



## Rural And Social Entrepreneurship For Inclusive Economic Growth

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### Abstract:

*Rural and social entrepreneurship have become powerful tools for promoting inclusive economic growth. They focus on improving livelihoods, generating employment, reducing poverty, and solving social problems through innovative and sustainable business models. This research paper analyses the role, challenges, and impact of rural and social entrepreneurship in achieving equitable development. It also highlights successful examples, government initiatives, and strategies to strengthen entrepreneurial ecosystems in rural areas.*

### Introduction:

Entrepreneurship plays a vital role in any country's development. In India, a large share of the population still lives in rural areas, where unemployment, low income, and lack of basic services remain major challenges. Rural entrepreneurship promotes economic opportunities in villages, while social entrepreneurship focuses on solving social issues such as health, education, sanitation, and environmental sustainability.

Both contribute to **inclusive economic growth**, which means growth that benefits all sections of society, especially marginalized groups. With the rise of Start-up India, Digital India, and rural innovation networks, entrepreneurs now have greater support to build sustainable ventures.

### Concept of Rural Entrepreneurship:

Rural entrepreneurship refers to the establishment of small and micro enterprises in rural areas using local resources, skills, and knowledge.

### Features:

- Based in villages or semi-rural areas
- Utilizes locally available raw materials
- Provides employment to rural youth, women, and farmers
- Improves rural standard of living
- Reduces migration to cities

### Types of Rural Enterprises:

- Agro-based industries (food processing, dairy, farming innovations)
- Handicrafts and handloom
- Rural tourism
- Service-based enterprises (repair shops, digital services, logistics)

- Cottage and small-scale manufacturing

**Concept of Social Entrepreneurship:**

Social entrepreneurship uses innovative business models to solve social, cultural, or environmental problems.

**Key Characteristics:**

- Mission-driven rather than profit-driven
- Sustainable and scalable solutions
- Focus on impact, not just revenue
- Works with communities, NGOs, governments, and markets

**Examples of Social Issues Addressed:**

- Education and skill development
- Clean water and sanitation
- Women empowerment
- Healthcare access
- Renewable energy and environment protection

**Role in Inclusive Economic Growth:**

- 1. Employment Generation:** Rural enterprises create non-farm employment and absorb surplus labour. Social enterprises generate jobs for vulnerable groups like women, differently-abled persons, and low-income families.
- 2. Poverty Reduction:** Entrepreneurship increases household income, expands markets, and promotes self-reliance.
- 3. Women Empowerment:** Self Help Groups (SHGs), microfinance, and digital platforms have empowered millions of rural women.
- 4. Balanced Regional Development:** By encouraging industries in backward areas, entrepreneurship reduces regional inequalities.

**5. Innovation and Sustainability:** Rural and social entrepreneurs create eco-friendly solutions using limited resources.

**6. Improved Social Outcomes:** Health, education, sanitation, and community development improve through innovative social enterprises.

**Government Policies and Initiatives:**

- 1. Start-up India:** Provides tax exemptions, funding support, and incubation.
- 2. Stand-up India:** Encourages SC/ST and women entrepreneurs with loans between ₹10 lakh – ₹1 crore.
- 3. MUDRA Yojana:** Gives small loans to micro enterprises.
- 4. NRLM (National Rural Livelihood Mission):** Strengthens Self Help Groups for income-generating activities.
- 5. Digital India & Skill India:** Enhance digital access and skill development for rural youth.
- 6. Atal Innovation Mission:** Encourages innovation, incubation, and rural technology development.

**Challenges Faced:**

- 1. Lack of Finance:** Many rural entrepreneurs struggle with credit, collateral, and financial literacy.
- 2. Poor Infrastructure:** Limited internet, transport, power, and markets increase business costs.
- 3. Low Skill Levels:** Need for training in digital tools, business management, marketing, etc.

4. **Market Access Issues:** Rural products often fail to reach larger markets due to middlemen.
5. **Social and Cultural Barriers:** Women and youth sometimes face restrictions in participating in business.
6. **Lack of Awareness:** Entrepreneurs are often unaware of government schemes.

#### Successful Examples:

1. **Amul Dairy Cooperative (Gujarat):** A global model for rural empowerment through cooperatives.
2. **Lijjat Papad:** Women-led cooperative employing thousands of rural women.
3. **Barefoot College (Rajasthan):** Trains rural women as solar engineers and educators.
4. **SELCO Solar:** Delivers affordable solar solutions to rural households.
5. **Kudumbashree (Kerala):** World's largest women-led community development programme.

#### Strategies to Strengthen Rural & Social Entrepreneurship:

1. **Improve Access to Finance:** Microfinance, crowdfunding, digital payments, cooperative banks.
2. **Strengthen Skill Development:** Training in digital literacy, entrepreneurship, marketing, and technology.
3. **Promote Rural Incubation Centres:** Provide mentoring, training, and technological support.
4. **Digital Market Platforms:** E-commerce access through ONDC, Amazon Karigar, GeM portal.

5. **Community Participation:** Engaging local people ensures sustainability and acceptance.
6. **Public-Private Partnerships:** Encourage corporate investments in rural development under CSR.
7. **Strengthen Infrastructure:** Transport, electricity, cold storage, and internet connectivity.

#### Conclusion:

Rural and social entrepreneurship are powerful drivers of inclusive economic growth. They create sustainable livelihoods, reduce poverty, empower marginalized communities, and promote balanced regional development. With strong government support, technological innovations, and community participation, India can build a vibrant rural entrepreneurial ecosystem. Strengthening these sectors will lead to long-term economic progress and social wellbeing.

#### References:

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