

Rural Entrepreneurship - Problems and prospects of Papad making industries in Rural areas of Anand District

¹Dr. C. K. Sonara; ²Dr. Ashav K. Patel & ³Dr. Dhaval A. Sharma

¹Professor, Department of Business Studies, S.P. University, Vallabh Vidyanagar, Anand, Gujarat (India)

²Asst. professor, Dept. of Bachelor of Vocation, N. S. Patel Arts College, S.P. university, Vallabh Vidyanagar, Anand, Gujarat (India)

³Sardar Patel University, Vallabh Vidyanagar, Anand, Gujarat (India)

ARTICLE DETAILS

Article History

Published Online: 07 September 2018

Keywords

Entrepreneurship, economic growth, developing countries

*Corresponding Author

Email: dhavalsarma[at]gmail.com

ABSTRACT

In India, entrepreneurship is in its cultural ethos. Entrepreneurship and enterprises are a continuous process and it is growing from centuries to centuries. The concept of entrepreneurship has assumed prime importance for accelerating economic growth both in developed and developing countries. It is a basis of free enterprise. It promotes capital formation and creates wealth in the country. It is the hope and dream of millions of individuals around the world. It has the thrill of risk, change, challenge and growth. It builds wealth. It is a pathway to prosper. It reduces unemployment and poverty.

There are main two reasons for needs of entrepreneurs in India.

- Capitalization from opportunities.
- Maximization of wealth and jobs.

The economics of many developing countries are in state of transitions as they strive to shift from a subsistence oriented and heavily regulated environment to an outward looking, market driven economy. This transition can be greatly assisted by the emergence of a large number of small scale and rural enterprises in all spheres of economic activity, which in turn, requires the development of entrepreneurial skills. Despite the importance of entrepreneurship for economic and social development there is as yet scant research into or systematic observation of the processes through which entrepreneurship emerges and sustains itself.

Papad manufacturing is the important opportunity for maximization of wealth and jobs in Gujarat, particularly in Gujarat. 2600 Papad manufacturing units and 128 units are working in Anand district in rural areas. So we have selected papad making industries of Anand district.

1. Who is an Entrepreneur?

Entrepreneur as a person brings in overall change through innovation for the maximum social good. Human values remain sacred and inspire him to serve society. He has firm belief in social betterment and he carries out this responsibility with conviction. In this process, he accelerates personal, economic as well as human development. The entrepreneur is a visionary and an integrated man with outstanding leadership qualities. With a desire to excel, he gives top priority to research and development. He always works for the well-being of the society. More importantly, entrepreneurial activities encompass all fields and foster a spirit of enterprise for the welfare of mankind.

There are two types of entrepreneurs – Rural and Urban, Now, we will discuss on rural Entrepreneurship.

2. Rural Entrepreneurship

Promotion of rural industries and has been the central objectives of many strategies adopted to bring about an equitable distribution of income through raising the productive capacity of rural people and increasing their participation in the process of development. Rural industrialization is inter-linked with the agricultural activity.

Rural industries embrace different kind of village and small industries. The cottage industries are an important component of rural industries. By the term “rural industries” is meant industry appropriate for the rural areas as demarcated by the census records. The concept here a special demographic undertone. The rural industry serves the requirement of rural peoples as well as other markets. By and large the financial needs of rural industry are small. More importantly, they function in the absence of infrastructural facilities and are environmentally friendly.

3. Objectives of Rural Entrepreneurship

1. To provide additional employment opportunities, raise production and improve economic conditions in rural areas.
2. To lead to the development of rural areas thereby lessening the disproportionate growth in large cities, reducing the growth of slums, social tensions, exploitation and atmospheric pollution.
3. To build up village republics and human resources development.
4. To provide ample scope for the promotion of artistic achievement and creativity that has been suppressed in rural areas.

