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## 8. Education, Environment and Entrepreneurship: Agents for Growth and Development in A Rural Economy

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### **Abstract:**

“Successful entrepreneurship takes complete dedication and careful strategizing along with market analysis. Plus, successful start-ups provide countless benefits to a healthy economy and consumers in need.”

Fabrizio Moreira †

(† Fabrizio Moreira is an Ecuadorian politician and businessman.)

An attempt in this article is to highlight the close relationship between Education, Environment and Entrepreneurship. Taking into account of these three factors, an improvement in the economic condition of the people especially those in the rural areas can be achieved. Poverty is one of the problems where many developing as well as under developing countries have to tackle. Therefore, with high literacy rate along with favorable conditions of business environment and very viable opportunities for entrepreneurship, a dilemma of poverty can be reduced. The objective of this paper is to find out the various factors which are the main inputs towards growth and development in an economy. Following the literature, the key factors in this paper are

- **Education:** Education is linked up in a vital and inseparable inter-disciplinary approach with economy. Through Education effort can be made in order to overcome the various problems of poverty, employment, social and civic discipline.
- **(Environment:** Business environment is the main factor in order to create awareness and opportunities to budding entrepreneurs as such surroundings will influence certain individuals or organisations.
- **Entrepreneurship:** being a mechanism towards.
  - a. Economic Growth and Development
  - b. Providing employment and job opportunity
  - c. Enhancing productivity and production capabilities
  - d. Contribution to the high levels of creativity and innovation
  - e. Wealth creation and welfare education; all ideas and knowledge on entrepreneurship should be converted to profitable and useful products and services.

However, comprehension on entrepreneurship are the entrepreneurs; who should be creative, innovative, risk taker, dynamic, flexible, and brave, opportunity recognizer, network builder, independent and self-reliant people and a potentiality in business leadership.

**Key-Words:** Poverty, Education, Entrepreneurship, Environment and Entrepreneur.

### **8.1 Introduction:**

Poverty being one of the problems where many developing and under developing countries are facing, it is a social phenomenon in which a section of the society is unable to fulfil even its basic necessities of life. The third world countries are the hardest hit by poverty which exhibits invariably the existence of mass poverty. Thus, the third world countries are having a very difficult task to eradicate from within their boundaries. Any developing and under developing countries are trying hard to eradicate poverty by introducing many schemes, programmes but to no avail, reasons being - defective planning, inequality in the distribution of income and wealth, rapid growth of population, unemployment and underemployment etc. Even in developed countries of Europe and America are not free from this problem as certain pockets of poverty do exist within their boundaries.

Attempts have been made to define poverty in a most common and acceptable manner by different societies, but all of them are conditioned by the vision of minimum or good life obtaining in society. For example, the concept of poverty in countries like United States, France, UK, and Germany would be significantly different from countries like India, Pakistan, Sri Lanka, Bangladesh, because the average person is able to afford a much higher level of living in developed countries when compared to a developing or under developed countries. In India, the general acceptable definition of poverty emphasizes minimum level of living rather than a reasonable level of living. A common yardstick in economics literature are the absolute and the relative, in the absolute standard minimum physical quantities are being measured for a subsistence level and then the price quotations convert into monetary terms the physical quantities. According to the relative standard, income distribution in the population in different groups is estimated and a comparison of the levels of living of the top 5 to 10 percent of the population reflects the relative standards of poverty.

This paper targeted towards a section of the population in the society fallen under relatively poverty concentrated in a rural economy of a developed and developing countries where such agents like Education, Environment and Entrepreneurship could improvise for growth and development. In any underdeveloped countries, where education and business environment provides an opportunity, it will be very much feasible because in such countries where an existence of mass poverty occurs, it is a cause for concern and it can still be a prospect for growth and development once agents stated are being operated.

### **Why Education is Important?**

Education is one of the most important factors for raising the economic level especially in the rural based economy. An Educated individual will certainly have thinking power and knowledge of analysis, estimation, forecasting etc. that are the bases to start any kind of small enterprise. Education is linked up in a vital and inseparable inter-disciplinary approach with economy.

