



## Rural Entrepreneurship for Inclusive Economic Development: A Study of Emerging Entrepreneurial Initiatives in Western Maharashtra

**Dr. Pratik Haribhajan Shinde**

Assistant Professor, Shikshan Prasarak Sanstha's Shri Omkarnath Malpani Law College,  
Sangamner, Ahilyanagar,

Corresponding Author –Dr. Pratik Haribhajan Shinde

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### **Abstract:**

*Rural entrepreneurship has increasingly emerged as a significant strategy for promoting inclusive and sustainable economic development in India. In rural regions, entrepreneurship contributes not only to employment creation and income diversification but also to community empowerment and reduction of socio-economic disparities. This research paper examines the evolving landscape of rural entrepreneurial initiatives in Western Maharashtra, focusing particularly on Pune, and Ahilyanagar districts. The study adopts a mixed-method approach, integrating secondary data with field-level observations and interactions with rural micro-entrepreneurs, farmer-producer organizations (FPOs), dairy cooperatives, self-help groups, and agri-value chain units.*

*The findings indicate that rural entrepreneurship has gained momentum due to government schemes (Start-up India, Stand-up India, PMEGP, MUDRA, Atmanirbhar Bharat), improved financial inclusion, digital penetration, and cooperative support structures. However, challenges such as limited market linkages, regulatory hurdles, credit constraints, and skill gaps continue to impede growth. The study concludes that rural entrepreneurship, if supported through capacity building, digital market access, credit facilitation, and sustainable resource practices, can significantly contribute to India's goal of inclusive and self-reliant economic development.*

**Keywords:** *Rural Entrepreneurship, Inclusive Growth, MSMEs, Atmanirbhar Bharat, FPOs, Livelihood Development, Maharashtra.*

### **Introduction:**

Entrepreneurship plays a vital role in the economic progress of a nation by creating employment, enabling capital formation, enhancing innovation, and promoting regional development. While the entrepreneurial movement in India has historically been urban-centric, recent years have witnessed the emergence of entrepreneurship in rural areas driven by technological advancement, state-led

development programs, and increasing awareness of self-employment opportunities.

Rural entrepreneurship encompasses entrepreneurial activities undertaken in villages and semi-urban regions utilizing local resources, traditional knowledge, agricultural value chains, and community networks. In rural India, enterprises include agri-processing units, dairy and poultry businesses, handicraft-based industries, rural

tourism ventures, digital service centers, and ethanol and bio-fuel cooperative ventures.

ecosystem provides insights for scalable rural development frameworks.

### Significance of the Study:

Western Maharashtra is among the most agriculturally and cooperatively advanced regions in India. The region hosts well-established cooperative sugar factories, milk federations, FPOs, and strong SHG-based microenterprise models. Understanding its evolving entrepreneurial In the Indian context:

### Review of Literature:

1. Schumpeter (1934) emphasized entrepreneurship as a process of innovation driving economic development.
2. Peter Drucker (1985) highlighted entrepreneurship as the practice of identifying and utilizing opportunities.

Scholar/Source	Key Contribution
<b>NABARD (2021)</b>	Promoted SHG–Bank Linkage and rural financial inclusion
<b>Ministry of MSME Reports</b>	Highlighted employment potential of micro-enterprises in rural regions
<b>World Bank (2020)</b>	Emphasized rural entrepreneurship for poverty reduction

Studies also show that rural entrepreneurship enhances local value addition, improves community participation, and reduces rural-to-urban migration.

However, studies also identify barriers:

- **Lack of institutional credit**
- **Limited marketing channels**
- **Low digital awareness**
- **Infrastructure gaps**

This study contributes to literature by providing region-specific insights into Western Maharashtra.

4. To suggest policy interventions for strengthening rural entrepreneurship.

### Research Methodology:

The present study adopts a **descriptive and analytical research design** to examine the role and impact of rural entrepreneurship in promoting inclusive economic development in Western Maharashtra. Both **primary and secondary data sources** were utilized to ensure the reliability and comprehensiveness of the findings. Primary data was collected through informal interviews and discussions with rural entrepreneurs, members of Farmer Producer Organizations (FPOs), women Self-Help Groups (SHGs), dairy cooperative workers, and owners of small-scale rural enterprises across Pune, and Ahilyanagar districts. A total of **60 respondents** were purposively selected, representing diverse entrepreneurial activities such as agro-processing, livestock and dairy-based

### Objectives of the Study:

1. To analyze the growth and nature of rural entrepreneurial initiatives in Western Maharashtra.
2. To examine the role of government schemes in promoting rural entrepreneurship.
3. To identify key challenges faced by rural entrepreneurs.

enterprises, food processing, tailoring units, and digital service centers. Secondary data was obtained from government publications, NABARD reports, Ministry of MSME statistical documents, economic surveys, academic journals, and previous research studies related to entrepreneurship and rural development. The data collected was analyzed through **thematic qualitative analysis** along with simple descriptive statistics to identify trends, patterns, challenges, and opportunities within the rural entrepreneurial ecosystem. This mixed-method approach ensures a holistic understanding of the socio-economic dimensions of rural entrepreneurship in the study region.

