

A Research on the Economic Empowerment of Rural Entrepreneurs in Agro Based Industries with Reference to Krishnagiri District, Tamilnadu

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Abstract— Rural entrepreneurs plays a major role in the economic growth of a nation. Krishnagiri district is rich in agriculture and natural resources which supports the rural people to involve in agricultural activities. Healthy and dynamic growth in agricultural sector is important for the rural development to generate more employment opportunities and other economic linkages in the country. Accelerating the growth of agricultural production is necessary to achieve the overall growth of the state and also the socio – economic status of the rural people. Encouraging the rural people to start the own venture is the solution to overcome the obstacles in economic growth of the nation. Inappropriately the traditional mind set of the rural populations and negligence of the state government authorities are the major difficulties in the entrepreneurship. Now a days the government initiates many schemes to promote the rural entrepreneurs. This paper gives an idea about the importance of the economic empowerment of the rural entrepreneurs based on agro industries.

Keywords: Rural entrepreneur, Empowerment, Agriculture

I. INTRODUCTION

Agriculture lodges a significant place in the rural economy particularly in accelerating the growth n of rural development. The role of agricultural activities are stimulating the rural development is quite common, for the overall economic growth through supplies of food sustenance, raw materials to industries, export and earning valuable foreign exchanges. It is the main source of livelihood for the rural population. The wealth and progress of Indian economy depends on the growth of rural areas. Majority of the people in rural areas in India are low paid, low skilled work and low prolific job as well as the people are continued as a reckless section of work force. The people in rural areas are still backward in education, communal status, fiscal contextual, radical matters etc. The people in rural areas are still suffering from functional, psychosomatic, societal and traditional barriers are delaying their empowerment. The progress rate of the rural population was primarily identified such as decline in rural fertility rates and relocation from rural to urban areas.. Rural provinces face major problems like condensed employment openings in primary industries, an aged population and migration of

young population to urban areas in hunt of employment opportunities. There occurs a wide gap between rural and urban areas in the footings of infrastructure, market and financial access etc. It is important to recognise the problems in rural villages to initiate the expansion in rural areas. The uplifting of the rural economy can be achieved by starting entrepreneurial ventures in rural areas. Entrepreneurial happenings will intimate the economic development in rural areas. Rural industrial development is viewed as an active means of hurrying method in rural development. Rural entrepreneurship denotes establishing industries in rural areas. According to Pertin (1997), A rural entrepreneur is the one, who desires to stay in the rural area and contribute their skills for the creation of local wealth. Rural entrepreneurship is the major element of strategies to reduce poverty, source of generating Income and employment opportunities.

Krishnagiri district is one of the main district in tamilnadu which has more natural resources of forest coverage and it is unique in feature. Agriculture is the main occupation for the people living in this district. Around 40 percent of the land are utilized for agricultural, horticultural and sericulture crops and major cultivation are paddy ragi cotton, coconut, mango, vegetables and flowers. The district has an excellent scope for agri business. Agro-industries play a central role in the economic expansion of this district supports for quality of life to the people, advancement of forces in production, skill formation, positive attitude among the rural people and creating an employment opportunities. It is essential to empowering the rural entrepreneur in any sphere of life such as legal, social, poical and economic. The entrepreneur in rural zones share the economic tasks equally, therefore, economic empowerment directly or indirectly mark all other areas of empowerment. Economic empowerment is the tactic that enables the rural entrepreneur to realize their intrinsic knowledge, skills and abilities for creation of small business enterprises. Economic empowerment needs to be tacit from the fact of their participation in different productive areas. It has been revealed that the people in this district are actively engaged inentrepreneurial agriculture and allied activities. This study is about the Economic empowerment of rural entrepreneurs in agro based industries with reference to Krishnagiri District.

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II. CONCEPT OF EMPOWERMENT AND RURAL ENTREPRENEURSHIP

In simple words 'empowerment' means 'becoming powerful'. Construction individual empowerment includes our personal values, skills and goals and being primed to adjust our behaviour in order to achieve our goals. It also means that other people have their own set of values and goals which may differ to ours. Individual empowerment can be defined to take contrivance of their positions and achieve their self-goals in their personal and working life, To understand their strengths and weaknesses which should give more attention to deal with problems and to take chances to increase the personal growth and a sense of fulfilment. Mounting personal empowerment generally involves in building some fundamental changes in life, which is not always an easy process.

Entrepreneurs founded on the prosperity and upbringing of the rural areas is called rural entrepreneurs. Rural entrepreneurs are the person who carry out risk-taking activities by creating industrial and business units in the rural segment of the economy. In other words, establishing manufacturing and business units in the rural areas refers to rural entrepreneurship. In simple words, rural entrepreneurship proposes entrepreneurship emerging in rural areas. The business units and manufacturing activities are generally associated with agriculture and allied activities.