4. Rural development in Anand district

Anand is the famous for milk city in India. Polson Dairy was famous for milk products and later Amul Dairy was started on co-operative basis. Later on rural industries developed in Anand, Vidyannagar, Umreth, Borsad, Khambhat, etc. in 1997 the state government declared six new districts, Anand is one of them. It contains Anand, Umreth, Sojitra, Petlad, Borsad, Anklav, Khambhat, and Tarapur taluka.

Although such papad making units in table-1 are wholesaler in whole anand district and these are situated in villages.

The papad is a thin south Asian wafer. Sometimes – described as a cracker or flatbread. It is made from pulses or rice flour, salt and peanut oil are added to the flour to make dough. This can be flavored with chili, garlic or black pepper. Sometimes baking soda is also added. The dough flat bread and then dried (traditionally in the sun but now through machine) and can be looked by deep frying, rusting over an open flame, toasting or microwaving depending on the desired texture.

The rural entrepreneur - papad making units in villages of these eight taluka as on 31st march 2014 are as under:

TABLE – 1
Taluka wise Papad making units in Anand District as on 31st March, 2014.

| Sr. No. | Name of the Taluka | On 31 st March, 2000 No. of units | On 31 st March, 2014 No. of units |
|--------------|--------------------|---|---|
| 1 | Anand | 3 | 20 |
| 2 | Umreth | 4 | 14 |
| 3 | Petlad | 3 | 19 |
| 4 | Sojitra | 2 | 16 |
| 5 | Borsad | 5 | 16 |
| 6 | Anklav | 4 | 14 |
| 7 | Khambhat | 3 | 14 |
| 8 | Tarapur | 3 | 15 |
| Total | | 27 | 128 |

| | | | |
|--------------|----------|-----------|------------|
| 1 | Anand | 3 | 20 |
| 2 | Umreth | 4 | 14 |
| 3 | Petlad | 3 | 19 |
| 4 | Sojitra | 2 | 16 |
| 5 | Borsad | 5 | 16 |
| 6 | Anklav | 4 | 14 |
| 7 | Khambhat | 3 | 14 |
| 8 | Tarapur | 3 | 15 |
| Total | | 27 | 128 |

(Source: Fieldwork)

Above table-1 is showing papad making industry in Anand district for the year of 2000 and 2014. As per above table in the year of 2000, total papad making units in Anand district were 27, it has increased in the year of 2014, up to 128. The fold growth ratio was 4.74, for the year of 2000 and 2014.

So, it is a good sign for Anand District and growth of rural areas for the development of papad making industry during these ten years.

5. Data Collection

This study is mainly based on the published literature and data available from various publications, books journals published research papers etc. It is based on secondary data collection through the sources like annual reports and the profile of the units. It has been supported by the primary data collected through questionnaire. We have also personally visited the selected units and seen actual working of the units. Thus the information so collected is further tabulated and interpreted and necessary suggestions have been made on the basis of the analysis done.