### **Rural Entrepreneurship in Western Maharashtra: An Overview:**

Rural entrepreneurship in Western Maharashtra demonstrates a diverse range of enterprise models rooted in local resources, traditional knowledge, and emerging market linkages. **First**, agro-processing enterprises are commonly observed, including jaggery production units, spice and flour milling units, dehydration and preservation of fruits and vegetables, and small-scale food-processing units. These enterprises add value to agricultural produce and generate employment within village clusters. **Second**, dairy and livestock-based entrepreneurship forms a core part of the rural economy. Milk collection and chilling centers, cooperative dairy societies, goat rearing, and poultry farming provide reliable income streams and ensure livelihood stability, particularly among small and marginal farmers.

**Third**, the region has witnessed the growth of **biofuel and ethanol-linked value chain**

**enterprises**, especially in sugarcane-growing belts where sugar cooperatives and distillery units encourage participation in supply, transport, and agricultural support services. These enterprises contribute to both rural income and India's clean energy initiatives. **Fourth**, women-led micro-enterprises associated with Self-Help Groups (SHGs) have gained momentum. Activities such as homemade snacks production, tailoring and garment work, handicrafts, and papad or pickle manufacturing have enabled women to engage in income-generating activities while strengthening their economic participation.

**Finally**, digital and service-based rural entrepreneurship is gradually emerging, supported by increasing internet penetration and digital literacy. Common Service Centres (CSCs), online payment facilitation kiosks, mobile repair shops, small retail outlets, and e-commerce assisted supply chains illustrate how digital integration is shaping new forms of rural enterprise. Collectively, these enterprise types highlight the evolving and adaptive nature of rural entrepreneurship in Western Maharashtra.

### **Data Analysis:**

The present study is based on primary data collected from **60 rural entrepreneurs** operating in the districts of Pune, and Ahilyanagar districts in Western Maharashtra. The respondents were purposively selected to represent different categories of rural enterprises such as **agro-processing units, dairy and livestock-based ventures, food processing, tailoring and handicraft units, and digital service centers**.

Table No. 1: Profile of Respondents

Category	Number of Respondents	Percentage (%)
Male Entrepreneurs	35	58.3
Female Entrepreneurs	25	41.7
Age 20–35 years	18	30.0
Age 36–50 years	28	46.7
Age above 50 years	14	23.3
Rural Location (Village)	41	68.3
Semi-Urban Location (Town)	19	31.7

Source- *The primary data collected by the researcher*

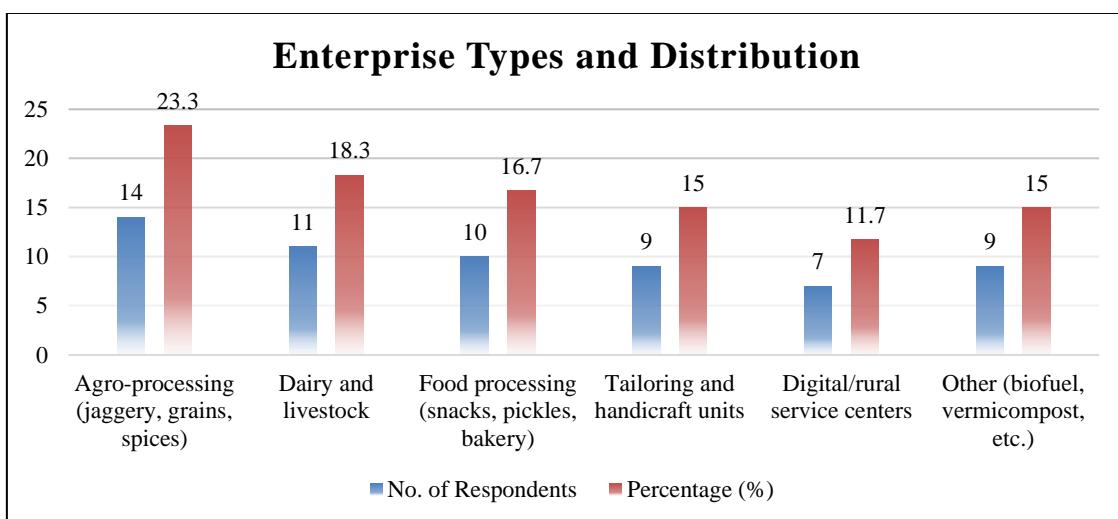
The data reveals a healthy gender distribution, with nearly **42% women entrepreneurs**, reflecting the growing influence of **Self-Help Groups (SHGs)** and **women's collectives** in entrepreneurship.

