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**Doctoral School of Management and Business Administration Sciences**

**Ph.D. Dissertation**

**BARRIERS AND OPPORTUNITIES OF RURAL ENTREPRENEURSHIP:  
INDIAN AND HUNGARIAN SCENARIO**

**PhD thesis**

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## ABBREVIATIONS

- CAP:** *Common Agricultural Policy*
- ECLAC:** *Economic Commission for Latin America and Caribbean*
- EU:** *European Union*
- FACS:** *Farmers' Association Cooperative Society*
- FAO:** *Food and Agricultural organization*
- FDI:** *Foreign Direct Investment*
- GCI:** *Global Competitive Index*
- GDP:** *Gross Domestic Product*
- GEM:** *Global Entrepreneurship Monitor*
- HU:** *Hungary*
- IFAD:** *International Fund for Agricultural Development*
- ILO:** *International labor Organization*
- IND:** *India*
- KM:** *Kilometer*
- MOA:** *Ministry of Agriculture*
- NABARD:** *National Bank for Agriculture and Rural Development*
- NCEUS:** *National Commission for Enterprises in the Unorganized Sector*
- NSIC:** *National Small Industries Corporation*
- OECD:** *Organization of Economic Cooperation and Development*
- PER:** *Percentage*
- R&D:** *Research and Development*
- RSBDC:** *The Rural Small Business Development Centre*
- RWED:** *Rural and Women Entrepreneurship Development*
- SAPARD:** *Special Accession Program for Agricultural Rural Development*
- SFURTI:** *Scheme of Fund for Regeneration of Traditional Industries*
- SIDBI:** *Small Industries Development Bank of India*
- SIG:** *Significance*
- SME:** *Small and Medium Size Enterprises*

**SPSS:** *Statistical Package for Social Science*

**UN:** *United Nation*

**UNDP:** *United nation Development project*

**WASME:** *World Association for Small and Medium Enterprises*

**X:** *Mean*

## 1. INTRODUCTION

About more than three fourth of the world's population i.e. 1.3 billion people are living in extremely poor situation in different parts of the world. It is documented that one in every 5 people is poverty stricken (United Nations Report, 1997). The economies of the world are closely linked and dependent, hence to find solution for a big problem like poverty required co-operation and planning amongst different countries of the world i.e. an association at an international level. As, per the International Fund for Agricultural Development (IFAD), the Millennium Development Goals put forward by the United Nations act as a guiding direction for this international association for development; with the main motive to reduce the population of hungry and poverty thriven people to half by 2015. But, the main staring parameter is to recognize the main domains/centers of poverty in the rural areas. About, three fourth of the world's poor population; which is roughly 900 million people are living in these rural areas. These people depend on agricultural activity for their daily living. The gravity of the situation is that these millennium poverty goals cannot be established until the problem of rural poverty is addressed at a high level.

The World Bank launched a new strategy in 2010 called the Reaching the Rural Poor, which is mainly targeted on improving the lives of people residing in rural areas. Ian Johnson, the vice-president of sustainable development remarked that this strategy tends to have an optimistic effect on increasing the productivity as well as on other sectors of national economy. Petrin (1994) states that rural development is directly co-related to entrepreneurship. Entrepreneurship is the driving catalyst to improve the quality of life of individuals, their families and the communities as a whole for a sustained economic and environmental development. However, just by implying entrepreneurship as the main driving force for establishing rural development is not enough, nor for enhancement of entrepreneurship. Such cases required an added factor like creating the right ambience for planting the seeds of entrepreneurship in rural areas. It basically depends on propagating the policies of rural entrepreneurship. However, the efficiency of such policies depends upon the basic principle and belief about entrepreneurship (Petrin, 1994).

After, more than 50 years of independence and establishment of industrialization; majority of the population is residing in poor parts of the country under extremely poor and depraved conditions. Agriculture industry is the backbone of rural India. According, to latest findings 70% of the agricultural land is owned by small and marginal farmers thereby; reducing the overall agricultural production. This results in migration of farm workers from rural to urban areas in search of better opportunities and living standard. The ultimate answer to all the above problems is entrepreneurship. Entrepreneurs are defined as individuals having an independent living, existence and business as well as the ability to hire employers under their jurisdiction. If such innovated entrepreneurs came to rural areas and establish their business, they can solve problems like unemployment, poor living standards, economic disparity etc. They can curb the problems

associated with poverty. More than three fourth of the population is poverty stricken; people residing in urban areas are dependent on the earnings of the villages and live through learning's of the village life. Hence, it is with utmost necessity to improve the quality of villages. The development of a country lies solemnly on the shoulders of its citizen whether they are urban or rural. It is the citizens that define the path of countries development and progress. There is a huge economic gap between the urban and the rural areas. Urban areas progressed steeply post – independence due to capitalization and flourishing industrialization; however, it was the rural area that suffered a great setback. It is firmly believed that entrepreneurship is the best possible solution for enhancing rural development. It is an emerging trend where migration of skilled labors from the rural to urban areas is taking place. This leads to a problem of brain drain in the rural area and an unwanted accumulation of these rural migrants in urban areas where there is limited space for living and habitation. These skilled labors earn below their potential caliber and living in extremely dirty conditions. Also, increasing the population of the urban areas. The tide of migration can be turned in opposite direction if employment and basic necessities of living are provided in the rural areas. Mahatma Gandhi remarked that the problem does not lies within the masses, but the amount produced by the masses. An establishment of entrepreneurship as a business on the large scale in the rural areas can be an answer to problems of employment and poverty in the rural areas. The government of India through its five-year plan has increased the laws to strengthen support of rural development. Rural entrepreneurship is a new way of introducing new things in the market. It is way by which new talent can be given a chance to prove their skills, proper way to channelize their skills, knowledge and the youth potential of these young minds for a proper business set up. After Independence, with the onset and completion of the New Year plan; people started taking up new science and technology courses rather than law and literature. The number of small scale industries and project started increasing enormously. Till date, despite advancement, majority of population is living in rural areas; there is an urgent need for a balanced development equilibrated between rural and urban areas. Rural development will lead to growth of the rural areas both at the economic and social level. There will less poverty, less poverty dwellings, impoverished standard of living and income and most of all more educated people. Rural industries comprise of traditional and modern sector; the traditional includes handloom, sericulture, crafters, pottery etc.

Entrepreneurship is the topmost priority of the European Union. With the outline of the development strategy drafted by the European Union in Europe 2020 document it was indicated that the main aim of the EU is the attainment of the smart growth, which is rooted on three platforms i.e. increase in employment, increase in the productivity of good and social cohesion. With the main goal of increasing employment as the most important priority in the Europe 2020, the main strategy behind is establishment of entrepreneurship and the self-employment as the key factors playing role in the small growth achievement. To be popularized internationally and the generation of new industries is mainly dependent on the efficient working businessmen. The successful running of these new ventures depends upon the hard work and attitude of these businessmen. The attributes of the future entrepreneur are openness to new

ideas, innovation, talent acquisition, creative and having the skill for directing the business in the forward motion; with the eye for future direction of the business. The most important factor that completes this long list is last but not the least a working and educated man force (Nabi, 2011; Robinson et al., 2004; Illés et al., 2015).

Enterprise and entrepreneurship are the main catalysts of economic growth in the rural areas of Europe. With the main challenges in the traditional industry of the rural sector, the future success of the rural economy is undoubtedly linked to the potential of rural entrepreneurs to innovate and identify new business ventures, create new job vacancies and incomes. In context of the European Union, the rural area is roughly 57% of the territory and 24% of the population (CE, 2012). The Rural Development Policy of the European Commission is the main stakeholder of the Common Agricultural Policy (CAP). It is the main key to find solution for challenges facing rural areas for sustainable development.

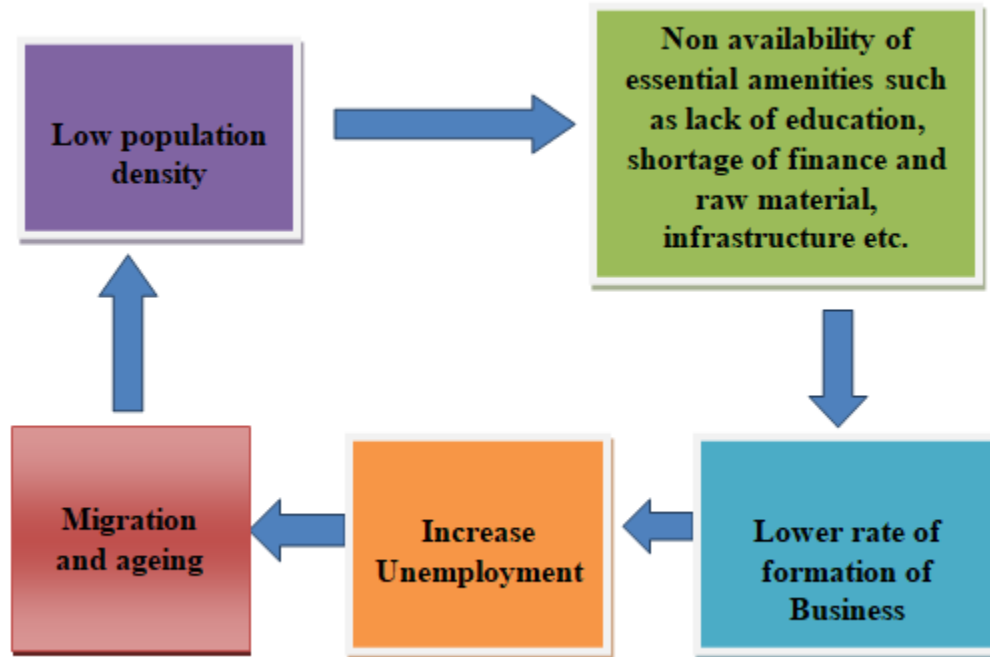
Entrepreneurship has been globally trade marketed as the key principle factor for helping in improving the nation's economic development and progress. It has other synergistic effects like proving jobs, income, increasing the quality of life and living as well as poverty alleviation.