According to KVIC (Khadi and Village Industry Commission), "village industries or Rural industry means any business unit located in rural areas, population of which does not exceed 10,000 or which produces any goods or renders any services with or without use of power and in which the fixed capital investment per head of an artisan or a worker does not exceed a thousand rupees".

According to Government of India, "Any industry located in rural zone, village or town with a population of 20,000 and below an investment of Rs. 3 crores in plant and machinery is classified as a village industry."

III. OBJECTIVES OF THE STUDY

- To study the profile of rural entrepreneurs involved in agro based industries
- To study the Socio-cultural factors influence the rural entrepreneurs empowerment
- To investigate the economic empowerment of rural entrepreneurs in agro based industries

IV. SIGNIFICANCE OF THE STUDY

Rural entrepreneurs plays an dynamic role in the overall economic development of a country. The progress and expansion of rural industries create self-employment, which results in wider distribution of income to people, creating industrial activities will help to utilize the local resources and it support for the consumption of local raw materials and labour. Rural entrepreneur plays an important role which industries play in ameliorating the socio-economic conditions of the rural people in agro based industries. The earlier studies were concentrated on the growth of rural development through entrepreneurship and present study concentrates on the factors influencing economic empowerment of rural entrepreneur and also this study is

intended to focus on the involvement of socio-economic characteristics of rural entrepreneurs towards the extent of empowerment. This helps to identify the procedures for the improvement in empowering the rural people. The problems which are experienced by the rural entrepreneurs and the suggestions for empowerment will help the policy makers to plan for the future programme effectively.

V. LIMITATIONS OF THE STUDY

The research area is restricted to Krishnagiri district which covers rural and near to town other part is excluded. The variable pertaining to socio-economic profile is restricted to select based on the opinion of entrepreneur.

VI. REVIEW OF LITERATURE

Otto Kroesen & Rudi Darson (2013), introduce learn process and competence training to rural farmers will make better in production and it will be a gradual motivation for them in creating new venture. This step by step will move towards the capacity growth and empowerment to rural people in providing more job opportunities to rural people and attracting and giving a chance to increase metropolitanization

Maria Costanza Torri (2014). States that enhancing the entrepreneur's capabilities leadership skill and some extent of societal learning abilities will limit the issues of caste entrenched in establish the patriarchal norm and practice. This study states the connotation to accept a more holistic loom, which conceive empowerment as a energetic, socio-racially construct process.

Misal.D.M (2013) this study reveals that underneath the rural entrepreneurs through micro-finance is a sensible development strategy and related approach can be implemented to attain the goal of an entrepreneur will create an platform to improve their entrepreneurial activities. Thus microfinance is a powerful tool in alleviation of poverty and also it is observed that there will be a systematic growth over the country

Dr. C. Eugene Franco, and Sharmi Selvakumar (2016) states that women are equally competent in running a business but still they are lacking in empowerment. The status of the are still poor in social, cultural and economic in the society. In order to remove the hurdles in women entrepreneurship the government has to give attention to accelerate the growth of entrepreneurship.

Ediagbonya, Kennedy (2013) This research is analysed to find out the entrepreneurship education is ensuring the economic empowerment of entrepreneur. Entrepreneurs should be educated in all factors to improve their business and it has been state that the government has to give attention to the graduates to motivate them to become an entrepreneur.

Dr. Lakshmi Tulasi Devi Surapaneni*1, Vikas Bhatnagar (2015) reveals that factors which are influencing the empowerment of rural women entrepreneurs especially in the process of upliftment economically Empowerment of women is essentially the process of upliftment of economic, social and political status of women, the traditionally

underprivileged ones, in the society. This study reveals the various underlying factors including income generating activities which are prominently influencing the empowerment of rural women entrepreneurs. Also this study tried to establish the relationship between personal characteristics and empowerment of rural Women. This paper also explains the various constraints in empowerment of rural women and how they can be empowered.

VII. RESEARCH METHODOLOGY

The research methodology comprises the nature of study, sources of data, data collection tool, sample size determination, sampling procedure, hypotheses and framework of analysis.

VIII. NATURE OF THE STUDY

The study intention is to analyse and describe the socio-economic profile of rural entrepreneur, economic empowerment of rural entrepreneur in agro based industries and the factors influence the empowerment.

IX. NATURE OF THE DATA & RESULTS

Both primary and secondary data were used in this study. The primary data was collected from rural entrepreneur who has agro industries in Krishnagiri districts in Tamilnadu. The secondary data was collected in the form of reports published by district industrial development corporation, magazines, journals, periodicals and dailies.

