

# “Rural Entrepreneurship: Some Issues” (A Case Study of Two Villages in Karnataka)

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## **ABSTRACT**

Agriculture is a science and practice of cultivating crops and rearing livestock from the natural resources of the earth supplemented by other forms of artificial nutrients, medicines and materials. Agriculture is the most important sector of the Indian economy in terms of contribution to the Gross Domestic Product (GDP) and generation of employment. Speedy development of agriculture, therefore, is vital to the progress of India. Agriculture occupies a key position in the Indian economy because of its contribution to overall economic growth through supplies of food, raw materials and direct exports. It is source of livelihood for a majority of the population and provides a large market for non-agricultural goods and services. The reforms policy and measures have been gradually directing the economy from the arena of planned, mixed and socialistic pattern during the last five decades to a free market economy.

**Keywords;** *Agriculture, Rural, Entrepreneurship, Economy, Empliyoment.*

## **Introduction;**

Globalization aims at opening the economy including agriculture to foreign capital, services and goods, the result of which is the direct import of vegetables, edible oils, apples, pulses and palm oil from Australia, USA, Malaysia and Thailand. Formers are gearing up to face the onslaught of imports and global competition in agriculture.

It is heartening to note that there has been a marked change in the Indian agriculture thanks to the initiatives taken by the government in respect of introduction of yielding varieties, better farm management practices and provision of irrigation facilities. Hybrid varieties have replaced indigenous varieties. Genetically modified food and commercial crops are being increasingly adopted. Unlike in the yester years Indian farmers are now better informed, positively disposed and more receptive to trying new methods. In the process, the bullock-cart and the traditional plough are gradually replaced by tractors and modern equipments. A welcome change indeed! All these measures led to the transformation of Indian agriculture

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from mere subsistence farming to creating agriculture surplus over the years. From importing food grains to exporting!

Survival and growth is the driving force towards farmers adapting to the latest technology like cultivation of improved varieties use of farm inputs, and better farm management practices etc. towards commercial farming.

### **NEED FOR THE STUDY**

Agriculture in the Indian economy enjoys a pride of place. Agriculture and allied activities together are estimated to account for 22% of the GDP. Further, 58% of the population is directly dependent on agriculture for their livelihood. In the export front too, performance of Indian agriculture is noteworthy, contributing 12.8% to the country's export earnings. Today, India is the second largest producer of food next to China.

So far so good! However, with the advent of WTO and India being a signatory to it, Indian agriculture now faces a new set of challenges. Consequent to the liberalization policies pursued by the government since 1990s, similar to manufacturing and service sectors, and agriculture sector is thrown open to the market forces.

Consequently, Indian farmers, hitherto, immune to external influence in a big way, is forced to adopt himself to the market dynamics. Yet again another challenge is to improve the productivity and to compete globally. Once again, similar to the thrust given to agriculture in the 1960s and 1970s in the name of "Green Revolution" another direction needs to be given. And the Indian farmer has to prepare himself for the next 'big push'.

In light of these developments, it is high time that a systematic attempt to study the agrarian life styles, socio-economic characteristics of the farmers, cropping pattern, accessibility to market information, consumption pattern, general awareness about new and innovative crops and method of farming and their involvement in various non-farm and allied activities was undertaken.

Based on a through review of the existing literature on entrepreneurship in agriculture and allied activities in rural India it was found that there are very few studies which correlate the changes in cropping pattern and agricultural income which normally results in heightened entrepreneurial activity in terms of diversification in to other related activities which simultaneously results in changes in consumption pattern leading to better life styles.

Though the spread of innovations in agriculture is rather new compared to the manufacturing sector if the information and knowledge about the new and innovative practices are properly spread through extension activities, farmers in other villages who are hitherto engaged in traditional ways of farming could be brought into modern commercial farming.

Accordingly it was felt that there is gap in the existing knowledge with a focus on entrepreneurship in the rural setting. An attempt is made in the present research to fill that gap. The study also attempt to link factors which influence the rural income generation and

how the extra incomes thus generated are deployed in productive uses and also for entrepreneurship.