The main objective of this study is to investigate the challenges of rural entrepreneurship in selected rural areas of India and Hungary. The economic growth of the country mainly depends on the progress of rural areas and the standard of living of people in that area. A rural entrepreneur is one of the great vital contributors in the economic development of a country. On the contrary, many rural entrepreneurs are facing various problems and challenges due to non-availability of essential amenities in the rural part of developing and developed country such as lack of education, shortage of finance and raw material, infrastructure, insufficient technical and conceptual capacity; it is too difficult for the rural entrepreneurs to start industries in the rural areas. Rural entrepreneurship is currently a key opportunity for the people who migrate from rural areas to Urban areas for employment. Several economic, political, social and ecological difficulties in rural areas in developing countries such as India and in developed countries in Europe like Hungary face various challenges for getting employment; thereby, resulting in people migrating towards urban areas to earn their bread and butter. As well as, migration affecting declining agricultural production and increasing food scarcity.

The rural population forms a major segment in India and Europe. The livelihood of rural people majorly depends primarily on agriculture and related activities. Growth in this agricultural sector has shown a declining trend during the last one decade. Entrepreneurs play a vital role in the expansion of the economy. There were many problems faced by entrepreneurs in their daily activities to run their enterprise. Rural entrepreneurs also face numerous problems from the state and council police since they do not have licenses or work from illegal spaces (Chigunta, et al., 2005). Capital constrictions also delay the development of rural entrepreneurship (Minniti and Levesque, 2008). Those entrepreneurs who were not much financially well-off may be not able to start a business due to financial limitations. Availability of adequate amount of finance to start

business is one of the most important factor to those people who are willing to create their own businesses in rural areas (Robinson and Christy, 2004). People who are living in rural area have lack of personal savings, and guarantee or securities for debt financing, experience and skills. As well as they face strict credit scoring methodologies and regulations, complicated documentation procedures and long waiting periods when they apply for funding (Robinson and Christy, 2004). Most of the rural entrepreneurs are facing numerous problems because of non-availability of basic amenities in rural areas such as, non-availability of education, financial and marketing problems, management and human resource problems, inadequate technical and conceptual capacity etc.; which depresses rural entrepreneurs to start businesses in the rural areas. The current research attempts to highlight the main problems faced by rural entrepreneurs ;with particular emphasis on technological complications such as services for repairs of machinery, lack of technical knowledge, scarcity for availably of technology in time, outdated technology, non-availability of training to entrepreneurs and improved technology .Institutional problems (non- govt. support and incentives, lengthy and complex procedures to advantage institutional help, poor cooperation and coordination between different development agencies such as DICs, SISIs, non-availability of trained peoples inadequate training institutes which provide a smaller amount of attention to objectives, communication gap between Field Officials and entrepreneurs), financial problems (availability of sufficient required capital, procurement of loans from different agencies, problem in recovering receivables, challenge of collaterals, extreme transaction cost) and lack of other basic amenities, i.e. availability of electricity, water supply, transport facilities and energy requirements etc.

Overall, rural areas denote about 75% of the land and almost a quarter of the population in OECD countries (OECD, 2006). The assessment of the European Union (EU), states that rural regions cover 57% of the territory and 24% of the population EC, 2012). Rural areas face various challenges in comparison to other areas (Brown and Schafft ,2011), which are even more serious in the so-called exterior or mountain regions (Lópes Gelatset et al., 2009). Concerning the latter, the main difficulties usually comes from a fast decline in employment in an apparently dominant agricultural sector (Terluin, 2003), a poor socioeconomic environment, a low density, ageing population and also from further distance to markets and services (OECD, 2006). These characteristics, among others, have considerable impact on entrepreneurial dynamics and job formation (Dinis, 2006), on the quality of educational and other public service and resources, and on the existence and quality of certain types of infrastructure (OECD, 2006). Problems are mostly evident in terms of job opportunities (Bosworth, 2012) and access to public services, such as education and health services (Lehmann et al., 2008).



**Figure 1. Cycle of declining rural regions**

Source: authors own work based on OECD (2006)

### 1.1 Problem of statement

Entrepreneurship is the pioneer field of research in the last 20 years. The rural entrepreneurs play a challenging role in shaping up the economic development of the country. The upliftment of rural areas by entrepreneurship helps in proper mobilization and utilization of locally available resources and labor; prevents the migration of skilled labor and increases self-employment rate. However, these entrepreneurs face a huge setback in rural areas due to lack of basic resources like financial stability, marketing, illiteracy rate, poor infrastructure and management problems. The economy of rural areas is more organized and structured, and hence has potential for further developing and fine tuning. Entrepreneur is someone who introduces new goods and services in the market. Entrepreneur is a person who has the skill to undertake and tolerate risks associated with opening of new business (Gough, et al., 1969). The main responsibilities of entrepreneurs are to organize activities, set up new ventures, provide opportunities and take up the responsibility of funding the business as well as channelizing the efforts of individualizes.

However, the current gravity of situation is the entrepreneurs face multitude of problems because of lack of availability of basic resources in developing rural parts of the country. There is an uprising trend in the industrial sector as rural entrepreneurs tend to provide huge employment opportunities. People and companies who promote rural development see rural entrepreneurship as the perfect background and idea for speeding up the process of development in rural areas

(Saxena, 2012). However, the lack of confidence and the ability to take up a proper decision also affects the entrepreneurship setting up in rural areas (Hookoomsing and Essco, 2003).

India is an agricultural born country. (Saxena, 2012) Nearly 73% of the total Indian population live in rural areas where agriculture and agriculture associated activities are the main sources of their living. The economic growth of the country mainly depends on the progress of rural areas and the standard of peoples living in this area. However, the limited availability of the land is a major obstacle in this process. This situation gives rise the upmost need to develop industries in the rural areas so as to provide jobs and preventing migration of skilled labor force. For the country to develop as a whole, it is mandatory for the rural areas to be developed and flourished. The poverty gap between the rural and urban areas should be narrowed down. As well as the living condition of people living in such areas need to be impoverished. Rural entrepreneurship is the ultimate solution for all these problems. Entrepreneurship is the best available answer for curbing problems like poverty, unemployment rate. The rural industrialization is seen as an upcoming future plan for reducing poverty in rural areas. The India Government is putting its best efforts to alleviate poverty and promote entrepreneurship.

In the past decades, the European countries witness a shift in industrialization and other business associated activities from urban to rural areas (EUROSTAT, 2016). New industries are set up outside the cities as well as the already existing industries are opening up new branches. The European governments have identified that about more than 30% of the population is living in rural areas, hence, there is a need for rural development as part of their policy (EC, 2012).

The work of (Stathopoulos et al., 2004) states that entrepreneurship and set up of new business are the central pillars of economic development of any region. Therefore, propagating entrepreneurial activity is one of the key roles of European Rural Development policy. With coming time there is raising awareness regarding the socio-economic problems and developing opportunities in rural areas, hence, there is increasing interest and popularity in this Field.

Rural areas are an attraction for business-oriented people, the main reasons are cost saving as cheap labor and materials are available. The environment is relaxing and cool; less stressful creating an ambient scenario of refreshment, calmness and serenity. Also, many of these regions attract entrepreneurs by setting up education courses specific to the needs of business. Last but not the least; (Tyson et al., 1994) mentioned that people living in rural areas i.e. the rural labor force is more hardworking and sincere towards their profession.

Likewise, to the world, in Hungary, it is relatively a typical tendency that the population is migrating from the rural areas to economically developed and preferred regions. as per world migration report (IOM, 2015) demonstrates that more than 54% of individuals across the world were living in urban areas in 2014, and the existing urban population of 3.9 billion is probably increasing in the next few decades. It is expected to be around 6.4 billion till 2050. It is estimated that three million people around the world are moving to cities every week.



However, many Hungarian regions have natural resources and skilled human force. But, due to problems of poor infrastructure and inaccessibility to the modern resources like internet etc. problems like unemployment, brain drains (Smallbone, 2009). Attraction of the entrepreneurs is one of the key strategies of improving the rural development of the rural areas. Many studies have documented the status of economic situation in rural Hungary and proposed possible recommendations for the same (Smallbone, 2009). However, few works have been done in this field i.e. to understand the opportunities and problems of Hungarian rural areas from the eyes of a rural entrepreneur.

## **1.2 Significance of the study**

Entrepreneurship focuses on economic growth, economic competitiveness, job creation, as well as improvement of social welfare in any country. Unemployment is a key global challenge. Entrepreneurship is the key owing to a high level of unemployment in rural areas. Entrepreneurship has gained more importance in recent years in many developing countries as a way of fostering employment opportunities, boosting economic competitiveness and providing regional and local development and entrepreneurship create job opportunities and also help in development of economic growth. Despite the advantages of entrepreneurship in India and Hungary, people are reluctant to pursue a career in entrepreneurship. The objective of this study is to investigate the obstacles that rural entrepreneurs encounter when setting up their ventures, current problems that prevent the expansion of their entrepreneurship as well as lack of motivation and prospect for rural entrepreneurship in the rural community.