Through Education effort can be made in order to overcome the various problems of poverty, employment, social and civic discipline which ultimately leads to growth and development of a rural economy. Education and Economic development are closely knit with one another especially for rural development which characterized by its emphasis on locally produced economic development strategies. Rural areas are highly distinctive to one another, therefore, a large variety of developmental programmes are being approached globally. Education contributing to rural development must be locally controlled, practically applicable, problem identification, and focused on functional specialization. This will definitely diagnoses their requirements and independent in economic decisions which will affect their lives in the long run, providing skilled manpower, linking rural and urban sectors, job creation, raising the standard of living, increasing labour force productivity and developing leadership quality.

Education has an advantageous influence over growth and development in a rural economy. Development of rural individual, house hold and families, society and community and this will imply reduction in poverty level, equal distribution of income, and solving unemployment problems. It plays a key role in the economic systems of supply and demand, production, marketing, health care, governance and development in education right from primary to the higher level respectively.

By improving and developing economically the rural areas education is one factor that can lead to an increase in per capita income and gross domestic product of any developing or under developed countries. Education oriented to urban rather than rural needs may do more harm than good by accelerating rural to urban migration, unemployment and imbalance in a rural environment.

Through Education, rural population will have an opportunity to be self-employed and create an entrepreneurial career. Unemployment is one problem faced by many developed, developing and underdeveloped countries; unemployment may be termed as one of the root to many social evils especially among the youths. Therefore, when there is an entrepreneurial education rural youths will have a positive thinking for being self-employed and create job opportunities for others. Some of the important steps in job creation by educated rural youths are:

- a. Creating awareness about career options in self –employment and entrepreneurial activities.
- b. Development of entrepreneurial qualities
- c. Enhance the entrepreneurial skills, qualities and competencies.

## **8.2 Apt and Sustainable Business Environment:**

This paper clearly indicates that an environment pointed out is a Business environment. Business environment is the main factor in order to create awareness and opportunities to budding entrepreneurs as such surroundings will influence certain individuals or organisations. The term business is understood differently by different people involved. It can be:

- a. Business as an activity,
- b. Business as a method of transacting,

- c. Business as a method of making money,
- d. Business is an organized activity to achieve certain pre-determined goals or objectives. This shows that the concept of business has undergone a vast change, from a producer driven activity to a consumer centred phenomenon. In the past, Business concept was 'to sell what is being produced', the modern concept was 'to produce what is being desired'.

The term Business environment refers to the aggregate of all forces, factors and institutions which are internally affecting the business through management structure and policies as well as which are external to and beyond the control of individual business enterprises; but which influence their functioning. Business involves activities which link an individual(s) or organisations to the outside world. An individual(s) or within an organisation, a business is governed by the forces of demand and supply or the behaviour of market or, like in a business organisation, its employees, management or decision makers. In this backdrop, it becomes essential to acquaint the stake holders with nature, complexity and interrelation among business environmental forces that may act upon a variety of business and hence, influence business performances.

Rural business environment is a smart and competitive in rural areas; it requires certain tools on identifying how rural entrepreneurship is supported to better access new markets and develops new forms of successful rural business both on and off the farm. Opportunities from biotechnology to the experience economy and from possibilities created by new information technologies to changing consumer demands and by taking advantages of such opportunities will leads to new ways of thinking about rural businesses, weird ideas, and improved modern forms of business support will come along the way. However, digital divide is one factor which put a brake in any of the fast growing rural economy. In order to overcome the digital divide, it requires flexible support towards rural businesses and improved business environment in the areas. Some of the points involved to overcome the digital divide are-

- a. Roll out of broadband internet access through innovative community broadband.
- b. Building digital skills and capacities and
- c. Creation of rural digital hubs

### **8.3 Entrepreneur and Entrepreneurship:**

An Entrepreneur/Organizer is an agent who can accelerate for full utilization of factors of production. He involved physically and mentally in the business, he will be responsible for any loss or losses of his business, if any, and undertakes by himself all the works related to his business. He performs all the function of initiating, controlling, supervising, organizing, risk-taking and even the functions of introducing innovations. The success or failure of any business firm depends mainly on the efficiency of the entrepreneur/organizer that brings together and co-ordinates the operation of the other three factors of production, that is, Land, Labour and Capital, in economic activities, thus, an entrepreneur is another factor of production.

