



# A STUDY ON RURAL ENTREPRENEURSHIP IN GOMATI DISTRICT OF TRIPURA

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## ABSTRACT

Rural entrepreneurship has emerged as a significant driver of economic development, poverty alleviation, and social transformation in developing countries like India. It plays a pivotal role in utilizing local resources, creating employment opportunities, and fostering innovation in rural areas. This study examines the dynamics, challenges, and opportunities associated with rural entrepreneurship, with a focus on the factors influencing entrepreneurial activity, the role of government initiatives, and the impact on rural livelihoods. The research highlights that while rural entrepreneurs contribute substantially to local and national economies, they face multiple challenges such as limited access to finance, inadequate infrastructure, lack of market linkages, and insufficient training and skill development. Moreover, the majority of rural youth do not perceive entrepreneurship as a viable career option, which limits the potential for sustainable rural enterprise growth. The study emphasizes the importance of government support in the form of financial assistance, training programs, regulatory frameworks, and promotion of standardized markets to encourage rural business initiatives. NGOs and local institutions also play a critical role in providing mentoring, technical support, and community-based networks to strengthen entrepreneurship. Using a mixed-methods approach, the study combines quantitative surveys and qualitative interviews to analyze the educational background, funding sources, marketing challenges, and resource utilization patterns of rural entrepreneurs. Findings indicate that self-financing and family supports dominate as initial funding sources, while government institutions and open markets provide essential resources for business operations. Competition, pricing, and distribution emerge as major marketing challenges, whereas training and awareness programs significantly enhance entrepreneurial capabilities. The study concludes that rural entrepreneurship not only contributes to national income generation but also serves as a bridge between innovation and market development, fostering inclusive and sustainable economic growth. It calls for integrated rural development programs, capacity-building initiatives, and policy support to motivate rural youth, reduce poverty, and transform rural communities into hubs of economic activity.

**KEYWORDS:** Rural Entrepreneurship, Economic Development, Government Support, Challenges.

## 1. INTRODUCTION

### 1.1 Background of the Study

“India lives in villages and its true spirit lives in rural areas”.  
– Mahatma Gandhi.

Even today this statement is applicable, because majority of the population still lives in villages in India. As per the Provisional population total of census 2011, the rural population of India accounted for 68.84% of the total population of the country. Thus, the thought of developing India without developing the rural areas is going too remained as a dream. Village and rural industries are integral to the national economy, significantly contributing to economic development in rural regions and enhancing the living standards of rural populations. Genuine development in India cannot be claimed if it does not address the needs of rural communities, particularly the impoverished. Empowering rural areas and villages by improving societal welfare and fostering entrepreneurial innovation is crucial for making substantial progress. Entrepreneurship is essential for economic growth in both developed and developing nations, as it encourages capital formation, generates wealth, and leads to prosperity.

### 1.2 Entrepreneur

An entrepreneur is an individual who starts and organizes a business venture while taking associated risks. The term comes from the French word “entreprendre,” meaning “to undertake,” and was first used by Richard Cantillon, who described entrepreneurs as people who innovate or revolutionize production. Entrepreneurs are business managers, not just capital investors, and act quickly to seize opportunities. They can operate in any sector—industry, agriculture, services, or healthcare—and come from any background, age, gender, or location. Entrepreneurs aim to meet market needs and provide goods or services efficiently. They play a vital role in driving economic and social change and contributing to regional and national development.

### 1.3 Entrepreneurship

Entrepreneurship is the mindset to take calculated risks to achieve specific business or industrial goals. It involves the ability to make sound decisions and apply practical knowledge to meet objectives. Entrepreneurial skills are tools to identify opportunities and drive economic growth. According to the



National Knowledge Commission of India, entrepreneurship is the professional application of knowledge, skills, and competencies to create wealth, employment, and social benefits. In simple terms, it involves organizing a business, innovating, facing challenges, and coordinating human, financial, and material resources effectively. Entrepreneurs play a key role in promoting economic development and fostering innovation.

#### 1.4 Rural Entrepreneur

A rural entrepreneur is any individual or group engaged in profitable economic activities in a rural area, with or without adequate infrastructure. A rural area is defined as a village or a town with a population not exceeding 20,000 inhabitants, as per the latest census or as determined by the respective State. It also includes any area classified as a village in State or Union Territory revenue records, regardless of population. Essentially, a rural entrepreneur is a person who drives change by creating value in local arts, crafts, and other economic activities, contributing to the development of the rural community.

