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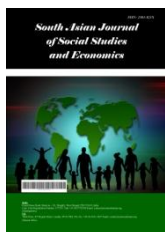
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Status of Rural Entrepreneurs in Post Pandemic Situation: A Study in Selected Blocks in Nadia District of West Bengal, India

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Authors' contributions

This work was carried out in collaboration between both authors. Author AD conceptualized, collected field data, analysed the data, managed the literature searches and prepared the first draft of the manuscript. Author BP designed the study, wrote the protocol. Both authors read and approved the final manuscript.

Article Information

DOI: 10.9734/SAJSSE/2022/v15i330406

Open Peer Review History:

This journal follows the Advanced Open Peer Review policy. Identity of the Reviewers, Editor(s) and additional Reviewers, peer review comments, different versions of the manuscript, comments of the editors, etc are available here: <https://www.sdiarticle5.com/review-history/91467>

Original Research Article

Received 04 July 2022
Accepted 08 September 2022
Published 10 September 2022

ABSTRACT

India is a rural-based country. The economic development of our country is largely dependent on the development of the rural sector. In rural areas, people are shifting their source of income from agriculture to entrepreneurship. According to Micro Small and Medium Enterprises (MSME), the registration portal for entrepreneurs has registered more than 51% of rural entrepreneurs so far, but the rural entrepreneurs are deprived in many ways. They are facing different challenges due to not having proper educational qualifications, lack of skills, insufficient capital, lack of management skills, and various others.

The research paper asserted the present status of rural entrepreneurs after the pandemic. The aim of the research was to study the socio-economic profile, entrepreneurship profile, the impact of lockdown, and psychological factors associated with rural entrepreneurship. In this study, Ranaghat-II and Chakdaha Blocks of Nadia district in West Bengal were selected purposively. 15 rural entrepreneurs from each block were selected as samples and data were collected from 30 respondents by using a semi-structured interview schedule. Various aspects of business, their socio-economic condition, entrepreneur's profile, the impact of lockdown on their enterprises and psychological impact have been studied. It has been found that most of the rural entrepreneurs

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know about different govt facilities related to MSME and SIDBI but did not get any support from the govt schemes during the period of lockdown. A major section of the entrepreneurs (88 %) faced uncertainty in their livelihood and faced psychological problems due to different adverse entrepreneur situations that arose during the lockdown period. Rural entrepreneurship is still very much deprived. Despite having government schemes, they were not able to get that. They need more skill-based training, financial support and managerial assistance and also more women's participation in this field will boost the rural economy as a whole.

Keywords: Rural entrepreneurs; MSME; COVID-19; psychological factors; lockdown.

1. INTRODUCTION

Over the past few decades, the share of people living in rural areas in India has been decreasing. People are migrating from village to city in search of employment and suitable livelihood. According to census data in 2001, the percentage of the rural living population was 72.19 and in 2011 it decreased to 68.84%. Traditionally, agriculture is the prime sector of the rural economy and rural employment [1], but the source of income for rural people has begun to change. The farming sector has been playing an important role in our Gross Domestic Product (GDP), but currently, it is the most neglected sector. The typical income of a farmer has been increasing, but it is not enough to defeat the current inflation rate. As a result, farmers are changing modes of occupation. Rural people have gotten more curious about the non-farm sectors as they find more potential for income in small-scale businesses, household industries, cottage industries, and sometimes technology-based industries, and from there the thought of becoming an entrepreneur has been evolving. According to the Ministry of Micro Small and Medium Entrepreneurs (MSME) annual report 2020-21, India has 324.88 lakh registered MSMEs in rural areas, which is 51.25% of all registered MSMEs in India.

Rural entrepreneurship can be an instrument for converting a developing country into a developed nation [2]. The farming sector has been losing the badge of the main financial source for rural people, that's why the development of rural entrepreneurship is incredibly important. The government has implemented several programmes for entrepreneurs, but due to a lack of knowledge, rural people can't avail themselves of that properly. Interest-free loan schemes, more subsidies and enhance entrepreneurial interest in rural areas, conducted fairs and exhibitions conferences will enhance the knowledge regarding entrepreneurship [3].