Most respondents (47%) are in the **36–50 years**' age group, suggesting mid-career engagement with enterprise creation rather than early-stage youth ventures.

Table No. 2: Enterprise Types and Distribution

Type of Enterprise	No. of Respondents	Percentage (%)
Agro-processing (jaggery, grains, spices)	14	23.3
Dairy and livestock	11	18.3
Food processing (snacks, pickles, bakery)	10	16.7
Tailoring and handicraft units	9	15.0
Digital/rural service centers	7	11.7
Other (biofuel, vermicompost, etc.)	9	15.0

Source- *The primary data collected by the researcher*



Source- *Computed by the researcher based on primary data*

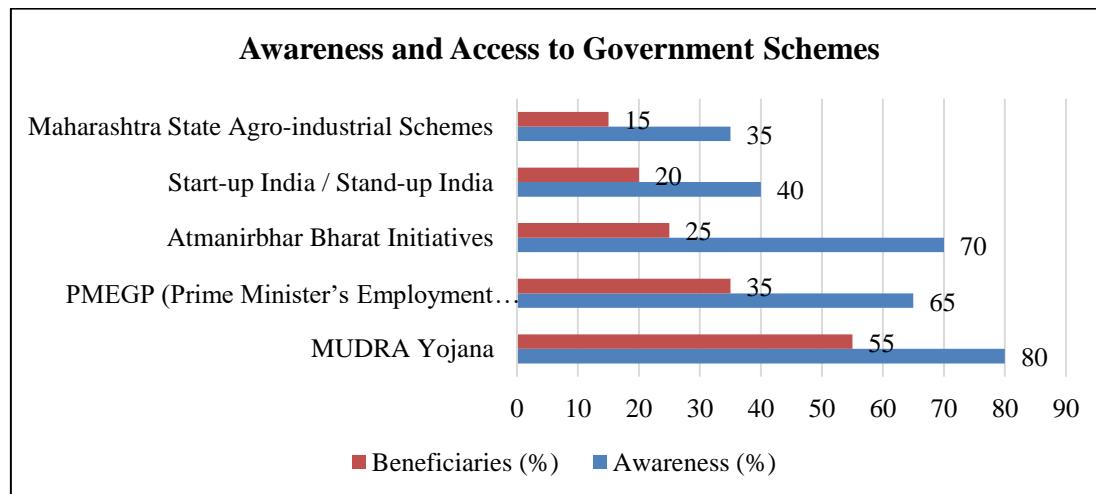
The data indicates that agro-based entrepreneurship dominates the rural economy, leveraging the region's strong agricultural base. There is also a rising trend of digital and service-oriented entrepreneurship, especially among younger respondents who operate mobile recharge centers, e-seva kiosks, and online retail services.

Nearly 60% of respondents reported that their enterprise was established after 2015, coinciding with the introduction of major national initiatives such as Start-up India, PMEGP, and Atmanirbhar Bharat, suggesting a positive correlation between policy interventions and entrepreneurial activity.

**Table No. 03 Awareness and Access to Government Schemes**

Scheme / Program	Awareness (%)	Beneficiaries (%)
MUDRA Yojana	80	55
PMEGP (Prime Minister's Employment Generation Programme)	65	35
Atmanirbhar Bharat Initiatives	70	25
Start-up India / Stand-up India	40	20
Maharashtra State Agro-industrial Schemes	35	15

*Source- The primary data collected by the researcher*



*Source- Computed by the researcher based on primary data*

The data indicates a relatively high level of awareness (70–80%) of flagship government programs like MUDRA and PMEGP. However, actual access and utilization remain lower (20–55%) due to procedural difficulties, collateral

requirements, and lack of guidance in documentation.

Beneficiaries under MUDRA expressed satisfaction with the simplified credit process, while those under PMEGP emphasized that the subsidy component provided critical support for business

expansion. Respondents also cited Digital India and Atmanirbhar Bharat campaigns as

motivational factors influencing their entrepreneurial journey.