## **1.3 Objectives of the study**

The objectives of this study are divided into primary and secondary objectives.

### **Primary objective**

The primary objective of this study is to investigate the challenges of rural entrepreneurship in selected rural areas of India and Hungary.

### **Secondary objectives**

In order to achieve the primary objective, the following secondary objectives are formulated:

1. To find out specific factors which create a challenge in rural entrepreneurship ventures in India and Hungary
2. To determine the rural entrepreneurship perspectives, from their occupational performance and the motivations, values behind business startup.

3. To evaluate and describe the possibilities of rural entrepreneurship development in India and Hungary.

#### **1.4 Research hypotheses**

Based on the study objectives and the literature review the following hypotheses were formulated:

H1: There is a significant relationship between challenges of Indian and Hungarian rural entrepreneurship ventures and performance rural Entrepreneurship.

H2: There is a significant relationship between entrepreneurship motivation and entrepreneurial opportunities in the rural areas of India and Hungary to encourage development of enterprises initiatives.

H3: There is a significant relationship between negative perception of rural peoples about entrepreneurship and entrepreneurship development.

H4: There is significant effect of the entrepreneurial values and attitude in support to the success of rural entrepreneurs.

## 2. LITERATURE REVIEW

### 2.1 Entrepreneurship

Entrepreneurship plays very important role in generating the path for employability for rural peoples, providing self-employment for those who have started-up a business of their own and enhancing the economic status of the various sector as well. Entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets process and raw material through organizing efforts that previously had not existed (Venkataraman, 1997). Entrepreneurship is an important process by which new knowledge is converted into products and services (Shane and Venkataraman, 2000).

The word originated from the French verb 'entrepreneur', it means 'to undertake' (Landström, 2005). Joseph Schumpeter underwritten the theory of entrepreneurship by his seminal book 'The Theory of Economic Development' there entrepreneurship is observed as the principal engine of economic development with innovation as a central element (Lordkipanidz et al., 2005). As per Schumpeter et al. (1934) describes, an entrepreneur is a person who originates and forms new combinations, as result develop a dynamic representative of transform for the economy. Such combinations show various forms, like (Brockhaus, 1987; Bullet et al., 1995): emerging innovative products; emerging new technique of production; recognizing new-fangled markets; emerging innovative sources of stream; as well as applying some innovative organizational procedures of the business, in the other situation entrepreneurship is a complex phenomenon through various meanings and sense.

Nearly 80 years meanwhile the journal of Schumpeter's pioneering work (1934), whereas slight contract between researchers concerning the idea. Indeed, rural areas, it includes areas with precise physical, social and economic features (Stathopoulou et al., 2004), Entrepreneurs play a vital function in the rural development. (Saxena, 2012) He suggested that the rural development is connected to entrepreneurship much forever and beforehand. Rural development sponsors see entrepreneurship as a development strategy. As per to Ogundele et al. (2005) entrepreneurship is explained as the procedures of development, conduct and presentation of entrepreneurs. Researcher notify, that an emphasis on entrepreneurship is an attention on the procedure tangled in the beginning of an innovative venture, the conduct of such organization and its presentation for profit making. To understand the role played by entrepreneurs in emerging an economy it is primary significant to recognize the idea of entrepreneurship. (Petrin, 1992) Though selecting a meaning for entrepreneurship furthestmost suitable to the rural area background, it is significant to remember the skills which will be desired to recover the excellence of lifespan for peoples, as well as to endure a strong economy and atmosphere.

Entrepreneurship is the procedure where an entrepreneur's forms a venture by considering the opportunity in the market, accept the risk by the support of effective innovative idea or procedure and gather revenue from the business. Several researchers in the Field of entrepreneurship have not come up with single and unanimously acceptable definition for entrepreneurship (Gwija 2014). (Nafukho et al., 2010) argue that the reason for not having a universal definition is because entrepreneurship has been studied in many disciplines, which has resulted in the rise of many opinions regarding its meaning.

As per the Global Entrepreneurship Monitor (GEM) reports of 2011 have documented that the small business sector in India is facing various challenges of inadequate managerial skills due to insufficient systems of education and skills training. Key among these challenges includes financing small businesses as well as GEM report 2009 demonstrate that the entrepreneurial framework situations contain the accessibility of financial resources for establishment of new venture, government policies and programs use to make provision to promote new business ventures, training facility is for those who want to be entrepreneur or those who are already running business and they required some guidance and knowledge, availability of professional support provision and physical infrastructure, market requirement, as well as cultural and social rules (Reynolds et al., 2004).

According to aim of this study, the suitable definition of entrepreneurship which is stated by (Nieman and Nieuwenhuizen, 2009), is an entrepreneur a person who look an opportunity in the market, and gathers the essential resources, which generate and expand a venture to meet society's needs or to solve problems within society. Entrepreneurs tolerate all the risks related business with starting and running the businesses, and earn the profit when business grows and succeed. Research evidence suggest that in developing countries entrepreneurial actions can lead to both economic and social goals by reducing poverty and improving social indicators such as health and well-being, education, and self-reliance (Shepherd et al., 2010). Entrepreneurship has played an important role in economic growth, innovation, and competitiveness and it may also play a role over time in poverty alleviation (Landes, 1998).

Historically, the term 'entrepreneur' initially was used within the business world and we already discuss before in literature it originates from the French word 'entrepredre' (Bolton and Thompson, 2003), and German word 'unternehmen' (Rugimbana and Kojo, 2010). These concepts denote to the responsibility of a business, particularly initiating venture to till growth of business venture (Bolton, Thompson et al., 2003). As per opinion of Rugimbaba and Kojo (2010), Sharma (2006) had already cited that the word 'entrepreneur' was invented by French economist, Richard Cantillon, early during the eighteenth century. Moreover, these concepts were coined by economist such as Jean Baptiste.

Entrepreneurship is meant the function of seeing investment and production opportunities, organizing enterprise to undertake a new production process, raising capital, hiring labor, arranging for the supply of raw materials, finding a site and combining these factors of production into a going concern, introducing new techniques and selecting top managers for day to day operation. (KC, 2004). Entrepreneurship is therefore, considered by part of innovation, creativity and risk bearing. Entrepreneurship is considered the economic engine by several countries in the world (Chimucheka, 2012). This is because it comprises the formation of new projects that deliver goods and services to people, generates jobs as well as increase the economic growth of any country.

Innovation and entrepreneurship is a significant phenomenon, which contests with and might transfer producer innovation in several areas (Baldwin and Hippel, 2011). There is a rising interest in this Field and we know very slight about its applicability in the developing economies. Research on, innovation and entrepreneurship to date has focused almost entirely on developed economy settings (Enos, 1962; Knight, 1963; Freeman, 1968; Shah and Mary, 2007). The phenomenon is rather under-studied or understudy from the developing economy's perception. Several examples of rural innovations going on in India suggest that there is a necessity to inspect the applicability of present innovation and entrepreneurship theories in a developing economy. This background is quite different from that relating in developed economies. For example, institutional arrangements supporting markets are either absent or weak in developing economies resulting in institutional voids (Mair and Marti 2009), which hampers the entrepreneurial activities in other developing countries (Mair et al., 2012) and (Khanna and Palepu, 2010).

Entrepreneurs are emerging innovators of the economy. The importance of innovation in entrepreneurship is revealed by coming up with new way to produce a product or a solution. A service industry can develop with other type of service to fulfill the ever-changing needs of their clients. The importance of innovation in entrepreneurship is an alternative key value for the endurance of a business. These entrepreneurs and businesses have mostly started with a need. They saw the need within the community and among themselves that they have come up with a solution; as said Necessity is mother of an invention. The entrepreneur is the individual who lies at the heart of the entrepreneurial process, that is, the manager who drives the entire process forward (Wickham, 2006). Entrepreneur is not constantly intended a single person, who efforts to do variation in the procedure or product through innovative means but it is also a group of people as a single unit team or entrepreneurial team. About few personality qualities that differentiate entrepreneur from the business manager have creativity, innovation, risk taking attitude, patience, independence, need for achievement, internal locus of control, self-assurance (Carland and Hoy, 2002). Consequently, entrepreneurs are mostly related with starting up and growing business. Though, entrepreneurs can be originating in different walks in life, for example, corporate entrepreneurs, street entrepreneurs, social entrepreneurs, adventure entrepreneurs.

**Table 1. Selected definitions of entrepreneurship**

Schumpeter (1934)	Entrepreneurship is new combinations of a variety of things that are in existence but need to be done differently, for instance, introduction of new devices, new production processes, create new markets and establish new ventures.
Kirzner (1973)	Entrepreneurship is the ability to spot new business opportunities through recognition and to seize opportunities thus tend to undo marketing factors for market equilibrium.
Low and MacMillan (1988)	Entrepreneurship involves the creation of new enterprises.
Venkataraman (1997)	Research in entrepreneurship probe into understanding opportunities to try and introduce future goods and services into the market; exploit and create such opportunities.
Sharma (2006)	Entrepreneurship involves organizational creation, innovation or renewals that take place inside or outside of an on-going concern.
Morris (2008)	Entrepreneurship involves processes by individuals and teams to create potential values through specialized packages and resource inputs for exploiting opportunities within the environment. Outcomes may be through venture creation, products, service markets and technologies.
Sharma, (2006)	Entrepreneurs are individuals or groups of individuals, acting independently or as part of a corporate system that creates new organizations or instigate renewal or innovation within an existing organization.

