self-efficacy, an essential competency in entrepreneurship.

Puhazhendhi and Satyasai (2000) assessed the impact of microfinance on the socio-economic conditions of 560 household members from 223 SHGs. The average value of assets per household was Rs. 6,843 during the pre-SHG period, which increased by 72.3 per cent to Rs. 11,793 in the post-SHG period. The average household saving was merely Rs. 460 during the pre-SHG period, which increased manifold to Rs. 1,444. Similarly, average borrowings rose from Rs. 4,282 during the pre-SHG period to Rs. 8,341 in the post-SHG period.

Purushotham P. (2004) reported that micro credit intervention benefited many women entrepreneurs. He also observed that these benefits in terms of women shifting from
wage to self employment, increased income, repayment of old debts, purchase of assets, sending of kids for schooling etc.

Ram (2002) opined that rural industrialization seeks to use locally available resources and labour. Tiny cottage and village industries are best suited for rural areas.

Ramachandran, Swaminathan and Madhura (2002) Policies of current phase of financial liberalization have had an immediate, direct, and dramatic effect on rural credit. There has been a contraction in rural banking in general and in priority sector lending and preferential landing to the poor in particular.

Ramesh (2004) in his study in Andra Pradesh found that assess and availability of micro credit through SHGs has not only resulted in higher incomes of women but also resulted in higher incomes of women but also developed better leadership skills, awareness regarding health and education aspects, communication skills, and improved financial literacy among women.

Ranga Rao (2007) empirically proved the apathy of commercial banks towards rural credits ever since our country followed globalization path. It is observed that most of the rural industries are starved of financial resources.

Rangi, et. al. (2002) studied the impact of SHGs on savings and income level of rural women in Fatehgarh Sahib District in the state of Punjab. On the savings front, about 15 per cent of SHGs in the district had savings between Rs. 5000 and Rs. 7500, 27 per cent had between Rs. 7500 and Rs. 10000, 44 per cent had between 10000 and Rs. 17500 and 15 per cent had between Rs. 5000 and 7500. More than 52 per cent of SHGs had availed credit, which was linked with their savings.

Ravi S. & Vikkraman P. (2012) reported that spread of SHGs in India has made exciting progress from 225 groups in 1992 to some 16, 18,456 groups that have taken loans from banks. About 69.53 lahks SHGs have gained access to proper banking system through SHG-bank linkage programme and 90% of these groups are only women groups.

Robinson, et al. (2004) explored the links between entrepreneurship and rural development. Author pointed out that notion that entrepreneurship-led development can spur economic growth is complemented by a growing chorus of development scholars that has begun to suggest that social relations and a strong local social structure may positively affect such development.
S. Pratibha (2012) examined the different dimension of SHG Bank Linkage Program and its impact on rural people. The Study revealed that the prime aim of movement of SHG Bank linkage is to elevate the status of rural poor specially women economically and socially by fulfilling their financial needs. SHG Bank linkage enabled the SHGs in the study area to increase their operations with more financing and access to more credit products.

Samantaraya A., Lenka S. K. (2010) underscored the need for redesigning and enlarging the scope of the government-run programs in terms of promoting active involvement of beneficiaries, removing institutional bottlenecks, better information dissemination, and provision of basic infrastructure for transportation, storage and marketing of the finished products.

Sharmina Afrin et al. (2008) observed that micro credit program helps to develop socioeconomic status of the rural women in Bangladesh and made them entrepreneurial. The findings reported positive socioeconomic impact on the rural women borrowers and the financial management skill and the group identity of the borrowers have a direct and significant relationship with the development of rural women entrepreneurship (WED) through micro credit programs.

Singh K. & Saeed M. (2011) studies the problems of rural entrepreneurship through a case of Khadi & Village Industries. The author stated though the government is taking supportive measures to improve village industries during Five-Year Plans and Annual Plans by allocating a large outlay to these industries, but due to various problems like infrastructural problems, non-supportive attitude of financial institutions, low quality products, use of obsolete technology etc. rural industries are still lagging behind and some of them are under a threat of extinction as well.

Smith I. W. &Jackson C. (2004) looked at some of the characteristics of rural female entrepreneurs and highlights one project (Women in Rural Enterprise – WiRE). WiRE has been formed specifically for rural female entrepreneurs in Shropshire/West Midlands and briefly considers why this specifically targeted kind of policy focus is vital not only to economic development but to social and cultural sustainability in rural areas.

Sodhi J.S., (1982) conducted a study on “Training of youth for self-employment in rural areas” and has observed that the average income of dairying TRYSEM beneficiaries has increased by Rs.1436 per annum and that of non-TRYSEM beneficiaries Rs.1763 per
annum through the assistance. The study shows that the training offered did not make much difference.

Stathopoulou S. et al. (2004) provided an integrated view of rurality, rural entrepreneurship and set the agenda for future research in the area. Author defined Rurality as a territorially specific entrepreneurial milieu with distinct physical, social and economic characteristics. Location, natural resources and the landscape, social capital, rural governance, business and social networks, as well as information and communication technologies, which exert dynamic and complex influences on entrepreneurial activity in rural areas.

Sultana B. et al. (2010) stressed on the impact of micro credit on poverty alleviation and women’s empowerment, the overall condition of the poor women in rural Bangladesh. Microcredit is an important financial instrument to generate economic activity and self-employment opportunities for them. The study concluded that the micro credit has developed women’s micro entrepreneurship in rural Bangladesh and has increased their family income and standard of lives, increased awareness, developed capabilities and empowered women to contribute socio-economic status of individuals, groups and the nation as a whole.