The COVID-19 pandemic and the associated lockdown have had a significant impact on our

economy. People have faced economic crisis income decline and changes in income-generating activities during these periods [4]. In an exceeding scenario, where millions have lost their jobs and were forced to migrate from urban to rural. In rural areas, farming and business are two main sectors which can heal the rural economy. In search of a better economy and social status, entrepreneurship has been emerging. On the other hand, those who started their entrepreneurial activities before the pandemic, are facing challenges during this lockdown period. Rising raw material prices, high transportation costs, decreased consumer demand, and the inability to repay loan premiums on time pose mental and psychological challenges for rural entrepreneurs.

The growth of rural entrepreneurship is depending on both human qualities and financial capabilities [5]. In general, rural entrepreneurs are adoptive or imitative entrepreneurs. Due to a lack of knowledge and confidence, they just adopt suitable and successful innovations that were innovated by others and adjust them with the available resources. Apart from that, they are mainly in the fields of agro-based product making, forest-based industry, mineral-based industry, textile industry, handicrafts and various other non-farm sectors.

Rural entrepreneurs are deprived in many ways. They don't have proper financial sources, communication and networking skills, and lack educational and technical knowledge. Despite having government policies for entrepreneurs, they are unable to get them. They suffered during the COVID-19 pandemic and lockdown, and paying loan instalments was a major challenge for them during that time.

The study has focused on the present financial status of rural entrepreneurs. The main objective of the study is to describe the present status of rural entrepreneurs in respect of financial sources, governmental facilities and post-pandemic impact on entrepreneurship.

2. MATERIALS AND METHODS

The study was based on rural entrepreneurs and considering the limitation of the resources, the data for the present study were collected from both primary and secondary sources. The study was conducted in the selected areas of the Nadia district of West Bengal. The district has 17 blocks in which Ranaghat-II and Chakdaha blocks were selected purposively for the study. The data was collected from 15 respondents from each Block and the total number of respondents for the study was 30. They all were classified as micro-level entrepreneurs who operated their enterprises in rural areas or from rural areas. A purposive sampling procedure was used to collect the data.

Primary data was collected through personal interviews with the help of a semi-structured interview schedule, and secondary data have been collected from various published journals and government annual reports (MSME Annual Report [6] and Census 2011 [7]). Data were collected only from the willing respondents from the study area. Variables like age, gender, educational qualification, monthly income, entrepreneurship category, economic background, the impact of lockdown and their psychological condition have been identified and analysed to get the study result. Considering the objective of the study the analysed data was further interpreted to get the present findings.

3. RESULTS AND DISCUSSION

Most of the entrepreneurs (88.5%) were male and only 11.5 percent were female. 53.8% belong to the age group of 26-35 years followed by the age group 36-50 years (30.8 %). Only 7.7 percent of respondents belong to the young and oldest age groups respectively. 42.3% are graduates followed by class 10+2 (38.5 %) and secondary qualified (19.2 %). The majority of the respondents belong to the general caste. All the respondents are Hindu. In the present study, no other religions were found in the study area and remarkably the area is highly populated with Hindus. Nearly half of the respondents earned rupees 15000 to 25000 per month from their enterprises. 19.2 percent of respondents earned Rs. 25001 to 35000 last year and only 11.5 percent of respondents' income levels were below Rs.10000.

3.1 Entrepreneurship Profile

50 percent have more than 5 years of entrepreneurial experience. 89 % have a trade

licence, and (69.2%) paid tax to the government or their yearly income comes under government tax slabs. Most of them (76.9 %) did not know about MSME, and the majority of them (84.6 %) did not get any support from the government.