#### 1.5 Rural Entrepreneurship

Rural entrepreneurship refers to entrepreneurship that emerges in rural areas and contributes to their industrialization and economic development. It typically originates at the village level and can occur in sectors such as commerce, industry, and agriculture. Rural entrepreneurship plays a significant role in promoting economic growth and improving livelihoods. It often includes programs designed specifically for rural populations. In essence, establishing industrial and commercial units in rural areas is a key aspect of rural entrepreneurship.

#### 1.5 Rural Industry / Village Enterprises

Rural industries or village enterprises are small-scale industries located in rural areas that contribute to local employment, income generation, and economic development. These enterprises typically utilize local resources, skills, and traditional knowledge to produce goods and services, often including handicrafts, textiles, agriculture-based products, and small manufacturing units. They play a vital role in promoting self-reliance, reducing rural poverty, and fostering entrepreneurship in villages.

#### 1.6 Entrepreneurship in Tripura

Rural entrepreneurship in Tripura is gradually expanding, driven by Government support, skill-development programs, and the state's rich natural and cultural resources. Most rural enterprises are linked to sectors such as agriculture, horticulture, bamboo and cane crafts, handloom, food processing, animal husbandry, and eco-tourism.

Initiatives like "Yuba Tripura, Natun Tripura, Atmanirbhar Tripura", along with schemes of the Directorate of Tribal Welfare, provide training, exposure visits, and soft loans to promote self-employment among rural youth and tribal communities.

Despite this progress, rural entrepreneurs still face challenges such as limited capital, inadequate infrastructure, lack of market access, and insufficient technical knowledge. Ongoing efforts aim to upgrade skills, improve financial support, create market linkages, and strengthen rural infrastructure to build a more sustainable entrepreneurial ecosystem in Tripura.

#### 1.6 Rural Industries in Tripura

**Agro-based industry:** The agro-based industry in rural Tripura is a major contributor to the state's economy, benefiting from the region's favorable agro-climatic conditions for diverse crops. Agriculture and agro-based activities form the backbone of the rural economy, supported by various state and central government initiatives aimed at poverty alleviation and employment generation.

Rice is the predominant crop, occupying nearly 91% of the total cropped area, while other important crops include jackfruit, pineapple, potato, sugarcane, and natural rubber. Tripura is also known for producing high-quality bamboo and supplies over 60% of India's bamboo sticks used in agarbatti (incense) production. In addition, the state's climate is well-suited for a variety of horticultural crops, making Tripura an ideal location for the growth and expansion of agro-based industries.

**Forest Based Industry:** Forest-based industries in rural Tripura play a vital role in the local economy, particularly in timber processing, bamboo and cane crafts, and the extraction of medicinal herbs. Timber processing units utilize the state's rich forest resources to support construction and furniture-making industries, while bamboo and cane crafts form a vibrant cottage sector producing a wide range of handmade products. The extraction of medicinal herbs also contributes to traditional health and wellness practices.

These industries generate substantial employment and livelihood opportunities for rural communities. However, they face challenges such as the need for sustainable resource management and improved market access. Ongoing efforts focus on promoting sustainable practices and enhancing the value of forest products to ensure long-term economic and environmental benefits.

**Mineral Based Industry:** Tripura's mineral-based industry is largely driven by its natural gas reserves, which support fertilizer plants, power generation units, and related industries. These sectors contribute to regional development by providing employment and boosting ancillary businesses. However, the state faces challenges such as inadequate infrastructure and environmental concerns linked to extraction. Efforts are underway to ensure sustainable use of natural gas while diversifying into other mineral-based industries to enhance economic growth.

**Traditional Industry:** Traditional industries in Tripura include handloom weaving, bamboo and cane crafts, and pottery, all deeply rooted in local culture. Artisans produce tribal shawls, sarongs, baskets, furniture, and decorative items using traditional techniques. These industries preserve cultural heritage while



providing livelihoods for rural communities. They also contribute to the state's economy through local markets and tourism. Efforts focus on skill development, market access, and sustainable practices to ensure their continued growth.

**Dairy Industry:** The dairy industry in Tripura is supported by several prominent brands and cooperatives that play a vital role in the local economy. Tripura Milk Producers' Cooperative Union Ltd. (Milk fed) is a key player, actively involved in milk collection, processing, and distribution across the state. In addition, well-known brands like Amul operate in Tripura, offering a wide range of dairy products. These organizations help maintain high-quality dairy standards, support local farmers, and meet consumer demand both within the state and beyond.

**Service Industry:** Tripura's service sector is vital to its economy, with tourism, education, and healthcare providing employment and essential services. Banking and finance facilitate transactions across urban and rural areas, while emerging IT and BPO sectors utilize local talent. Transportation and logistics support commerce and tourism, complemented by government services. Efforts to improve infrastructure and promote entrepreneurship aim to further strengthen the sector and drive economic growth.