### **OBJECTIVES OF THE STUDY**

1. To assess the relationship between cropping pattern and income of the farmers.
2. To examine the participation of farmers in the non-farm and allied activities in rural areas.
3. To ascertain the changes, if any, in the lifestyles and consumption pattern.
4. To enquire into the entrepreneurial trends in both agriculture and allied activities and to suggest an operational model to promote rural entrepreneurship.

### **RESEARCH METHODOLOGY**

The study was an exploratory research carried out in a rural setting in the state of Karnataka. The researcher spent considerable time in the sample villages to gain first hand knowledge of the lifestyles and various agricultural practices of the respondents in the villages. Both participatory and observation methods were adopted to gain insights into the behavioral aspects of the farmers.

### **SAMPLE SELECTION AND SOURCES OF DATA**

Keeping in view the objectives of the study, two villages were selected at random from Gulbarga district of Karnataka in India. The two villages chosen were Mahagaon Cross and V K Salgar the former a big village with considerable number of large farmers and relatively better facilities while the latter was a small village with more marginal and small farmers. The two villages belong to two different clusters in the district. Mahagaon Cross was drawn from a developed region of the district while V K Salgar was from an underdeveloped region of the same district. These two villages represent the developed and underdeveloped parts of the district.

Again from each of these two villages, 150 farmers were chosen at random. Thus the sample consists of 300 farmers. While selecting the sample respondents, adequate care was taken to ensure they represent the population. Broadly, the two villages represent two distinct homogeneous characteristics. Mahagaon Cross village comprising of large farmers and V K Salgar village consisting of small and marginal farmers.

### **SOURCES OF DATA**

The data for the study were collected from primary and secondary sources.

### **Primary Data**

A detailed schedule was prepared to obtain information on several issues from the farmers. The researcher made several visits to the two villages to acquaint himself with the respondents and opinion leaders at the villages. After thus establishing the credentials, a pilot study was conducted to ascertain the validity of the schedule. Appropriate changes were made to the schedule with the inputs gained in the pilot study. The researcher with the help of the modified schedule interviewed the sample respondents and opinion leaders. The study also necessitated the researcher to stay in the two villages one month in each village to observe the behavioral aspects of the respondents.

### **Secondary Data**

In addition to the primary sources mentioned above, the researcher also relied upon a few secondary sources of information to validate and substantiate some of the findings. As such, published reports of the government, books on agriculture and rural development were extensively consulted.

## **MAJOR FINDINGS AND CONCLUSION**

### **Socio-economic indices:**

Out of the total 300 respondents of both villages half (51.67%) of the population is above 45 years of age followed by 31.33% who fell between 35-45 years of age and 17.00% below 35 years of age.

Total numbers of family members in both the villages are in direct contrast to each other. In V K Salgar 28% of farmers have more than eight family members who are anyway helpful in agricultural work; whereas only 5.33% of farmers have more than 8 family members in Mahagaon Cross village.

There are almost no illiterates (1.33%) in Mahagaon Cross whereas 46.67% percent were illiterates in V K Salgar village. In Mahagaon Cross all the castes are present namely forward, backward, scheduled caste and scheduled tribes and are present according to the following percentages 71.33, 22.00, 5.33 and 1.33 respectively. Whereas in V K Salgar out of total population scheduled caste constitute 28.67% along with scheduled tribes who form 71.33% of the population.

Dwelling units in both the villages are also a study in contrast with almost all the population (98%) of Mahagaon Cross owing pucca houses as against 18.67% of the population owning pucca houses in V K Salgar. Women folk in both the villages are involved in agriculture are made by the men folk in both the villages.

Water being an important resource almost all farmers (95.34%) in Mahagaon Cross own bore wells for irrigation whereas in V K Salgar 43.33% of farmers own bore well and the rest (56.67) irrigate their fields by paying rent to the bore well owner of their nearby field.