Source: Herrington et al. (2009, pp.12)

Table 1 summaries precise sections of the definitions of entrepreneurship as specified by early theorists of entrepreneurship. The table also shows some of the most important definitions of entrepreneurship from the early centuries meanwhile the beginning of entrepreneurship to the 20th century. Effective entrepreneurship denotes profitable business successes. Therefore, entrepreneurship is extremely significance to all forms of society as the conclusion to follow entrepreneurship forms part of the individual act of willingness (Shavinina, 2006). I am agreed with all the statement gives in table 1. Out of which I strongly agree with Sharma et al. (2006) stated that entrepreneurs are individuals or groups of individuals, acting independently or as part of a corporate system that creates new organizations or instigate renewal or innovation within an existing organization. My opinion that entrepreneurship is very important not for economic growth but also social growth which directly and indirectly connected with society.

**Table 2. Contributions by various authors to explain entrepreneurial process**

<b>Author</b>	<b>Entrepreneurial process</b>
Hisrich and Peters (2008, pp.9-12) and Morris (2008,30-32)	To identify opportunity and evaluation Development of new business plan Availability and need of resources Management of anticipated results
Ardichvili (2003, pp.107)	Market requirements Business idea Business strategies Business creation Business project achievement
Baron (2008, pp.170)	Generation of idea Possibility; gathering resources New business expansion
Pretorius (2005, pp.157)	Opportunity appreciation Resources procurement
Rwigema and Venter (2004, pp.28)	Identify, measure and improve opportunities Express business plan Gather resources Organize, assemble entrepreneurial team Manage business conception and development
Bhave (1994, pp.223)	To identify opportunities Technology processes Formation of an organization Several stages of exchange

Source: AT Agbenyegah (2015, pp.86)

Table 2 determines and approves entrepreneurship as a universal economic phenomenon up till now without a worldwide accepted definition. Though, it is significant to commonly accept the theories that this thought drawn with some essentials that offer its degree of consideration and its meaning in the definite area of research.

Even its compound nature, numerous contemporary definitions and descriptions exist in the existing literature on entrepreneurship. an entrepreneur shifts economic resources out of an area of low productivity to greater yield (Herrington, 2009). Though, most of the definitions of entrepreneurship in general have emerged during the 20th century. I am agreed with all the statement gives in table 2 Out of which I strongly agree with Bhave (1994). As per my opinion

entrepreneurial process needs all managerial skills and goes through on various phases' business development.

**Table 3. Defining entrepreneurship according to a specific field of study**

As per my opinion I am agree with definition of entrepreneurship given in table 3. Both theory have its own importance to explaining entrepreneurship. This both theories agree with many researchers with shows in their related references.

<b>Specific study Field</b>	<b>Who is the entrepreneur?</b>	<b>Related references</b>
Economic theory	<ul style="list-style-type: none"> <li>• Find out and utilize business opportunities</li> <li>• Undertakes risk associated with uncertainty</li> <li>• Grabs business opportunity to make profit</li> <li>• Provide own seed capital</li> <li>• An innovator; change agent</li> <li>• Add value, buys raw materials and resale at uncertain prices</li> <li>• Creator of start-up businesses</li> <li>• Transforms ideas; inventions of economically viable entities</li> </ul>	Nieman and Niewenhuizen (2009); Smith (1776); Say (1803); Knight (1921); Schumpeter (1934); Baumol (1968); Leibstein (1968); Davidsson (1995)
Behavioural theory	<ul style="list-style-type: none"> <li>• Higher needs for achievement</li> <li>• Evaluates situations with specific requirements and functions to carry out tasks</li> <li>• Takes moderate risks</li> <li>• Takes personal responsibility for business performance</li> <li>• Very attentive to feedback of costs and business reward system</li> <li>• Look for innovative means of providing production and services</li> <li>• Ability of strong internal locus of control</li> </ul>	Nieman and Niewenhuizen (2009); Davidsson and Wiklund (1997);

Source: AT Agbenyegah (2015, pp.56)



**Table 4. Elements of entrepreneurship**

Elements	References	References
Types of risk: • Financial risk • Career risk • Family or Social risk • Economic risk	Timmons and Spinelli (2009, pp.167) Hellriegel et al., (2004, pp.146-182)	
Business opportunities	Wickham (2006, pp.197) Cronjé, et al., (2001, pp.43)	
Complex and unstable climate	Hellriegel et al., (2004, pp.102-103) Wickham (2006, pp.197)	
Innovation and creativity	Wickham (2006, pp.197)	
Visionary	Wickham (2006, pp.197)	
Change	Hellriegel et al., (2004, pp.146-182) Wickham (2006, pp.197)	
Energetic and passionate	Cronjé et al., (2001, pp.43) Hellriegel et al., (2004, pp.146-182)	

Source: AT Agbenyegah (2015, pp.48)

In table 4 described various elements of entrepreneurship. Various elements based on various references are types of risk, business opportunities, Complex and unstable climate, Innovation and creativity, Visionary, change and energetics and passionate. I am strongly agreed with all elements and references and as per my opinion I am not agree with elements stated by Wickham (2006) stated that Innovation and creativity. Most of this business in rural areas are from family business and its not innovative and creative. Wickham (2006) statement more relative to urban business and start up.

## 2.2 Rural Entrepreneurship

To understand the role played by entrepreneurs in developing an economy it is first important to understand the concept of entrepreneurship. (Petrin, 1992) while choosing a definition for entrepreneurship most appropriate to the rural area context, it is important to bear in mind the skills that will be needed to improve the quality of life for individuals, and to sustain a healthy economy and environment. Taking this into consideration, one can find that each of the traditional definitions has its own weakness. (Tyson and Rogers, 1994)

Rural entrepreneurship is term which indicates entrepreneurship which emerging in rural areas. There is a rising need for rural entrepreneurs for industrial sector commenced by rural

entrepreneurs are giving many employment opportunities to peoples. Institutions and peoples who promoting rural development now see entrepreneurship as a strategic development interference that could fasten the rural development process (Saxena, 2012). Due to lack of confidence level and decisiveness also affect rural entrepreneurship (Hookoomsing and Essco, 2003). In addition to not strong determination, lack of management and technical skills and risk-taking capacity also affect rural entrepreneurship. Rural areas also gone through various problems such as dominance by a single business or industry (Lyons, 2000). The rural areas where population is small and isolated populations they do not generate the number of daily face-to-face interactions that foster innovation and entrepreneurship. (Robinson et. al., 2004) claim that the geographic location of enterprises in rural areas is a weakness to entrepreneurs. Looking picture of rural areas communication infrastructure is generally not so strong with few telephone lines and few computers. To get Internet access in such kind of areas is quite difficult and costly. The lack of infrastructure facilities and amenities in sidelining of rural communities. Rural people usually with lack the skills and knowledge in that case on to use internet which affects rural people's access to important information and opportunities. It is very true fact that Entrepreneurs are unable to access information when they need it. The lack of market information (on commodity prices, suppliers) cause to loss of income and mistreatment of rural entrepreneurs by middlemen (Haftendorn and Salzano, 2003).

The other important factor that hampers rural entrepreneurship is bureaucracy. There is a lot of formal law and procedures due to because of that it is difficult to get by business license very easily. This generally delays and affects the effective exploitation of opportunities. Entrepreneurs are frequently exposed to bureaucracy and corruption (Haftendorn and Salzano, 2003). More so, rural people lack knowledge, they were not aware and understand about start up financing possibilities. They lack successful micro-lending or finance and seed funding. In rural areas, the situation is exacerbated by the fact that the potential entrepreneurs lack collateral to access financial assistance from banks. Deprived or lack of networking also affects rural entrepreneurship. These result rural entrepreneurs to be isolated from feasible relationships in urban areas. In many rural areas which are rich in social capital, there is need to link with other entrepreneurs other than those in rural areas. Rural networking may lead to direct support in terms of raising funds, inter-trading, cooperative efforts, leadership and entrepreneurship development.

On the other way rural entrepreneurship is nothing but rural industrialization. Rural entrepreneurship can be viewed as a challenge to create the management for risk-taking suitable to opportunity, as well as to organize human, material and financial resources in order to accomplish the project in rural areas. Rural areas have some disadvantaged in few ways related to the urban areas; there is a stark difference in the economic performance between these regions (Smallbone, 2009). Currently rural entrepreneurship a key opportunity for individuals those who migrate towards urban areas from rural areas or semi - urban areas to urban areas. In contrast it is

also a reality that maximum number of rural entrepreneurs is facing many challenges and issues because of non-availability of basic amenities in rural areas of various developing and developed countries. Due to lack of education, monetary problems, inadequate technology and intangible capability it is so much complex for the rural entrepreneurs to begin venture in the rural area.

Enterprises in rural environment are working in a Field of great and quick change. Though, in spite of the acknowledgment that entrepreneurship is one of the main facets during which rural economic expansion can be accomplished, empirical study on rural entrepreneurship is comparatively dense and that perception remain mostly unidentified. Understanding the requirement for and consequence of accepting conceptual model of rural entrepreneurship, Rural Entrepreneurs and their noticeable work conducted in selected Developmental institutions for establishment of Micro and small village enterprises shows significant. Rural entrepreneurship is presently at the focus of great theoretical, practical and political concern (Aggarwal and Upadhyay, 2009).