## 2. REVIEW OF LITERATURE

(Londoño-Pineda, 14 June 2022) In this study, the literature reveals that rural entrepreneurship, though vital for poverty alleviation and sustainable development, remains underexplored compared to urban contexts. The sustainable livelihood framework provides a multidimensional lens emphasizing diverse capitals and resources. Women's and social entrepreneurship emerge as key drivers of rural livelihood improvement. Overall, stronger institutional support and eco-innovation are essential for fostering sustainable rural enterprises.

(Latha, 3 September 2018) According to this study, rural entrepreneurship is essential for accelerating rural development and reducing the disparity between rural and urban areas. It highlights that small enterprises are the backbone of rural economies, driving employment and innovation. The study emphasizes the need for community support, entrepreneur-focused strategies, and innovative financing models. Overall, promoting rural entrepreneurship fosters sustainable economic growth and poverty reduction.

(Rakesh Kumar Gautam, 2016) In this study, a review of literature reveals that rural women entrepreneurs play a crucial

role in economic development by generating self-employment and reducing poverty. Previous research highlights that social, cultural, and educational barriers limit their participation in entrepreneurship. Studies also emphasize the importance of government support, training, and awareness programs to enhance women's entrepreneurial skills. Overall, empowerment through education and capacity-building initiatives is essential for integrating rural women into mainstream economic growth.

(REDDY, 2016 March) In this study, rural entrepreneurship is defined as establishing business and industrial units in rural areas to promote rural industrialization. The findings reveal that entrepreneurship development programmes enhance participants' confidence, risk-taking ability, and leadership skills. These programmes encourage innovation and opportunity recognition among educated individuals. Moreover, the study indicates that gender discrimination has minimal impact on rural entrepreneurial development.

(Manju.H, November 2024) According to this study, rural entrepreneurship serves as a catalyst for economic development by fostering innovation, sustainability, and livelihood diversification in rural areas. It emphasizes the importance of integrating entrepreneurship into rural development strategies to reduce poverty and promote self-reliance. The study highlights the need for training, government support, and market regulation to encourage youth participation. Moreover, collaboration with NGOs and product standardization are essential for strengthening rural enterprises and ensuring long-term growth.

## 3. OBJECTIVE OF THE STUDY

- To examine the socio-economic condition of rural entrepreneurs.
- To study the problems and challenges faced by rural entrepreneurs in Gomati District of Tripura.
- To assess the role of government initiatives and local support system in promoting rural entrepreneurs in the District.

## 4. RESEARCH METHODOLOGY

### 4.1 Study Area

The present study is located in Tripura. From 8 District of Tripura, Gomati District have been selected for the study A Study on Rural Entrepreneurship in Gomati District of Tripura. In the Gomati District the current study are situated under Killa R.D Block & Tepania R.D Block.

## 4.2 Sample Design

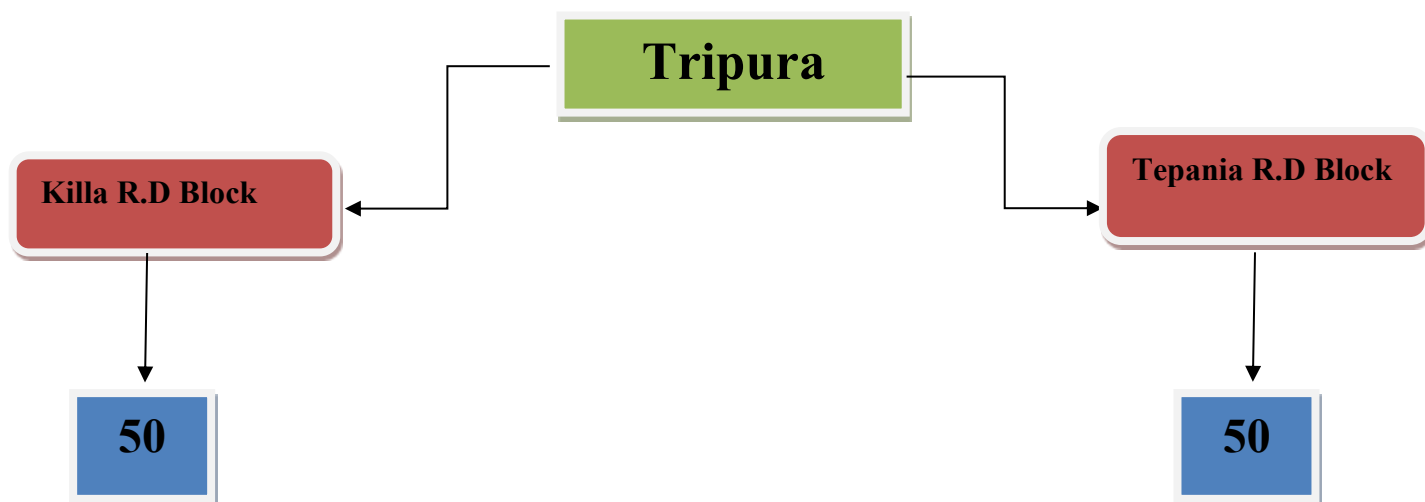


Figure No: 1

## 4.3 Sample Size of the Study

Total 100 respondents are collected from one District of Tripura.