TABLE – 2
PAPAD MAKING UNITS IN RURAL AREAS OF ANAND DISTRICT IN GUJARAT

| Brand Name | Name of Unit | Address | Year of Establishment | Distance from anand district | Total workers |
|-----------------------|----------------------------|--|-----------------------|------------------------------|---------------|
| Anand Papad | Anand Food Products | Dharmaj Navi pol Taluka: Petlad. | 2000 | 25 | 20 |
| Kesar Papad | Kesar Gruh Udyog | Sunav Anand – Sojitra Road, Ta: Sojitra. | 1995 | 18 | 20 |
| Kirtiraj Papad | Kirtiraj Gruh Udyog | Hadgul , Near Bus stand Ta: Anand | 1985 | 10 | 50 |
| Narayan papad | Narayan Papad Gruh Udyog | Borsad 6-17, B/H, jain wadi, Nr. Van Talav, Ta: Borsad. | 2000 | 15 | 20 |
| Laxmi Papad | Shri Hari Food | Dharmaj Navi pol. Taluka : Petlad | 1990 | 25 | 20 |
| Vimal Papad | Vimal Papad Udyog | Anklav Mota Darwaja, Ta: Anklav. | 2000 | 15 | 18 |
| Shakti Papad | Shakti Gruh Udyog | Bakrol Nr. Nitinbhai Khari, Ta: Anand. | 2005 | 10 | 12 |
| Uttam Papad | Uttam Gruh Udyog | Sunav Anand – Sojitra Road, Ta: Sojitra. | 1990 | 18 | 25 |
| Siddhi Papad | Siddhi Vinayak Gruh Udyog | Piplav Taluka: Sojitra | 1998 | 20 | 17 |
| Resam Papad | Resam Gruh Udyog | Porda , Taluka: Petlad | 1999 | 22 | 16 |
| Pramukhraj Papad | Pramukhraj Gruh Udyog | Sarsa Nr. Temple, Sarsa. | 1998 | 16 | 22 |
| Shri Pramukhraj Papad | Shri Pramukhraj Gruh Udyog | Sarsa Nr. Satkeval Temple Sarsa. | 2000 | 16 | 22 |
| Yogi Papad | Yogi Gruh Udyog | Sarsa | 1998 | 16 | 23 |

| | | | | | |
|----------------|---------------------|--|------|----|----|
| | | Nr. Bus stand, Sarsa. | | | |
| Satkeval Papad | Satkeval Gruh Udyog | Sarsa Ode - Anand Road, Sarsa. | 1990 | 16 | 26 |

Table-2 is showing selected papad making units of villages situated in Anand district.

Kirtiraj Gruh Udyog is the oldest papad making unit in Anand district because it was established in 1985. And Shakti Gruh Udyog is new industry compare to all selected papad making units in Anand district.

Kirtiraj Gruh Udyog provides highest employment i.e. (50 Employees) compared to all selected papad making industry and all selected papad making units not away more than 10 to 25 k.m from Anand city so easily availability a market for sales of the papad.

6. Problems and Prospects of Rural Entrepreneurship

In India, small firms contribute considerably to economic growth and employ a very large number of people, only to agriculture. The concentrations of these firms are mostly in the urban areas while rural areas have failed to seize the opportunities unleashed by economic reforms. Different models of rural entrepreneurship are being attempted by various government and private agencies to tap the potential of human sources as an engine of growth. However, little is know about the characteristics of rural entrepreneurs who take up entrepreneurship mostly because they do not have a better opportunity and only incidentally due to their interest.

Table - 3
Problems faced by rural entrepreneur in papad making units

| Problems | In the year 2014 (In %) |
|--|-------------------------|
| Distance markets | 48 |
| Lack of effective demand for products | 46 |
| Irregular payment from consumers/ procuring agencies | 74 |
| Non availability of timely raw material | 78 |
| Lack of transport facilities | 66 |
| Non- remunerative price for products | 78 |
| Lack of storing & warehousing facilities | 38 |
| Absence of quality control | 88 |
| Non availability of concessional financial support | 98 |
| Inconsistent Govt Policy | 57 |
| Spurious substitute | 68 |
| Erratic & high tariff for power substitutes | 28 |
| Absence of skilled Labour | 63 |

Source: Field work

As per above table – 3 shows that many problems faced by papad making units in anand district is non available concessional financial support i.e. (98%) are faced by owners. And also Inconsistent Government policy (57%), Absence of skilled Labour (63%), Transportation for raw material (78%) of selected total papad making units in Anand district, etc are major problems faced by papad making units in anand district in Gujarat.

7. Other Major Problems

1. Difficulty in obtaining credit from commercial banks because their general inability to provide security.
2. Inability to offer liberal credits terms in the sale of their products.
3. Difficulty in competing with imported products due to high production costs.
4. Under capitalization of resources.
5. Difficulty in identifying appropriate technology and technical assistance.
6. Financial or credit support and investment promotion.
7. Quality control and testing facilities.
8. Procurement of raw materials and equipments.
9. Local initiative.
10. Regional and international technical and financial assistance.