Rural entrepreneurship not only set up enterprises in rural areas but also using locally produced raw material and providing employment to rural individuals for procedure. Rural entrepreneurship is that entrepreneurship which ensures value addition to rural resources in rural areas pleasing mainly rural human resources. On the other way we can say that complete products are produced in rural areas with the help of rural resources. (Saxena, 2012), The main population of India is living in rural areas and their main living hood is through agriculture and agriculture related activities A rural entrepreneur is one of the great vital contributors in the economic development of a country. Rural entrepreneur provides significant input for the economic development of a country. Rural entrepreneur uses the rare resources in the most competent way thus rising profits and minimizing costs. many rural entrepreneurs are facing various problems and challenges due to non-availability of essential amenities in the rural part of developing country like India. Such as lack of education, shortage of finance and raw material, insufficient technical and conceptual capacity it is too difficult for the rural entrepreneurs to start industries in the rural areas.

According to Petrin (1992), the rural population represent a major sector in India. The maximum number of individual basically depends on agriculture and allied activities. development of agriculture segment has decline from last decades which resulted significant impact on domestic production, employment, etc. These problems can handle in certain level through development of entrepreneurship in rural India.

Rural entrepreneurship in a broad perspective is defined as the ability, potential and the self-willingness of the villages to engage in new kind of innovative, productive activities like a new job, investment, venture or business that may lead to social, economic and personal gains along with sustainable development. More than 70 % of the Indian population is living in poor squalors and rural areas; making a hand to mouth living. In these areas, especially for their upliftment

rural entrepreneurship is the main driving force. The rural population compared to the city population is geographically isolated from the benefits of city life; in terms, of financial sources, infrastructure, education, internet facilities. It is an urgent need to provide this source in these areas and communities for the welfare and benefit. Rural development in the developed world and rural development in the developing worlds are opposite sides of the same coin (Rostow, 1990). They talk about the same concept, about the need for development and inequality in terms of resources, education etc. They also discuss about the needs for eradication of poverty.

Nevertheless, despite being two opposite sides, they both demand the need for equalization of resources, opportunities, education, and development and to improve the living conditions and standard of people surviving in these areas. Rural entrepreneurship acts like a joining step in use of land, farming and economic development (Atterton et al., 2011; Newbery and Bosworth, 2014; Phillipson et al., 2011). Schumpeter (1934), defined entrepreneurship as the key of innovation and house of the creative ideas. The creative ideas can be in the combination of new market values, business, ventures or companies etc. But, still despite the above definition there is a discrepancy and agreement to the above definition. Different entrepreneurs give different meanings to the terminology like innovative, ignited minds, risk-taking, managers or investors of the new business. In the context of rural development, it is the catalyst driving new concepts, market values or business and management skills (Baumgartner et al., 2013). But, just the establishment of the business is not enough, the business created should be innovative in nature (Bhattacharyya, 2006).

In the present times, the meaning of the rural entrepreneurship is not just limited to the concept of farming. It has become dynamic in nature and now has a broader spectrum and meaning to it. It also includes the creation of a market for the selling of the rural products and services, tourism etc. (Stathopoulou et al., 2004). The main crux for the discussion of rural entrepreneurship is about the setting up of firms, but now –a-days there has been focus on other main topics like difference in entrepreneurship between the rural and the urban areas, more specific focus on the economic life, health-related issues. The idea here is to channelize the discussion on more specific factors from marginizing them from a more central topic to a narrow topic with emphasis on micro and macro issues like entrepreneurial physiologic trait, regional development, policy measures and the making up of the institutions.

Another main aspect to the success of the entrepreneurship other than innovation is the demographic features of the entrepreneur like the age, gender and the origin. Meccheri and Pelloni (2006) put special attention on the age believing that young entrepreneurs tend to succeed better than the older entrepreneurs. They are better adjusted to the capital background of investment. However, another study by Akgün et al. (2010) put stress on the origin. They hold the notion that the older ones being more experienced are better adjustable than the new comers. Rijkers and Costa (2012), performed a study in which they put special mention of the gender being an important attribute for the success of the entrepreneurship. They investigated countries like India, and found the women tend to be oriented towards farming then men. But, in Gueltmala, the authors found that there is more participation of the men than the women also in terms of the self –employment. For female entrepreneurship, the findings of Fears are consistent

with the findings of the study of Hisrich and Brush (1984), the women entrepreneurs are less educated and are married with seven children and usually start up a business at the age of 40 or more.

Rural entrepreneurship is pillar of rural economic development in India. It is also the part of the key plan for 2020 development of smart, sustainable and economic development in India. People living in rural areas are suffering from poor employment, unemployment, poor infrastructure, living standards, illiteracy and competition from the urban entrepreneurs. The rural entrepreneurs increase the standard of living; by proving new opportunities and jobs. The rural entrepreneurs establish new business, ventures in the rural areas related to the agriculture and the related business activated. However, these traditional small-scale businesses in the rural areas face open challenge from the urban areas. They are growing of the urban population, and the completion from the urban industries question the existence of these small scale traditional industries.

Hungary is a formerly low-cost country. A study by Szerb (2007) compared the economic situation of European Union and Hungary. However, there was enormous transformation in the economy of whole European Union. The main reasons for this transformation were financial support from the European union and flow of information from the FDI. But, Hungary remains the same 20 years later. European union became the more powerful and innovative economy, but, Hungary because of less financial bolster from the European Union and less support from FDI. The FDI inflow is low because of competition from other countries like India. Many researches believed that entrepreneurship in Hungary is marginalized and lack the basic quality of innovation-based knowledge.

Despite development and industrialization, more than the population of India is still living in poverty line. The main backbone of Indian Economy is Agriculture. 70 % of the land is owned by small and the marginal farmers, leading to overcrowding of the land and thus migration of the labour force from the rural to the urban areas. The agricultural work force is increasing along with the population, hence there is need to provide opportunities in other ventures of life also for the youth. The youth in the rural areas are borne with the mind set of having limited job opportunities in the rural areas; therefore, they migrate to the urban areas. Also, if they set up business in the rural areas they are restricted in terms of education, location being distant, and exposure to the modern-day infrastructure, equipment, computers and also a limited market for selling their products and services. The NGOS, are trying to diverse the various options in terms of handicraft, handlooms, crafts industries, toy making, spinning, crafter and black smith. Also channelizing the available resources like land and water for industrialization, servicing, and technical train also using the land for organic farm production. Thus, increasing the available market areas of new products and services.

### **2.3. Role played by entrepreneurs in rural development**

Entrepreneurial activity and establishment of new venture are unquestionably painstaking engines of economic growth and innovation by itself (Baumol,1990). they are in between the eventual determinants of the huge regional differentiation in economic performance. The

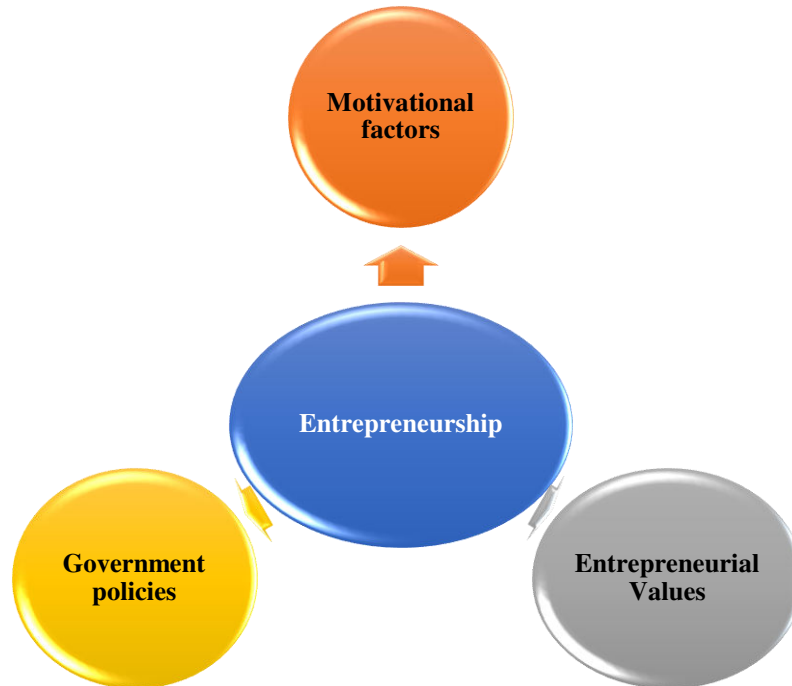
significance of establishment of new company for development has been acknowledged since Schumpeter (1934). As per Global Entrepreneurship Monitor Report (2011) around 70% of an area's economic presentation is dependent upon how entrepreneurial the area's economy. Entrepreneurial actions in rural areas are anchored in inspiring local entrepreneurial talent and following expansion of native companies. This would generate employment opportunities and put on economic worth to a region, and on similar time it will remain inadequate resources surrounded by the area. According to Petrin (1992) to speed up economic progress in rural areas, it is essential to construct the significant accumulation of first generation entrepreneurs. Research perform by Economic Commission for Latin America and Caribbean (ECLAC) and Food and Agricultural Organization (FAO) in the Latin American and Caribbean region have shows that rural enterprise can be a significant modernizing cause for petite agriculture. Governments have hold up this procedure by generating enticement for agro-industry to empower in such area. This is observed not only in developing countries, but also this is patent policy of the European Union (EU) which guided a great part of the entire general budget to extend the backward and poor provinces of Europe.