Further in V K Salgar due to non-availability work during slack season they supplement their income by working as agriculture labour and also in cottage industries, whereas in Mahagaon Cross they have work throughout the year because of multiple cropping by almost the entire population compared to 44% of the population growing multiples crops (three crops and above) in V K Salgar.

### **Crop Rotation and income Generation**

Selection, sequencing and type of crops grown being the major driver for income generation, to achieve that, the village association keeps on updating on prices, the crops planned in the surrounding villages, periodically gathering information on marketability through newspapers, television and radio which help in deciding and controlling the extent and type of crops to be grown by each farmer to avoid glut and to get maximum return. This leadership at the villages level aids farmers to get maximum return of crops by controlling the timing of sowing, extent of cultivation, thereby avoiding production during forecasted excess supply.

Crops grown vary between two villages. In Mahagaon Cross 64% of the farmers grow more than five crops which include food like rice, commercial crops like turmeric grown as an intercrop with maize for fresh cobs, seed crops like maize, jowar, toor and sorghum grown for seed companies under specific contract with them. They also grow vegetables like tomato, Brinjal, cabbage, cauliflower etc.

Mahagaon Cross village has its own market yard constructed and operated by village peasants association (Ryty Sangam). Brokers come daily to the villages to pick up the produce. Brokers are extended a credit of 15 days and default is unheard of as the villages association will debar the broker from coming to the village without setting earlier due after the official credit period.

In V K Salgar no farmer grows more than four crops. Few farmers contract with seed companies. In Mahagaon Cross all the farmers have gone for changes cropping pattern whereas only 24.67% of farmers in V K Salgar gone for crop rotation.

Private seed companies (89.33%) was the dominant influence of crop change in Mahagaon Cross whereas only 8% of farmers in V K Salgar went up for crop change due to advice from seed companies and 16.67% because of advice from extension officer of Karnataka government. Cropping pattern intensively varies between 250-300 percent in Mahagaon Cross and it was around 150-200 % in V K Salgar.

### **Non-farm and Allied Activities**

Among the non-farm and allied activities around 48.67% of farmers in Mahagaon Cross earn through Dairy followed by poultry (14.67%) and some farmers have grocery shops, seeds processing plants, trucks, buses, threshers and host of farm implements. In V K Salgar village 53.33% also earn through dairy and another 54.67% through poultry lot of families doing multiple non-farm activities.

In Mahagaon Cross women association runs their grocery shop on nor-profit basis with pooled capital from the population. In Mahagaon Cross 17.33% of farmers and in V K Salgar only 6% of farmers subscribe to newspapers around 42% of Mahagaon Cross farmer own Kisan credit cards and tractors, sprayers, two wheelers and TV are owned by the entire population. Around 62.69% own refrigerators, and 3.33% owns washing machines few farmers own cars, trucks and buses. In V K Salgar only 22% of farmers have television and around 33.33% of the farmers have sprayer and 4.67 have motor cycles.

### **Life Style**

All the homes in Mahagaon Cross have got electricity compared to 85.33 in V K Salgar. Around 62.67% of household in Mahagaon Cross have got gas connection compared to 10% in V K Salgar. Most of the houses have cable connection in Mahagaon Cross compared to few houses in V K Salgar. Telephones and mobile phones with all the households in Mahagaon Cross as compared to few houses in V K Salgar

With the surplus available about 23.33% of farmers in Mahagaon Cross spent their income in farmland expansion compared to 15.33% of farmers in V K Salgar.

In Kamapur 15.33% of the income was spent on consumers durables 12% on construction of houses, 26% for educating their children and 17.33% got parked in deposits with the local Krishna Grameen Bank and the balances for purchase of real estate. In V K Salgar 20% of formers reported no surplus, 27.33% of formers spent on consumer durables, 1.33% on construction of houses, 18% for educating their wards, 14.67% parked their surplus in deposits and the balance doing money lending.

### **Entrepreneurship**

Success comes out of backward and forward linkages coupled with entrepreneurial spirit and it is a function of several factors. Entrepreneurial activity is influenced by the fallowing favorable factors, utilizable natural resources (land and Water), support system from the government, village community help, finance, marketability of the produce and technology.