Swamy T. H. V. & Nandeshwar R. L. (2011) made an attempt to understand the determinant factors of entrepreneurial activity, an in-depth examination of entrepreneurial activity, socio-economic variables and motives associated with rural entrepreneurship. The author argued that the development of entrepreneurship can be a major means of fighting economic inertia in rural areas and Promoting entrepreneurship is viewed as part of a formula that will reconcile economic success with social cohesion.

Thomas G. Johnson (2006) examined the conceptual basis for measuring the welfare consequences of economic development programs and policies in general, and entrepreneurship oriented programs in particular. The author concluded that the measurement of returns to entrepreneurship development policies and programs involves a number of components like a theoretical framework to point out the rationale for indicators chosen, a regional accounting stance which coincides with the responsibility of the governmental agency involved in the entrepreneurship policy, and an information system which incorporates these indicators into the regional accounting stance and adds a data collection process that considers the leveraging power of the policy.
Ugwu C. S. (2005) analytically examined the Micro Credit as a Sustainable Economic Development and Poverty Reduction Tool. The study highlighted micro credit in the form of soft loans usually given to small and medium scale entrepreneurs, farmers and artisans /craftsmen, etc to enable them procure, produce or improve their productivity as well as increase their general welfare. Micro credit facilitated the establishment of cottage industries, livestock farming, fish ponds and piggery farming.

Usha Jumani (1991) conducted a study to analyze the status of self-employed women in rural areas. Economic activities through which the Income of the women will be increased have to be identified with great care.

Van Praag and Versloot (2007; 2008) reviewed the literature on the impact of entrepreneurship (according to various definitions) on employment, innovation and productivity growth and found that entrepreneurs do not spend more on R&D than their counterparts, although the quality and efficiency of their innovation is higher.

Vasimalai and Narender (2007) examined the role of microfinance in poverty reduction and assessed the impact of Kalanjiam model of credit programme through the objective of assess the economic development of the family through credit and noncredit operation, and assess the contribution made by Kalanjiam programme towards empowering marginalized groups of women and family member and social development.

Wim Naudé (2012) provided empirical evidence on the relationship between entrepreneurship and economic development. The study concluded that entrepreneurship influences development outcomes positively as well as negatively; and three, entrepreneurship is in turn significantly determined by the dynamics of development.

Wortman (1990) asserted that rural entrepreneurship is one of the foundations of rural economic development. Rural entrepreneurship generally can be defined as creation of a new organization that introduces a new product, serves or creates a new market, or utilizes a new technology in a rural environment.

2.8 Identification of Research Gap

The above review highlights the salient features of the existing body of literature on self employment generation oriented rural development programs which have analysed in the context of entrepreneurial development. The studies on poverty and poverty reduction schemes are dominated by the economists. Targeting of the schemes, wages, cost benefit analysis, findings, income gains to the poor are the issues the
Economists deal with. There have been very few socio-economic studies that specifically deal with the development of entrepreneurship development at the grass root level in the country. Many of the available studies rely more on the outcomes of the rural development programs related to the poverty alleviation aspects. A very few studies could be found on the topic Rural entrepreneurship and that too the studies related to the context of study area. There is a distinct lack of studies conducted with a comparative perspective, which evaluate implementation and performance of different Govt. sponsored schemes on the basis of empirical data. In fact, this study intends to further strengthen the research interest in this area and is the source of information, motivation and inspiration for undertaking more comprehensive and systematic research work.

2.9 Summary

A review of the literature indicates that to date, role of developmental institutions and interventions in rural entrepreneurship has not received a great deal of attention in entrepreneurship research. Therefore, it seems useful and timely to further study their role and impact in rural entrepreneurship. The Rural Entrepreneurship and Rural Entrepreneurship Development (RED) as a distinct paradigm and philosophy of rural development in the Indian context, has not been a priority area as compared to the alleviation of poverty which has been a national objective of the government and developmental institutions all the time ever since India gained independence. Various developmental programs have been undertaken for increasing the level of employment and income of the rural people. Agriculture being the core enterprise engaging rural masses, it was given the first priority in the planning. The allied sectors, which too have good potentials for additional income generation, have been given attention by the policy makers. The research on Rural Entrepreneurship and Rural Entrepreneurship Development (RED) in the Indian context is scarce and there are few in-depth studies on this subject.

The main objectives of the programmes were to transfer the productive assets to build up an enlarged resource base of the poorest of the poor families in the rural areas by building, developing and sustaining the MSVEs indirectly. In view of the high hopes placed in the REDPs, the researcher at the state and national level have undertaken much systematic and detailed study to examine the level of unemployment, Income, consumption pattern, building micro enterprises and formation of assets of the impact of programmes of developmental institutions and state sponsored schemes for the rural
development. But no studies have so far been undertaken in the southern districts of the state of Haryana, to highlight the strong and weak points of various developmental interventions being implemented in the study area. Through a large number of studies had been undertaken on issues relating to alleviation of poverty, integrated rural development, employment programmes and SHG-Bank linkage program, yet there are limited studies relating to the rural entrepreneurship development in the country more particularly in Haryana and other northern states.

Further, the review of literature reveals that research on entrepreneurship; particularly on rural entrepreneurship in Haryana is scarce and scattered with only a few in-depth studies. The scopes of studies were limited to general analysis of the motivating factors and problems of rural entrepreneurs, which did not analyze the real entrepreneurial dimensions and govt. sponsored schemes and programs in the context of development of rural entrepreneurship. Therefore, there is a need for an analytical study of rural entrepreneurship development in the light of high mortality rate in this sector and changing socio-economic and entrepreneurial environment exposed to rural people in the context of new economic policies and globalization and liberalization.

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