Lyson, (1995) describes the projection of small medium enterprise outline as a probable rural development approach for economically underprivileged group of peoples and give this explanation of the temperament of small medium scale firms: First, these businesses would give products for local consumption that are not readily available in the mass market. Second, small medium-scale technically refined enterprises would be able to fill the niche markets in the national economy that are too small for mass producers. Third, small, craft-based, flexibly specialized enterprises can alter production quickly to exploit changing market conditions. With reference to research done in the United States it has been originate that rural poverty is more powerful and it found in the inside cities and has obstinately oppose a diversity of efforts at mitigation throughout economic development policies. The most recent policy for addressing this problem is the support of rising home-grown enterprises in rural area. The prospect is that these new startups a) to provide job opportunities or self-employment; b) stay in the region where they can grow c) export goods and services outside the society, draw much-needed earnings. (Lyons, 2002).

It's essential to stress currently towards rural entrepreneurship in its essence doesn't diverse from entrepreneurship in urban region. Entrepreneurship in rural areas is result an exclusive blend of resources, moreover within or exterior of agriculture. The economic purpose of an entrepreneur and the societal aim of rural development are more powerfully interlinked compared to urban regions. For this grounds entrepreneurship in rural areas is typically society based and having strong comprehensive family association and a comparatively huge contact on a rural society.

#### **2.4. Factors responsible for the emergence of entrepreneurship**

There are numerous factors which are responsible for motivate peoples to choose entrepreneurship as career option. Some factors which are responsible for emergence of entrepreneurship listed below.



**Figure 2. Factors responsible for the emergence of entrepreneurship**

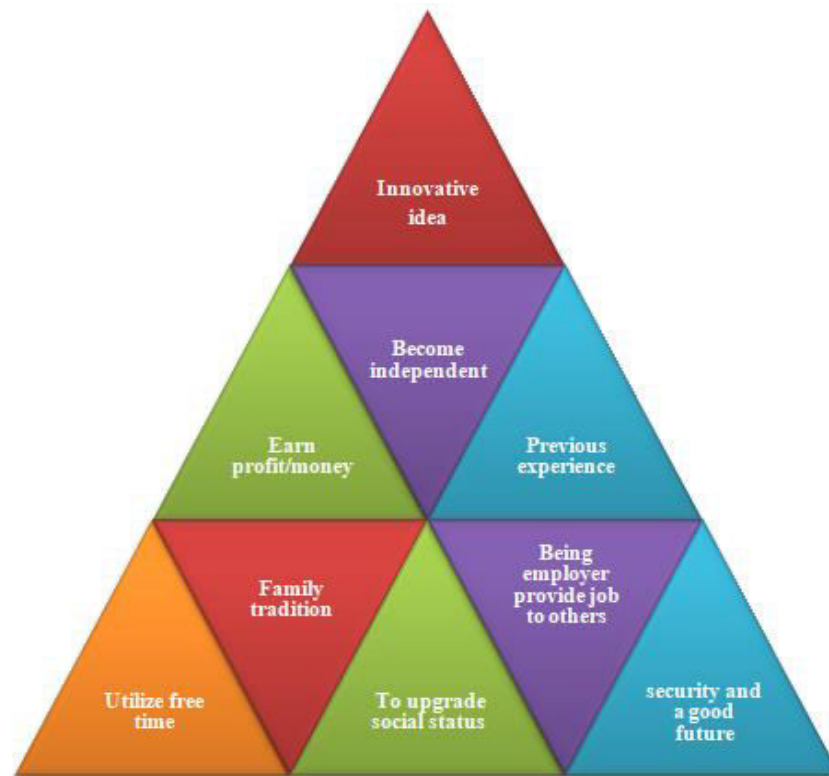
Source: authors own work

#### **2.4.1 Motivational factors**

The influence of motivation on the success of entrepreneurs is a widely discussed topic in developing and developed countries several studies have been done on this topic) questioned entrepreneurs from various parts of North America to quantify the motivational categories leading to the success of the business. There was a survey focusing on nascent entrepreneurs conducted in the United States, the result of the finding was that why different nascent entrepreneurs wanted to launch business across the same race, but the main reason for launching i.e. the motivational factors was different between the black and white nascent entrepreneurs. Benzing et al. (2009) in the study of the entrepreneurs in Turkey found that among many things that were presented there was a comparative result of the numerous research on the entrepreneur's motivation factors in the different countries. For instance, they found that in the study of the small Vietnamese business owners found that the challenge and motivation were main sources of motivation than necessity and the security. In case of Romania, the income and sense of a having a secure job were strong motivational factors than self-satisfaction and

personal needs (Benzing et al., 2009). On the contrast, the entrepreneurs were motivated with the desire to have autonomy and increased income (Benzing et al., 2009).

There were motivational factors such as earn profit or money, innovative ideas, independency previous experiences, wish to be employer, family tradition utilization of free time, future security for family and upgrade social states which were responsible to influence individuals to choose their carrier being entrepreneur describes in Figure 3.



**Figure 3. Motivational factors behind emergence of rural entrepreneurship**

Source: authors own work

There were numerous comparative studies done between the entrepreneurs and the managers and it was found that the entrepreneurs tend to achieve more achievement satisfaction than the managers. (Begley and Boyd, 1987). The motivation to achieve higher is the main demand of the entrepreneurial role that tends to attract the highly motivated individuals because of their developing potential to achieve higher levels of achievement satisfaction. (Stewart et al., 1998) found that the entrepreneurs who were focused on mainly achieving the growth-oriented success was higher in achievement than the managers and the small business owners, they are mainly centered on the production of increased family income instead of the growth; but, however, the achievement of the small business owners was not significantly higher than the achievement of the motivation of the managers. The motivational different of the achievement was higher between the entrepreneurs and mangers when the entrepreneur has growth goals or when the



entrepreneur is the founder of the business. The level of motivation for these venture founders is usually attributed to the associated circumstances and represents the present task of the challenge and the lack of routine attracting these highly motivated individuals (Stewart et al., 1998).

To analyze the literature on the success factors, at first requires the definition of the business success. There is no one single definition of the business success, but researcher generally uses the phenomenon of continued viability or longevity as a surrogate for the business success (Rogoff et al., 2004). Many studies have shown different kind of variables influence the success of SME; but, most of these studies are focused on the few set of variables: 1) the psychological and the personality trait, 2) managerial and the training skill, 3) and the external environment (Benzing et al., 2009).

The motivational and success factors of the entrepreneurs by the policymakers. The managerial skills included the ability to take and manage personnel accounting records; where the environmental conditions are necessary to satisfy the government support and the help in the access to the capital and the support of the family and the friends (Benzing et al., 2009). It has been categorically argued that one of the key features of success of the new venture is the dominant logic of the firm (Nadkarni and Narayanan, 2007). Dominant logic is conceptualized as the set of dominant themes or the configurations that are developed by the entrepreneur (Miller, 2001) that over the course of the time became an organizational characteristic like the way of a market or entrepreneurial orientation. (Lyons, 2000). The entrepreneurial talent which is the feature of the observable characteristics; determines the size of the business (Vanpraag and Cramer, 1985). The talented individuals have more chance to grow and expand their business. But, however talent is the only pre-requisite factor.

Personal factors like the ability to become independent and be their own boss are the most influencing of all. This research mainly indicated the importance given to the major factor of the business, the sales turn and the net profit. There is a change in the trend observed that the past researches tend to give less importance to the women entrepreneurs based on the profitability based on the sales.

Independence is defined as the ability of one on its own responsibility and judgment to think as opposed to the natural blind approach of following other people assertions. It is also considering the responsibility of one's own life rather than depending on the others. (Hisrich, 1985) found the prime motivational factor for setting up entrepreneurship is independence. Other, then these there are other empirical evidence which suggested that entrepreneurs are higher independence than other individuals

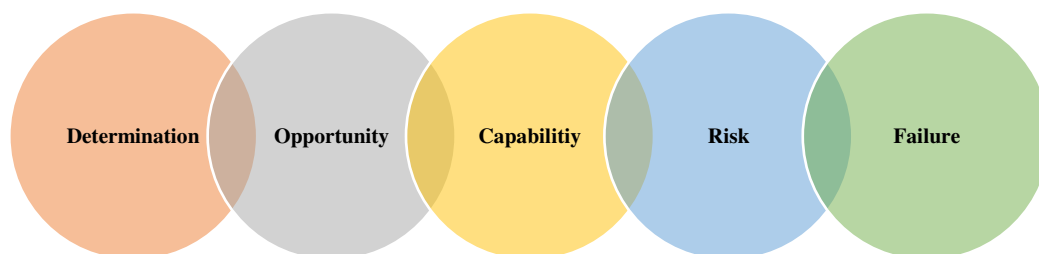
#### **2.4.2 Entrepreneurial Values**

There are many ways of defining values in the related literature. The main crux of these definitions is to channelize the ability of the organizing production factors and the related risk-taking ability of the person to fully utilize the opportunity or creating a new one. Irish Richard

Cantillon was residing in France; first defined the meaning of entrepreneurship in the 18th century; according to his definition entrepreneur is defined as a person who buys productions means and the services in order to sell at an unspecified price in the future. This definition describes the risk-taking attribute of the entrepreneurship. By putting emphasis on the idea of organizing and managing the production factors along with the ability to take the risk, (Binks, 1990). The main classical features of entrepreneurship are the ability to think differently, innovate new ideas and put a brave front in creating new business ventures or firm. The main propelling factors featuring entrepreneurship are the need for desire, need for success, creative thinking, risk taking ability, endurance, strength, easy-going, flexible attitude, easily adjustable according to the conditions and work experience with the right skills. Value is defined as a concept of juxtaposition between the effects of science and culture; constituting an important aspect of culture.