8. Prospects

Now we know the all problems of papad making industries in rural areas of anand district but their prospects are also to growth their potential in compression to urban areas, the prospects are as under:

1. Its provide best employment to village workers
2. Basically in rural areas agricultural activity is most popular but in extra time the people work as business man and earn extra income from the business.
3. A farmer can used their extra time in home based business and develop their village.
4. They develop their skill as well as provide healthy competition to urban enterprise.
5. Less investment and more earning.
6. Now a day, this industries run by well educational group of village and develop it for well brand in market.
7. In future, papad making industries in rural areas give ideal position for other industries in urban.

9. Findings

Major findings from a research are as follows:

1. Papad making industries in rural areas have provides ample opportunity of employment for the
2. rural people.

3. Total papad making units in Anand district were 27, it has increased in the year of 2014, up to 128. The fold growth ratio was 4.74, for the year of 2000 and 2014.
4. Major problem of papad making industry non availability of concessional financial support; absence of skilled Labour; inconsistent government policy and difficult with competition from other local entrepreneurs in the same line of business competing for the limited local market.
5. Absence of management expertise, often management is by one person who performs a numbers of functions usually with no formal training.
6. Kirtiraj Gruh Udyog is the oldest papad making unit in Anand district because it has established in 1985.
7. Shri Hari Food providing highest employment i.e. (25 employees) compared to all selected papad making units in Anand district.
8. Many problems faced by papad making units in Anand district is financial support (98%), Government policy (57%), absence of skilled Labour (63%), transportation (78%) etc. are major problems faced by papad making units in Anand district.

10. Suggestions

1. Rural area must be developing by local authority and give exemption in local tax as well as direct tax.
2. Provide financial assistant to them at lower rate of interest.
3. Provide best transportation facility by government and provide approach road with urban area for develop their business in urban area.
4. Provide certification of best test of papad and encourage or motivate their marketing strategy for development and competition.

5. Provide fast banking facilities in deep rural area for low production cost.
6. Development of infrastructure of various kinds in the appropriate areas.
7. Industrial training and skill formation.

11. Conclusions

In India over 75% of total population lives in villages, rural areas still contributes half of the national income. Agriculture is the basic occupation which sustains the rural areas and this industry related with agriculture product like pulsars, chilly, onion, garlic etc.

As per our missile man Dr. A.P.J. Abdul Kalam sir said "India become a super power country in world in the year 2020."

We say that it's true time for people of India who lives in villages to develop their progress, it's said that every adventure has prospects for future development in life.

Lastly, Government, Local Authority, NABARD, and Financial Institution must be prepared a best policy for development of rural enterprises in Gujarat as well as in whole India. Give training to these all rural enterprises for better prospects in this field, also aware them for modern technologies.

Therefore, NABARD can take responsibilities for the development of rural entrepreneurship in villages and provide best and low interest finance for growth of village's industrial units and also prepare training programme for them.

"Rural India – Real India"

References

1. Desai, Vasant, Small Scale Industries and Entrepreneurship, Himalaya Publishing House, 1994, pp. 93-94.
2. Desai, Vasant, Dynamics of Entrepreneurial Development and Management, Himalaya Publishing House, 1992, pp.44-45.
3. Soundarapandian, M, Developments of Rural Industries - Issues and Strategies, Kurukshetra, Nov 1999.
4. Roy, Sima, A Study On health status of women engaged in a home-based "Papad-making" industry in a slum area of Kolkata.
5. Report of register papad making units in Anand Seva Sadan, Anand.
6. Supporting sustainable livelihoods - Lessons from five case studies.
7. Lijjat – A Women's Enterprise with a difference. Pp. 21-32.
8. Solanki, Suresh R., Industrial Development of anand district of potential for future development. P.116.
9. www.informaworld.com
10. www.mywebsearch.com