X. DATA COLLECTION INSTRUMENT

The questionnaire framed based on the statement of problem and objectives of study. The variables identified from review of literature were considered while drafting the interview schedule and also the opinions were collected from a panel of members embracing experts in the field of agro based industries, EDP Cell, statistics in each stage of interview schedule.

Sampling Procedure

The rural entrepreneurs in agrobased industry Krishnagiri districts of Tamilnadu represent the population for the study. The sample respondents have been selected in Krishnagiri district, hence stratified random method and probability sampling techniques is used

Hypotheses

The hypotheses have been formulated with respect to socio-economic variables, economic empowerment of rural entrepreneur and the factors influencing the empowerment

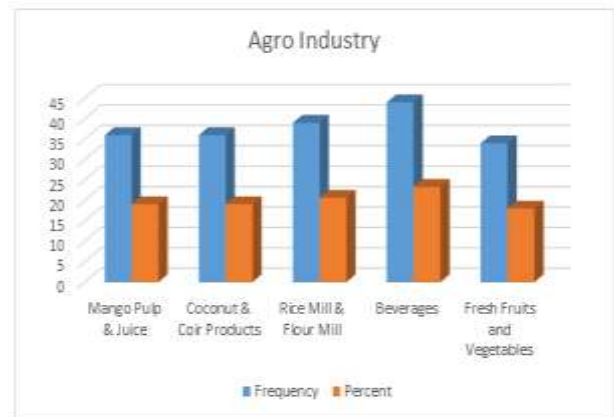
Data Analysis

Five types of business were taken in agro based industry for study such as Mango Pulp & Juice, Coconut & Coir Products, Rice Mill & Flour Mill, Beverages, Fresh Fruits and Vegetables with respect to agro industry. The details are given below.

Agro Industry

Particulars	Frequency	Percent
Mango Pulp & Juice	36	19.1
Coconut & Coir Products	36	19.1
Rice Mill & Flour Mill	39	20.6
Beverages	44	23.3
Fresh Fruits and Vegetables	34	18.0
Total	189	100.0

Agro Industry



The above table shows that total respondents in agro industry are 189 out it 23.3 percent of the respondents' having beverage, 20.6 percent of the respondents having Rice mill & Flour mill, 19.1 percent of respondents having Mango pulp & juice factory and coconut & Coir factory, 19.1 percent fresh fruits and vegetables processing unit.

Chi - Square Test for Independent Variables and Empowerment

Chi- Square values for socio – economic variables and empowerment are given in the following tables. To study the significant association between independent variables and empowerment, socio – economic variables of agro based industry A detailed discussion pertaining to each variable is given below.

Independent Variables and Empowerment

Sl. No	Variable	Chi-Square value	Sig. Value	Significance or not
1	Age	11.559	.0008	Significant
2	Gender	.0684	.382	Not Significant
3	Marital Status	6.851a	.000	Significant
4	Type of Family	.359	.269	Not Significant
5	Literacy	9.655a	.000	Significant
6	Educational Non Technical	10.689a	.001	Significant
7	Educational Technical	10.813	.001	Significant
8	Starting the Business	9.598	.001	Significant
9	Previous Experience	8.529	.000	Significant
10	Business Experience	17.326	.000	Significant
11	First Generation Entrepreneur Category	4.683	.002	Significant
12	Family Member are Related to the Current Business Activity	4.386	.003	Significant
13	Relationship	7.070	.001	Significant
14	Inspired to Start the Current Business	21.307a	.000	Significant
15	Type of business	139.105	.000	Significant
16	Agro Based Industries	144.484	.000	Significant
17	Manufacturing Industries	140.038a	.000	Significant
18	Size of your Business	2.189	.107	Not Significant
19	Legal Status of Business	6.475	.002	Significant
20	Business Location	4.205a	.049	Not Significant
21	Reason to choose the area for business operation	15.250a	.000	Significant
22	Reason to Start a Own Business	10.021a	.010	Significant
23	Sources of Funds to start the own business	12.847	.001	Significant
24	Annual Turnover	3.060	.118	Not Significant
25	Employees Associate with Business	10.946	.001	Significant
26	Support for Overcome the Factors	.213	.320	Not Significant
27	Awareness about the government schemes	2.835	.013	Significant
28	Sources of information about Government Schemes	9.284	.006	Significant
29	Availed support for improve the business	20.656a	.000	Significant
30	Subsidies Availed	19.834	.000	Significant

(Source: primary Data)

From the above table it is understood that 30 variables such as age, marital status, education, educational non technical, starting the business, previous experience, business experience, first generation entrepreneur category, family members are related to the current business activity, relationship, inspired to start the current business, type of business, agro based industries, , legal status of your business, reason to choose the area for business operation, reason to start a own business, sources of funds to start the own business, employees associate with business,

Factors and Total Variance

The next step in the method is to decide about the sum of factors to be derived. Principal Component Analysis (PCA) method is applied to choose the number of factors for which “Eigen Values” with greater than unity. The component matrix so framed is further rotated orthogonally using Varimax Rotation Algorithm. All the statements are added in to three factors.