Although, it is recognized in the literature the difficulties in measuring the extent of the entrepreneurial activities; but it is a well-established fact that it is a behavior characteristic the spirit of entrepreneurship is blend of specific value preferences and a set of motivated goals. Historically, speaking many aspects or perspectives of the psychological traits of entrepreneurs have been emerged; with each emphasizing different aspect of the entrepreneurial personality. By reviewing the early studies which studied the relationship between the differences between entrepreneurs and the non- entrepreneurs; inferred that there are at least three clearly distinct personality traits of entrepreneurs which are as follows: the desire for achievement, internal locus or control – the belief on one own ability and the ability to endure risk. (Vecchio, 2003) identified in the other aspect of the literature review of entrepreneurial behavior two more personality dimensions; other than the one mentioned above; these are the need for autonomy and the self-efficacy. To conclude, Jeffry Timmons recognized the 6 main principally accepted features of the entrepreneurs: commitment, determination, leadership abilities, opportunity stricken, tolerance of the risk, ambiguity and uncertainty, creative mind, self-reliance and the ability to adapt and motivate itself to propel further (Byers et al., 1999).

Some values mention in Figure 4 such as determination, opportunity, capability, risk, failure which highly affects the entrepreneurial carrier



**Figure 4. Values of rural entrepreneurship**

Source: authors own work

Values form an organization that is based on mixture of similarities and the differences. For instance, the value of happiness and comfortable life are part of the hedonism, while equality and helpfulness are part of the social life. The value structures also emphasize the relationship between these value areas based upon their similarities and contradictions. (Schwartz and Bilsky, 1987). According to the Schwartz, the values are constantly changing and are not constant depending upon their importance. Values are not completely specific and reflect the interest of the individuals and the societies (Schwartz and Huisman, 1995). Schwartz states the values differs on the basic of their internal feature which is the motivational belief. He states that values that originate from these motivational beliefs are basically of the three kinds: biological needs of the individual, social interaction amongst the individuals and the social demands regarding the welfare of the society (Schwartz and Bilsky, 1987). The main summary of these above definition of the values are as follows: values are belief but not realistic objectives, values indicate the desires and the way to obtain those desires, values are beyond some specific behaviors or situations. For example, obedience is a required at work, school or during physical exercise.

It is known that cultural changes are also powerful determinants of the entrepreneurship development. The research on the social patterns, customs and values has added new dimensions to the new enterprises. The social and the cultural factors that affect the realization of the entrepreneurial activities are also the factors that affect the formation of the individual value systems (Davidson, 1995). The behavioral side of entrepreneurship was proposed by Max Weber. According to weber, the ideological values lead ways to initiate the behaviors. Weber developed a multidimensional model which emphasizes on the economic and the social conditions in order to show the reasons of the more developed and the westernized civilizations compared to other civilizations in the world.

The social side of the Weber's model was proposed as the Protestant Work Ethic; that demands a decent work life. This belief is based on hard working creating an intensive work in the professional front. According to Weber, Protestant Work Ethic became the main pushing force behind the entrepreneurial activities and behavior (Davidson and Wiklund, 1997). The established relationship between success need and economic development by McClelland following Weber is a noteworthy thing. The work of McClellands has influenced the work of the latter researches who have utilized entrepreneurship as a behavioral feature (Davidson and Wiklund, 1997). But, till now there has been no relationship established between the success need and entrepreneurial success Geert Hofstede studied the effects of culture on entrepreneur and the entrepreneurship. He accepted that although culture, economy and politics are mutually effective, but culture is mainly the necessary but not the sufficient condition for the economic success But, the studies discussed above are not related with the cultural reformation that are necessary for the entrepreneurship.

The cultural and the entrepreneurial studies that were conducted later were interested in entrepreneurship but there were more restricted in studying the behaviors of entrepreneurs in different geographical locations (Davidson and Wiklund, 1997). In principle, there are two main reason needed to establish the relationship between culture and entrepreneurship. First, these values and beliefs are shared by people may revolve around a person who might want to make his or her or start his or her own business, that is the legal social legalization and the supportive and conducive environmental view of Etzioni. The second thing when there is a large entrepreneurial potential in some areas, once can observe that such relationship between culture and entrepreneurship (Davidson and Wiklund, 1997). Davidson and Delmar secured a direct relationship between entrepreneurship and values. They also identified the different beliefs and the values. At the end, they concluded that these are cultural determinants of these regional entrepreneurial variables. To emphasize the relationship between these cultural and structural determinants is also seen as a significant development. Because, it is an accepted view point that the main reason for the increase in the number of new enterprise is the cultural reformations.

### **2.4.3 Government policies**

The importance of entrepreneurship development for different economies cannot be over-emphasized globally, each country world-wide as such have its own established and set program to bolster the development of their entrepreneurship within their communities (Gangi and Timan, 2013) One of the schemes for supporting this entrepreneurship development is the initiation of the business incubator and the necessary policies needed to achieve this incubation (Rice and Matthews 1995). The definition of economic development is based on the following parameters: the way of creating wealth by the method of collecting human, financial, capital, physical and natural resources to create marketable goods and services (Al-Mubarak and Busler, 2013).

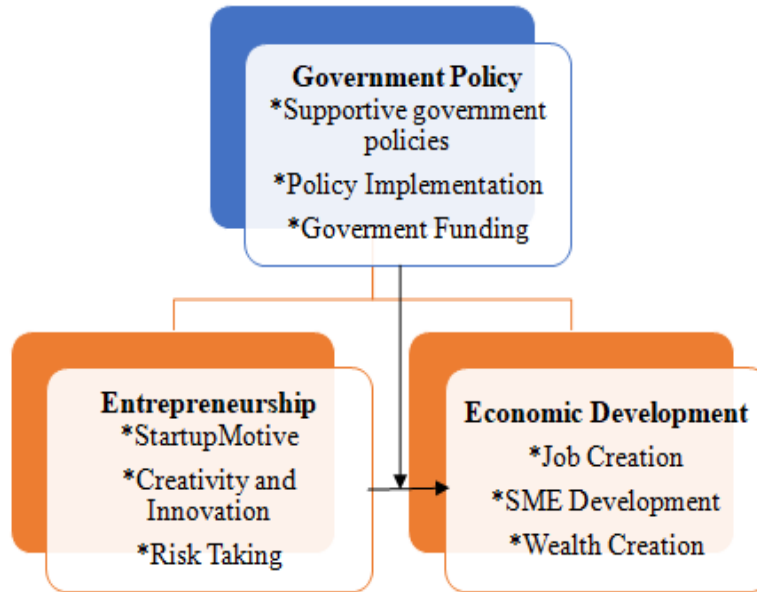
The main motive behind a business incubator is to promote entrepreneurship development via creation and establishment of successful firms; leaving the programs financially sound and free standing (NBIA, 2009). The main role of business incubators within these programs is to act as mediators and serve as coordinators so as to provide the entrepreneurs with the necessary resources, capital, contact, information, education etc. that are otherwise inaccessible to these entrepreneurs (NBIA, 2009) .These resources can also be aided by the responsible government authorities to fill the gaps that have been identified in the entrepreneurship support activities.( Al-Mubarak et al., 2010) cited that main goal of these business incubators is entrepreneurship development. (Fukugawa, 2013) stated that entrepreneurship should be viewed as an opportunity to create new business ventures or firms. The entrepreneurship literature acknowledges the role played by individuals in

developing the entrepreneurship process both in developed and developing countries (Alagbaoso, et al., 2014). (Shane, 2000) described that there may be some physical restraints or needs for proper functioning of the entrepreneur. These attributes are basically tendency to take a risk, differential exposure to scarce and expensive resources and leader qualities. It has been known that entrepreneurship is the vital element for the development of new jobs, firms and as well as the main catalyst in increasing income gains for both rural and urban group inhabitants who are poorly paid (Friedman, 2011; Ihugba et al., 2014).

The relationship structure between entrepreneurship and economic development is studied at all levels: local, state and federal (Minniti, 2008). A study revealed that entrepreneurship contributes to the employment status and the GDP development.

The resources basically involve conducive environment for conducting the business. The government policy means providing conditions that improve the status of SME in terms of backing –up via policy implementation. Based upon the above definition, it basically means the government policy to lay down a scenario for development of entrepreneurship. This acts through enactment of guidelines and policies; as entrepreneurship is the main driving force and path for future industrialization. Also, these policies need to be friendly to the entrepreneurs. (Pals, 2006) stated that a need for government policies is necessary, as these policies are necessary for implementation of the entrepreneurship, without keeping in mind the fact that what the government administration is capable of to achieve the goals of these policies and guidelines in time. The government of many countries including those of the developing countries has harnessed their maximum energy, time and resource in establishing these policies for raising the standards of entrepreneurship.

The accessibility of the government funding for the monetary services is one of the key factors for the continued existence of these newly created firms as well as the essential entrepreneurship practice. (Shuo, 2011) reported that government is using direct subsidies, tax incentives and government procurement for injecting large amount of resources to the entrepreneurship process. For gaining economic development through entrepreneurship; there should be constant and steady flow of funding sources. These entrepreneurs program should be funded based on the availability of the documented policy funds. However, these policies have been supportive and contradictory as well. Studies showed that the government policy is positively correlated with entrepreneurship. However, other studies found that some policy also have a negative influence as well. The above information shows discrepancies in the roles of government in providing back-up to assist formation of entrepreneurship business in developing countries. With the presence of some many SMEs in the locality, increasing the chances of the local people employed by these SMEs, which have been otherwise being standing independently by government support programs.