A successful entrepreneur must possess a courageous quality to meet all the challenges of his business, right strategy, right planning and manage the project effectively in an accountable and transparent manner to avoid any closure or failure of the venture. He must foresee changes in advance and be the leader of his business. He should command the confidence of others, especially of his employees and must be able to influence others effectively.

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The skills and experience of an Entrepreneur are such that he should possess knowledge about the performance, functions and processes of his business. However, in rural areas, more effort is required from the individual to be an entrepreneur. The task is very challenging as the occupation of the larger population itself is in the agricultural sector, therefore to be an entrepreneur it requires exertion of responsibility, knowledge of wants in the rural market, demands of the rural population, financial aspects like banking, insurance, loans, assistance from the authority or agency, available of materials needed for his ventures and also willingness of the rural population to adopt a change – that is, from being engaged in farming only to becoming marketing agents of all form of agricultural production. But an entrepreneur has to have certain qualities as well, such as:

- He is a person who develops and owns his own enterprise.
- He is a moderate risk taker and works under uncertainty for achieving the goal.
- He is innovative.
- He peruses the deviant pursuits.
- Reflects strong urge to be independent.
- Persistently tries to do something better.
- Dissatisfied with routine activities.
- Prepared to withstand the hard life.
- Determined but patient.
- Exhibits sense of leadership.
- Also exhibits sense of competitiveness.
- Takes personal responsibility.
- Oriented towards the future.
- Tends to persist in the face to adversity.
- Convert a situation into opportunity.

Simply being an entrepreneur will die within itself unless and until he practices and execute all his traits and abilities, when this has been done then a concept of entrepreneurship evolved which rural economy can move forward with a change. Growth and development will take place and different forms of economic activities will start to perform.

By Entrepreneurship we mean the process of making money, earning profits and increasing the wealth while posing characteristics such as risk taking, management, leadership and innovation. The term Entrepreneurship is a complicated term and gives various meaning depending on the situation. The word entrepreneur has a French origin. It originated during the Middle Ages when the term entrepreneur was applied to “the man in charge of the great architectural works: castles and fortifications, public buildings, abbeys and cathedrals”.

It is derived from the French word, *entreprendre*, which means “to undertake.” In a Business context, it means to undertake a business activity or simply to start a business.

The four key elements in Entrepreneurship are:

- a. Innovation
- b. Risk taking
- c. Vision and
- d. Organizing skills,

All the four elements are important, and their binding is very essential, in rural areas when applied it will be very effective as many unexplored areas for development always exists.

In many of the developing countries a lot of attention is being paid to the development of entrepreneurship because it is not the proprietary quality of any caste and community. The entrepreneurship is usually understood with reference to individual business. Entrepreneurship has rightly been identified with the individual, as success of enterprise depends upon imagination, vision, innovativeness and risk taking. The production is possible due to the cooperation of the various factors of production, popularly known as land, labour, capital, market, management and of course entrepreneurship. The entrepreneurship is a risk taking factor, which is responsible for the end result in the form of profit or loss.

The various interchangeable meanings of what entrepreneurship is all about, it is -

- A theory of evolution of economic activities.
- A continuous process and an ingredient of economic development.
- Essentially a creative activity or an innovative function.
- A risk taking factor which is responsible for an end result.
- The name given to the factor of production, which performs the functions of enterprise.
- Creates awareness among people about economic activity.
- Generates Self-employment and additional employment.

As mentioned above, that rural economy is basically on agriculture or its produce and it's allied. Therefore, this is one potential area to develop which ultimately it will help in expanding its growth into the other sectors. It will help in solving unemployment problems, Rural –Urban Migration, etc., there will be development of infrastructures, Banking, Insurance, transport and communication, health care and education. This ultimately leads to the growth and development in the Rural Economy.

#### **8.4 Summary:**

When all the key factors are taken into account, it can be observed that poverty, education, entrepreneurship and environment are the agents that can bring changes to the rural economy. Keeping aside other factors such as non-participation of the rural folks, unavailable of opportunities, financial constraints and non-existence of markets for agricultural produce or agricultural by products, etc.; growth and development of rural area is very much possible and achievable. It will be an achievement if such agents could transform a rural area into a semi-urban area or more appropriate into a develop urban area.

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