Table 1. Socio-economic status of the rural entrepreneurs

Variables	Category	Percentage (%)
Age	18-25	7.7
	26-35	53.8
	36-50	30.8
	>51	7.7
Gender	Male	88.5
	Female	11.5
Level of education	Secondary	19.2
	HS	38.5
	Graduation	42.3
Religion	Hindu	100
	Muslim	0
	Others	0
Income/ Month	5000-10000	11.5
	10001-15000	11.5
	15001-25000	50
	25001-35000	19.2
	35001-50000	7.8

Every respondent has a bank account. A good huge section of respondents (69.2 %) of them have more than one bank account. 86 percent of them were not a member of SHG. 24 percent had co-operatives memberships. Most of them have taken loans for their business and 89 percent have taken loans from the bank whereas 16 percent from the SHG and 12 percent from the co-operative bank. The most taken loan amounts were between 50000 to 100000 rupees. 54 percent of entrepreneurs replied that they have paid 10-15 percent interest on their loans. A large section of entrepreneurs (81percent) had never heard of SIDBI (Small Industrial Development Bank of India).

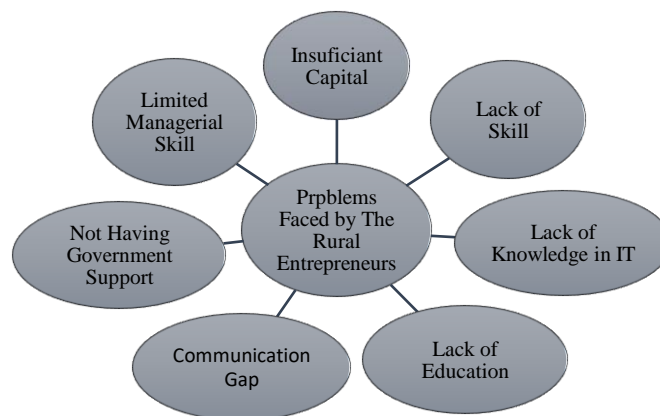
42.3 percent of entrepreneurs have been generating 500000-1000000 rupees turnover in a year, followed by 1000000-2000000 rupees in a year (31 percent). Half of the respondents replied that their Net profit was 100000-300000 rupees in a year. 27 percent replied that they run their enterprise without additional workers but 23 percent engaged more than five workers in their enterprise. The average worker's monthly wage was 5000-10000 rupees. Almost 93 percent have set up their factories in rural areas.

Table 2. Entrepreneurship status of the study area

Variables	Category	Percentage (%)
Year of Experience	One year	23.1
	Two years	11.5
	Three years	7.7
	Four Years	7.7
	More Than Four years	50
Trade License	Yes	88.5
	No	11.5
Tax Payment	Yes	69.2
	No	30.8
Know about MSME	Yes	23.1
	No	76.9
Government Support	Yes	15.5
	No	84.6
Bank Account	Yes	100
	No	0
Number of Bank Accounts	One	30.8
	Two	61.5
	More Than Three	7.7
Member of SHG	Yes	14
	No	86
Co-operatives	Yes	24
	No	76
Loan Taken	Yes	88.5
	No	11.5
Sources of Loan	From bank	88.5
	From Co-Operative	11.5
	From SHG	15.8
Amount of Loan	0-50000	3.8
	50001-100000	42.3
	100001-500000	38.5
	>500001	15.4
Interest Rate on Loan	10-15%	54
	10-14%	53.8
Subsidies on Loan	Yes	19.2
	No	80.8
Know about SIDBI	Yes	0
	No	100
Yearly Turnover	100000-500000	15.4
	500001-1000000	42.3
	1000001-2000000	30.8
	>2000001	11.5
Yearly Net Profit	50000-100000	11.5
	100001-300000	50
	300001-500000	38.5
Number of Workers Work Under the Entrepreneurs	None	26.9
	One	11.5
	Two	30.8
	Three	4
	Four	3.8
Workers Monthly Wages	Five and More than that	23
	2000-5000	42
	5001-10000	58
Factory Location	Rural Area	92.3
	Urban Area	7.7

Table 3. Effect of COVID-19 Pandemic on rural entrepreneurship

Variables	Category	Percentage (percent)
Impact of Lockdown	Positively	3.8
	Negatively	96.2
Govt. Support During Lockdown	Yes	0
	No	100
Govt. Subsidies on loan	Yes	0
	No	100
Raw Material Price Difference	Increased	96.2
	Same as Before	3.8
Difficult to Sell the Product Due to Lockdown	Yes	88
	No	12
Psychological Challenges Faced	Yes	94
	No	6
Business Motivation	Financial Status	88.5
	Family	11.5
Mental Pressure Due to Repayment of the loan	Yes	88
	No	12
Alternative Occupation	Yes	30.8
	No	69.2

**Fig. 1. Challenges faced by the rural entrepreneurs**

3.2 Impact of Lockdown

97 percent said that lockdown had a negative impact on their business. No one received government support during the lockdown period. They didn't get any subsidies on loans. 96.2 answered that the prices of raw materials have been increased. 88 percent have faced difficulties in selling their products.