## 4.4 Data Collection method:

The research follows a qualitative and descriptive methodology. Data were collected through:

- **Primary Sources:** Field observations, semi-structured interviews with Rural Entrepreneurs selected Blocks of Gomati District of Tripura.
- **Secondary Sources:** Secondary information was obtained from government reports, academic journals, NGO studies, rural development databases, and existing policy documents.

## 5. RESULT & DISCUSSION

Table 5.1 Educational Qualification of the respondents

Educational Qualification	Percentage of respondents
Illiterate	32%
Primary School	24%
High School	17%
H.S. School	18%
Graduate	9%
Total	100%

Source: - Field Survey, 2024-

25

The result represents that most rural respondents have low educational attainment, with 32% illiterate and 24% having only primary education. About 35% reached high school or higher secondary levels, indicating moderate literacy among some entrepreneurs. Only 9% are graduates, showing limited higher education access. Overall, the trend highlights the need for skill-development and training support in rural areas.

## 5.2 Essential Resources to the Entrepreneur

Particulars	Percentage
Govt. Institution	44%
Private Institution	18%
Open Market	38%
Total	100%

Source: - Field Survey,

2024-25

This table shows that government institutions (44%) are the primary source of essential resources for entrepreneurs. The open market (38%) is the second major source, indicating considerable market-based access. Only 18% depend on private institutions, suggesting limited private-sector involvement. Overall, entrepreneurs rely more on government support than market or private sources.

## 5.3 Respondents Facing Problems in Marketing a Product

Particulars	Percentage
Competition	31%
Market Research Logistics	10%
Distribution	20%
Promotion	15%
Pricing Issue	24%
Total	100%

Source: - Field

Survey, 2024-25

The result represents shows that competition (31%) is the most significant marketing problem faced by respondents. Pricing issues (24%) and distribution challenges (20%) are also major concerns affecting product sales. Promotion (15%) and market research/logistics (10%) are comparatively less problematic. Overall, competition and pricing are the key barriers to effective marketing for rural entrepreneurs.



#### 5.4 Initial Sources of Funds

Particulars	Percentage
Private Money Lenders	7%
Government Agencies	12%
Bank Loan	10%
Family and Friends	25%
Own	48%
Total	100%

Source: - Field

Survey, 2024-25

This table shows that most entrepreneurs use their own savings (48%) as the initial source of funds. Family and friends (25%) are the second most common source, providing informal support. Government agencies (12%) and bank loans (10%) play a smaller role, while private money lenders (7%) are the least relied upon. Overall, self-funding and family support dominate initial financing for rural entrepreneurs.

#### 5.5 Government Initiatives and Local Support for Entrepreneurs:

Particulars	Percentage
Government Training Programs	30%
Subsidies and Grants	25%
Access to Microfinance / Loans	20%
Local Cooperative Support	15%
Mentorship / Community Guidance	10%
Total	100%

Source: - Field Survey,

2024-25

The result represents that government training programs (30%) are the most significant form of support for entrepreneurs. Subsidies and grants (25%) and access to microfinance/loans (20%) also play important roles in facilitating business growth. Local cooperative support (15%) and mentorship/community guidance (10%) provide additional assistance.

## 6. CONCLUSION

Rural entrepreneurs play a vital role in the economic progress of India and can help transform developing countries into developed nations. They contribute to innovation, flexibility, and efficiency across public, private, and joint sectors. Rural entrepreneurship is also a key solution for alleviating rural poverty. However, most rural youth do not consider entrepreneurship as a career option. Therefore, the government and organizations should provide training, support systems, and necessary assistance to motivate them. Efficient and regulated markets, along with standardization, grading, and promotional activities, are essential to encourage rural entrepreneurs. NGOs should receive full support from the government to strengthen rural enterprise initiatives. Studying entrepreneurship helps individuals fulfill personal needs while contributing to economic growth by bridging innovation and the marketplace. Appraisal of rural entrepreneurship schemes and integrated development programs can uplift rural areas and enhance national economic development.

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