



Promoting rural entrepreneurship for a Self-Reliant India

Development of rural, agricultural and tribal areas is a very important strategy to attain the vision of Self-reliant India. Rural areas account for 65% of India's total population, while tribals contribute 8.6% to the total population. Therefore, every state government should prepare a vision document for industrial development in rural and tribal districts taking into account the unique competitive strengths of these districts.

There is huge scope for developing value added industries in these areas in sectors such as jute, bamboo, organic cotton, biofuel, rubber and other agro-commodities. In order to prepare such a vision document, policymakers can take support from the vast talent pool available in our education system. India has 159 institutes of National Importance, which includes IITs, IIMs, National Institute of Technologies etc. Besides, there are several rural management institutes and agriculture universities across the country. We should also set up incubation centres in the more than 5200 management institutes in the country to encourage students to develop commercially viable business ideas centered around rural industries.

This article illustrates some of the success stories in developing rural and tribal industries. The output of the fishing community in certain parts of Tamil Nadu got a boost with the development of modern fishing trawlers by Cochin Shipyard. While the traditional fishing trawlers could travel hardly 10 nautical miles, the modern trawler developed by Cochin Shipyard could travel 100 nautical miles. This modern trawler also has facilities such as cold storage for preserving fish and other marine products. State governments in other coastal states can provide subsidy for fishing communities to buy this modern trawler, which costs around Rs. 1.2 crore. Although the cost of this trawler is high, it has demonstrated benefits for fishermen in Tamil Nadu by increasing their production by 5-6 times. Maharashtra can provide these trawlers to its fishing community in Konkan areas, where 18% of the coastal population depend on fisheries. Further, there is also a need to develop post-harvest processing and packing facilities to prevent losses and make the marine products export ready. A similar intervention is also needed for river water fishing to boost their income and livelihoods.

Another focus area for rural industries is the alternative fuel or bio-fuels. State governments can develop a policy framework for conversion of agriculture waste such as rice straw, corn, sugarcane waste into ethanol and other biodiesel. Already, several experiments are taking place across different parts of the country for adoption of bio-fuel such as methanol, ethanol, bio-CNG and other environment friendly fuel varieties. According to an ongoing CNG project in Nagpur, we can derive one tonne of CNG from processing five tonne of rice. Studies shows that the cost of running buses on ethanol is Rs. 78 per km, which is cheaper than the cost of diesel bus which is Rs. 150 per kilometer.

Automobile companies such as Mercedes, BMW, Hyundai and Toyota are already using flexi engine, which has the capability to run on either 100% petrol or 100% bio-fuel. Today, the cost of ethanol is Rs. 62-65 per litre, which is far cheaper than Rs. 100 per litre of petrol. So, bio-fuel is the future of our energy economy as it is cheaper, environment-friendly and it has the potential to increase income of our

rural people. Rapid adoption of bio-fuel can also reduce India's import bill of crude oil, which currently stands at Rs. 8 lakh crore annually.

Especially, sugarcane growing states such as Maharashtra, Uttar Pradesh and Karnataka have great scope to convert sugarcane bi-products into biofuel.

Already, India's two-wheeler maker Bajaj Auto has started manufacturing ethanol-based bikes. Our automobile manufacturers should also produce auto-rickshaws, cars and buses that can be run on these bio-fuels. The transport undertakings of all the state governments should gradually purchase fleet that can be operated on bio-fuel.

Conversion of diesel tractors into the ones that can be run on eco-friendly is another cost-effective proposition for our farmers. It is demonstrated through an experiment in Nagpur that the cost of converting diesel tractors into LNG-run tractor is Rs. 12 lakh. Farmers can recover this cost in two years because of low cost of running tractors run on LNG.

State governments can also train rural people on developing eco-friendly products from agro-waste such as cowdung. Researchers in India have successfully manufactured organic paints, distempers, oil and enamel paints. Experiments on this project shows that farmers and cattle rearers can earn additional income of Rs. 5 per kg of cow dung by using it for producing organic paints.

Similarly, state governments can identify value addition opportunities from bamboo, cotton, jute, silk and other agro-commodities. Cultivation of vegetables and fruits using hydroponics is another promising business opportunity in rural areas. Already, the Tribal Cooperative Marketing Development Federation of India (TRIFED) is working with tribal population in commercial production of honey, spices, amla, tamarind, millets, custard apple, wild apple, wild mushroom, cashew, black rice, and other products. Tribal and rural population need government support in value addition, branding and marketing of products such as pineapple, ragi, turmeric, cherry and other agro commodities. State governments should take the support of design institutes in transforming the handicrafts and handloom products of rural population into world class, exportable items.

India's economic transformation can happen only by supporting rural population with gainful livelihood opportunities. State governments need to employ a vast student base across 5200 management institutes in supporting our rural population in developing, branding and marketing of low cost and innovative products. It should be remembered that true entrepreneurship is the art of transforming challenges into opportunities. It is high time that governments and research institutes instill the spirit of rural entrepreneurship among our young population for the real transformation of the Indian economy.



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