3.3 Psychological Impact

The majority of them have faced psychological challenges. Most of them replied that financial status was the primary motive for becoming an

entrepreneur. 88 percent faced mental pressure due to repayment of the loan. 31 percent of the respondents are thinking about alternative occupations.

3.4 Issues, Challenges and Problems of Rural Entrepreneurs

Rural entrepreneurs have to face more difficulties than urban entrepreneurs [8]. During the COVID-19 pandemic, the small business became financially fragile [9]. Lockdown had a calamitous effect on small businesses [10]. They have been facing challenges in getting a loan from the governmental institute. They said that they were

asked for three years of current account transaction pay slips, and that was kind of impossible for them at the initial stage. The government subsidises loan schemes, Micro Units Development & Refinance Agency (MUDRA) is for micro-level entrepreneurs, but in reality, the respondents were not able to get it, so they forcefully took personal loans with a high rate of interest.

Most entrepreneurs were unaware of government programmes such as MSME and SIDBI. It means they were deprived of loan subsidies, training programmes and other various subsidies during the lockdown. Promotion of government schemes through various mass media such as television, and online advertisements may increase rural entrepreneurs' knowledge and help them in the features.

SHG have a limited share in rural finance, but it can help in poverty elevation [11]. For instant loan seekers, SHG could be an easy way to get instant credit with minimal documents. But as we see above in the chart, just a few of them were associated with Self-help groups. Sumathy and Velmurugan [12] have concluded that communication, technical, entrepreneurial etc are the significant skill required by rural entrepreneurs for their sustainability and development, but there was no such skill development programme found.

Women are assumed to be economically and socially dependent on male members. Still, the situation is the same, rural entrepreneurs of the study area were still very much male-dominated, with very low female participation [13]. Most entrepreneurs have daily labourers, which means they are generating employment in rural areas. Poverty alleviation can be achieved through employment [14]. During the lockdown period, the majority of the entrepreneurs didn't dismiss their workers from their job.

During the lockdown, Rural entrepreneurs did not get any financial assistance or subsidies on loans from the government. Meanwhile, their business condition was not good, the price of raw materials increased, and transportation costs also increased. In the same way, the sales volume of the finished products has badly decreased. The majority of them have admitted that their businesses have been adversely affected. That's why they have faced mental challenges to repay the loan and run other financial activities.

Psychologically, entrepreneurs were unsatisfied. It has been observed that, During the lockdown, financial stress and mental health symptoms were at their peak [15]. They didn't get any assistance from the government. One of the reasons behind that they haven't registered their business under MSME.

4. CONCLUSION

The government has launched schemes for rural entrepreneurship, but implementation and monitoring are not being done properly. The loan-providing process by the government should be more convenient so that new entrepreneurs can easily take loans. The government should improve communication with the rural entrepreneurs, and provide them with more subsidies so that they can expand their entrepreneurial activities without any pusher. Rural entrepreneurship is immensely male-dominated. Here, women should get an equal chance. The government should encourage women by giving them skill development training, financial aid, and logistical support. Due to the lockdown, they have faced economic as well as psychological challenges. Not having any subsidies on loans was a major problem for them. One of the reasons behind that was that they did not register their businesses under MSME. Rural entrepreneurship is not only associated with one or two persons, it could become the income source for hundreds. It is an employment-generating sector for rural people. Even in the pandemic situation, most entrepreneurs did not dismiss their workers, they kept them, and gave them wages. It's proved that it's a reliable source of income for the rural working class.

CONSENT

Respondents' written consent has been collected during the collection of data.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Peer-review history:
The peer review history for this paper can be accessed here:
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