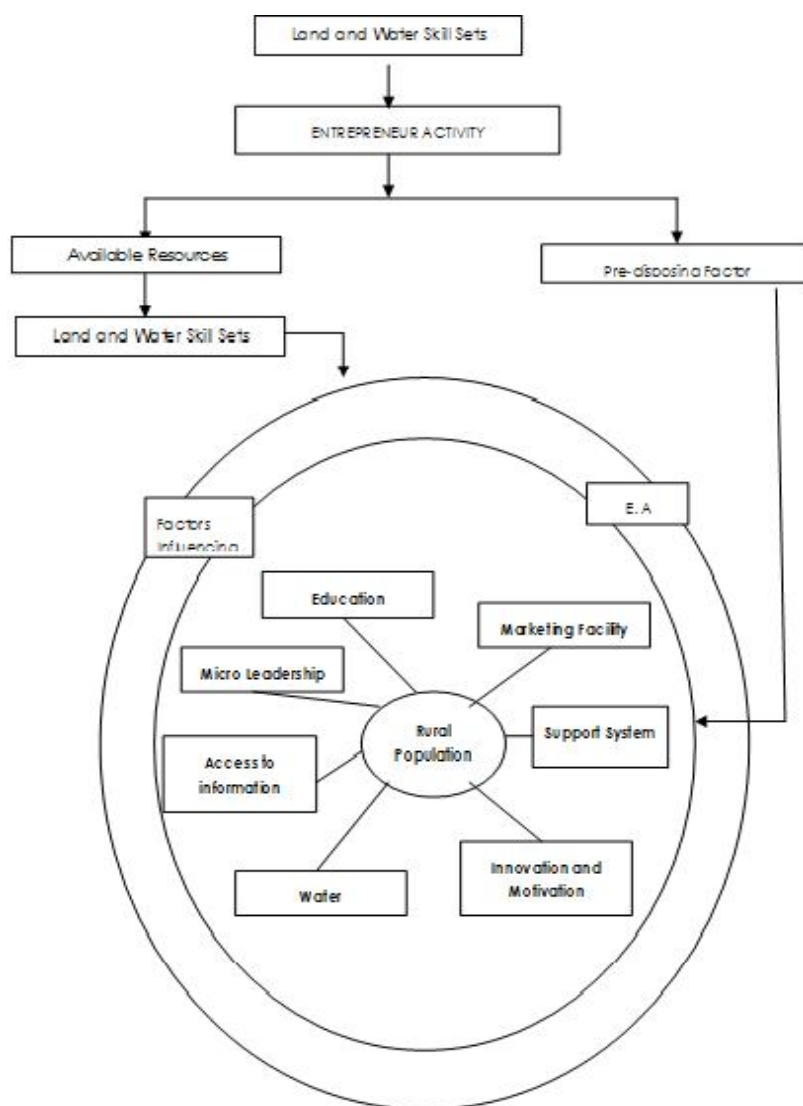
Wherever there are community efforts in development and gathering of information and collective focus of their energy towards building up the agriculture there is always diffusion of knowledge from trend-setting farmers to followers. With the regular availability of farm produce vendors are coming to the village and picking up the produce, the major constraints of selling the produce and wastage due to non-availability of cold storage conditions is avoided.

By interlinking resources and markets along with the combined knowledge of the entire village which are transferred through well knit co-operative society so that everybody benefits from the advancement of science. This is one of the important reasons for the village to prosper year after year along with the ability of the other farmers to adopt and practice the crop diversification, crop rotation for increased earnings where their entrepreneurial sprit comes alive along with imagination.

**Limitations**

The limitations to the study were:

1. The study was restricted to the two villages of Karnataka.
2. The study relied on the observation and answers given by the farmers and leader.
3. Even though lots of undeveloped villages are there in Karnataka this particular village was selected due to its proximity to the developed village Mahagaon Cross.



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