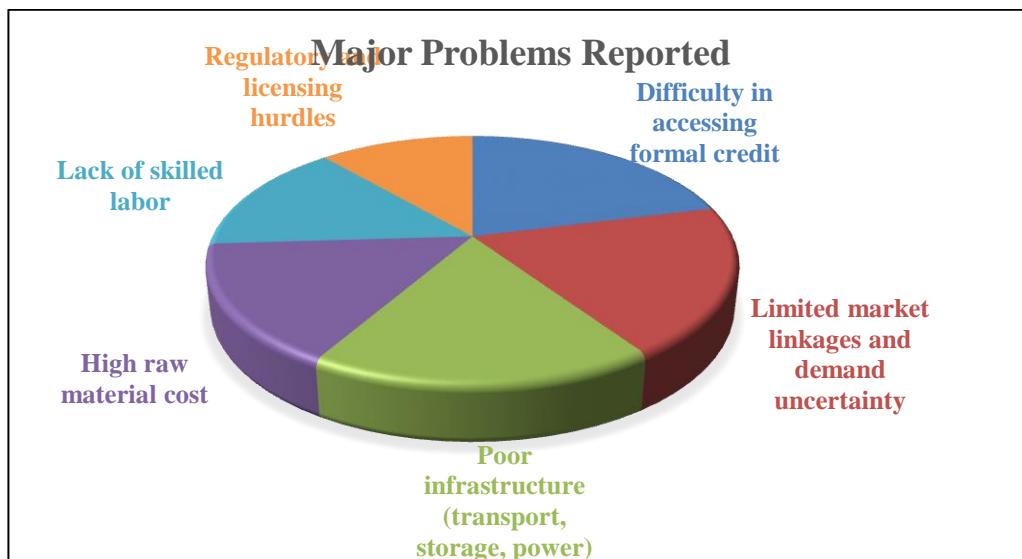
**Table No. 4: Major Problems Reported**

Challenge	No. of Respondents	Percentage (%)
Difficulty in accessing formal credit	39	65
Limited market linkages and demand uncertainty	36	60
Poor infrastructure (transport, storage, power)	33	55
High raw material cost	29	48
Lack of skilled labor	27	45
Regulatory and licensing hurdles	21	35

*Source- The primary data collected by the researcher*

The majority of rural entrepreneurs face credit constraints due to limited collateral and risk perception among banks. Market access is another major barrier, as

60% of respondents depend solely on local weekly markets or cooperative sales.



*Source- Computed by the researcher based on primary data*

Infrastructure bottlenecks especially power outages and lack of storage facilities increase operational costs. Women entrepreneurs particularly highlighted challenges such as mobility restrictions and balancing household responsibilities.

Despite these issues, most respondents expressed strong determination to expand or diversify their business if given

improved access to finance, training, and digital platforms.

#### **Policy Interventions and Suggestions:**

From the analysis, the following interventions are suggested:

1. Entrepreneurship Development Cells (EDCs) should be established in rural

- colleges to promote awareness and skill training.
2. Simplified loan processing and collateral-free microcredit should be expanded for rural MSMEs.
  3. FPO and SHG-based cluster models should be strengthened to enhance collective marketing.
  4. Digital literacy and e-commerce training programs can enable access to wider markets.
  5. Rural incubation centers and mentorship programs should be set up under the MSME and Skill Development Ministries.
  6. Sustainable business practices such as solar energy use, waste recycling, and local sourcing should be incentivized through tax rebates or subsidies.

The primary data analysis demonstrates that rural entrepreneurship in Western Maharashtra is growing steadily, supported by socio-economic awareness, government initiatives, and the cooperative sector's legacy. However, institutional challenges, infrastructure gaps, and financial barriers continue to limit scalability. Entrepreneurs express optimism regarding digitalization and policy reforms, indicating a gradual transformation toward a more inclusive and self-reliant rural economy.

#### **Major Findings:**

- 1. Rise of Women-led Enterprises:** Women's participation in entrepreneurship has increased through SHGs and micro-enterprises, enhancing their financial and social empowerment.
- 2. Youth-driven Digital and Service-based Entrepreneurship:** Rural youth are adopting digital and service-oriented

ventures, reducing dependence on agriculture and migration to cities.

- 3. Positive Support of Government Schemes with Limited Utilization:** Government schemes like MUDRA, PMEGP, and Atmanirbhar Bharat motivate entrepreneurs, but procedural complexity limits their full utilization.
- 4. Market Access Remains a Primary Constraint:** Entrepreneurs struggle to reach broader markets due to poor transport, branding gaps, and local demand dependence.
- 5. Financial Literacy and Business Management Skills Need Strengthening:** Limited financial and managerial skills hinder profitability, scalability, and resilience among rural entrepreneurs.

#### **Suggestions and Policy Recommendations:**

1. Strengthen market access through digital marketplaces & government procurement platforms.
2. Provide entrepreneurship education in rural schools and colleges.
3. Promote FPO-led value chain clusters for better price realization.
4. Simplify licensing and registration procedures for rural enterprises.
5. Introduce rural incubation centers for business mentoring and digital training.
6. Encourage sustainable resource use to ensure environmental resilience.

#### **Conclusion:**

Rural entrepreneurship is central to achieving inclusive growth, employment generation, and self-reliant development in India. Western Maharashtra demonstrates strong potential due to its cooperative

legacy, resource availability, and growing digital adoption. With appropriate support through training, finance, technology, and market access, rural entrepreneurship can significantly contribute to the goals of Atmanirbhar Bharat and sustainable economic progress.

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