Component Matrix

Statements	Component		
	1	2	3
To make better use of training or skills	.316		
Man power planning	.313		
Economic Conditions of customers	.235		-.256
To have my self satisfaction	.261		.255
Production Promotional plans	.252		
Apply Own Idea	.241		
Government policies and regulation	.224		
To achieve something and get recognition for it	.221		
Cost Control and Financial Management	.211		
Goal Achievement	.420		
Risk taking propensity	.210		
Political Instability	.209		
Idea of Market expansion		.323	-.212
Desire to have high earnings		.233	
Competitiveness of business		.273	
To have self-confidence		.227	

(Source: Primary Data)

The table states the factor loadings (co-efficient) which indicate how much weight is assigned to each factor. Factors with large co-efficient for a variable are closely related to that variable. Thus, the 16 variables in the data are reduced into three factor models and each factor is identified with the corresponding variables as given below.

Grouping of Factors

Factors	Statements	Scores
Environment Factors	To have myself satisfaction	.401
	Man power planning	.346
	Production Promotional plans	.301
	To achieve something and get recognition for it	.217
	Risk taking propensity	0.211
Organisational Factors	Economic Conditions of customers	.411
	To make better use of training or skills	.336
	Political Instability	.232
	Goal Achievement	0.23
Motivating factors	Idea of Market expansion	.351
	Desire to have high earnings	.307
	Competitiveness of business	.241
	Apply Own Idea	.253
	Cost Control and	.224

Financial Management	
Government policies and regulation	.220
To have self-confidence	0.166

(Source: Primary Data)

The above table exhibits the factors and corresponding statements with scores. Factor scores are obtained for each statement. If the score is high the level of factor related to the empowerment will be high. All the 16 statements with score and rank are provided in the following table

Empowerment Statements with Rank and Score

Statements	Scores	Rank
Economic Conditions of entrepreneur	.411	I
To have myself satisfaction	.401	II
To make better use of training or skills	.336	III
Idea of Market expansion	.351	IV
Man power planning	.346	V
Desire to have high earnings	.306	VI
Production Promotional plans	.301	VII
Competitiveness of business	.291	VIII
Apply Own Idea	.253	IX
Political Instability	.231	X
Goal Achievement	.230	XI
Cost Control and Financial Management	.225	XII
Government policies and regulation	.220	XIII
To achieve something and get recognition for it	.216	XIV
Risk taking propensity	.211	XV
To have self-confidence	.161	XVI

[Source: Primary Data]

It refer to the most as well as the tiniest issues connecting to entrepreneur empowerment. Out of the 16 statements relating to empowerment of entrepreneurs “Economic Conditions of entrepreneurs” has influenced more on the entrepreneurs empowerment and this statement is placed first and the statement namely, “To have self-confidence” has low influence on the entrepreneurs empowerment is least and this statement is placed in 16th place.

XI. FINDINGS

The result of data analysis and interpretation are summarized

1. The rural entrepreneur’s socio economic profile shows that age, size of family, education background, motive to start business, previous experience, first generation, size of business, legal status, government support, subsidies availed, financial strength, are found to be significant and gender, type of family, size of business, legal status are found to be



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not significant in agro industries.

2. The study analysed that the factors which are influencing the empowerment indicates the usage of training is .316, Man power planning is .313, Goal achievement is .420, economic conditions of customers is .235, production promotional plans .252, government policies and regulation is .224, cost control and financial management is .211 and risk propensity is .210

3. The study observes that empowerment of rural entrepreneur score for economic conditions of an entrepreneur is placed in the first rank, and self confidence is ranked in 16th place in agro industries.

XII. SUGGESTIONS

Education is the important tool for the empowerment to the rural entrepreneur, motivating factor plays a role in promoting the new venture will support for the economic growth. Awareness about the government schemes will encourage the rural people to be confident is their business activities. Proper distribution of government funds allocation to the rural people and train them will support for the industrial growth

XIII. CONCLUSION

This study reveals that economic empowerment of rural entrepreneurs in agro industries in krishnagiri district concluded that majority of rural people were from medium socio economic group. They had a low level of technical knowledge in promoting the agricultural based industries and poor economic background. This analysis suggested for skill development, continuous assistance for production process, developing linkages in marketing the products will ensure the economic empowerment of rural entrepreneurs.

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