**Figure 5. Framework of incorporates the entrepreneurship and economic development**

Source: authors own work

Figure 5 depicts the proposed conceptual framework that incorporates the entrepreneurship and economic development through efficient and user-friendly government policies. The outcomes of a literature review propose two hypotheses. There are three measures of entrepreneurship which include start-up motive, creativity and innovativeness and risk taking. Government policy is composed of policy implementation, supportive government policies and funding. Economic development is composed of three measures namely, job creation, SME development and wealth creation.

### **Govt. Policies for Entrepreneurs**

Keeping in view the contribution of small medium size enterprises in providing employment to the present generation, rural and regional development of the country, promotion of exports and various policies are coming as a thrust that are targeting towards establishing, promoting and developing business sector, particularly the rural industries in backward areas. Central and State Government are actively participating in self-employment opportunities by providing assistance in respect of infrastructure, finance, technology, training, raw-materials, and marketing. The various policies insist on the utilization of local resources and raw materials and locally available manpower and further these are translated into action through various agencies, departments, corporations, etc.

### **A. Government of India support for innovation and entrepreneurship**

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world.

1. National Bank for Agriculture and Rural Development (NABARD)
2. The Rural Small Business Development Centre (RSBDC)
3. National Small Industries Corporation (NSIC)
4. Small Industries Development Bank of India (SIDBI)
5. The National Commission for Enterprises in the Unorganized Sector (NCEUS)
6. Rural and Women Entrepreneurship Development (RWED)
7. World Association for Small and Medium Enterprises (WASME)
8. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

### **B. The SAPARD programme in Hungary**

In the year of 1997, the EU made the following agreement regarding the enlargement with the East European countries. They made a decision regarding the establishment of the precession funds. The funds are named as following: the PHARE, (Poland-Hungary Assistance for Restructuring the Economy) the ISPA (The Instrument for Structural Policies for Pre-Accession) and the SAPARD. The SAPARD has the following tasks to perform, one side it is involved in organizing the execution of the programs within the framework of Common Agricultural Policy and on the other side it is focused with solving the primary and the special problems of the sustainable agriculture and the rural development within these accession countries.

The annual budget planned for the EU candidates within the SAPARD is 520 million euros, which comes for the EAGGF guarantee fund. Hungary can expect to get 38 million euros from 2000 to 2006. This sum is allocated to Hungary in the case it has prepared efficiently for reception.

Hungary's SAPARD Programme was prepared on the basis of tasks included in the SAPARD Decree (1268/99/EC). The tasks proposed by the Brussels administration were as follows:

1. Investment in the agricultural holdings with the provisions
2. To improve the processing and the marketing of the agriculture and fishery related products.
3. Quality check, improvising the current conditions of the animal and the plant health system for increasing the quality of food for safe-guarding protecting to the consumer.
4. To make an environmental and landscape friendly agricultural production.
5. To set-up and develop a diversity and alternate business economies.

6. To launch a temporary retirement shelter for the agricultural farmers along with providing them with the management services.
7. To form a farmer's group.
8. To look up for the modernization of the village and its regeneration.
9. To protect the material and the intellectual heritage of the rural areas.
10. To execute a proper land property resizing i.e. modernization of the agricultural land system; further modernize the land property administrative system.
11. To set up systems for the improvement of the professional training along with the launching of a modern and technologically advanced rural infrastructure.

## **2.5. Critical challenges and constraints of entrepreneurs**

In Indian and Hungarian economy is experiencing challenges of multiple proportions ranging from decline in economic activities that is prompted by poor Total early-stage Entrepreneurial Activity (TEA) and rising levels of unemployment (Swanepoel et al., 2010). The declining rate of entrepreneurship in both countries cannot be overlooked. Both in the Indian and the Hungarian economy are experiencing challenges of multiple proportions ranging from the decline in the economic activities that is prompted by the poor total early stage entrepreneurial activity and in the increase in the level of unemployment (Swanepoel et al., 2010). The decline in the rate of entrepreneurship cannot be overlooked in both countries. The GEM Report (2009) adds report to the downward trends of the entrepreneurial activities due to the challenges. The reports confirm that factors like social and negative entrepreneurial attitudes, inadequate financial assistance and the sub-standard system of education and the strict regulatory framework are the challenges that confront entrepreneurship (Timm, 2011).

Both in the developed and the emerging countries, it has been documented empirically that the entrepreneurial activity is also having fierce challenges (Collins et al., 2004; Kwoong et al., 2012; Matlay and Carey, 2007). In the emerging countries there is not much scientific research about the entrepreneurship documented. (Nabi, 2011; Ahmad and Xavier, 2012). According to Linan et al., (2005) all academics and researchers have strongly believed that main concept of entrepreneurship is similar on the global level.

The youth are willingly venturing into entrepreneurship as a good potential career options. It is believed that the educational institutions have been able to produce well-educated and trained individuals with creative minds due to the entrepreneurial trainings in various establishments. The access to the finance is the main vital key to the small business and the entrepreneurial success (Naudé, 2008). The entrepreneurship is challenged mainly by two main schools of thoughts i.e. the psychological elements enlisting the entrepreneurial efforts along with the fact emphasizing on the other business environmental factors (Taormina and Lao, 2007). Entrepreneurs due to their nature are faced with the issues of psychology regarding the need for achievement and optimism (Taormina and Lao, 2007).



In the past, scientific studies regarding the social capital in terms of entrepreneurship have been documented. According to Ostron (2000), the social capital is defined as the knowledge shared, understanding the norms, rules and the expectation about the patterns of interactions that groups of individuals bring to the on-going activities. Minniti (2005) further outlines the social capital to include the trustworthiness of the obligations and the environmental expectations. Macro level environment forces cannot be ignored as they influence the entrepreneurial activity to a considerable extent. According to Ahmad and Xavier (2012), the forces of the macro-environment are financial assistance, bureaucracy, the lack of a proper regulatory system, lack of education system and the inefficiency of the training; are some of the key challenges. (Chowdhury, 2007) stated that in the developing countries additional factors like the political instability, corruption, the lack of the infrastructure, education and training as well the lack of the financial supports are severe challenges to the entrepreneurial success. By Naude (2008), the younger generation tends to find it difficult to access the existing support mechanism.

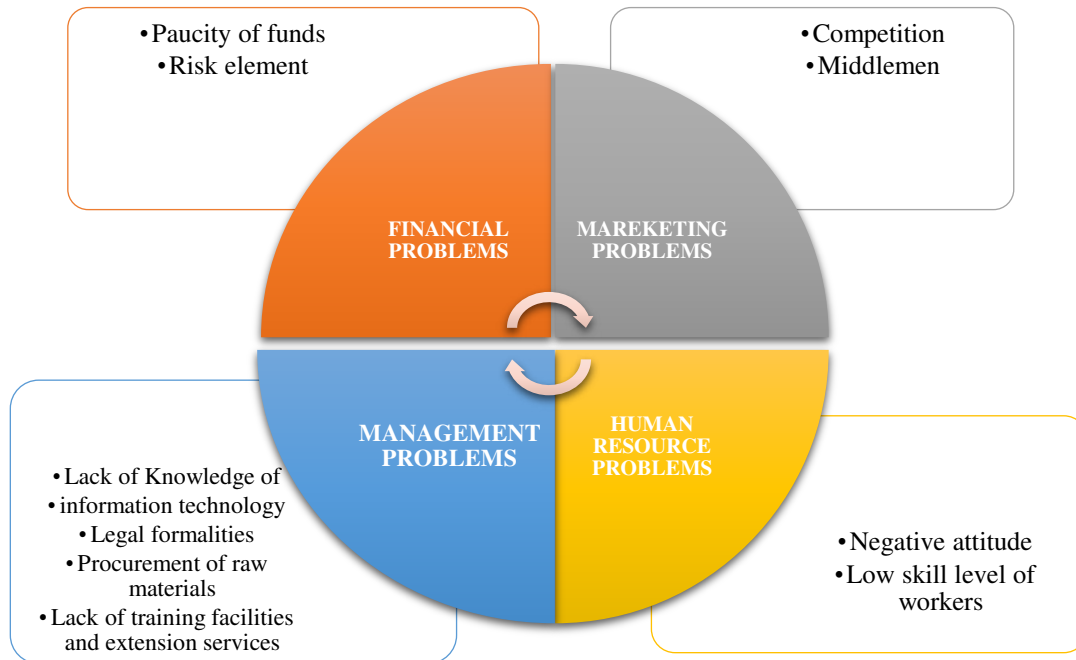
Demographic and the personal factors like the age, marital status, the gender of the individual entrepreneur and the educational achievement of the entrepreneur influence the entrepreneurship (Develi et al., 2011). The capability of the entrepreneur on its own to accomplish the new opportunity is indicative of the vast amount of linkages between the individual's efficiency and the status of the entrepreneurship. According to Develi et al. (2011), other parameters like the current status of the motivation, the individual characteristics, the family structure of the individual, the educational and the personality trait of the individual is regarded as the main impacting elements on the entrepreneurial activities.

In general, Enterprises characterize the foundation of global economic growth (Mboniyane and Ladzani, 2011).

The all kinds of the demographic factors are critically significant. For instance, the first-born children in the family unit, individuals with higher level of education, the persons born of the entrepreneurial background have a stand to survive better to become successful entrepreneurs (Develi et al., 2011). (Coulter, 2003) advances that early sentiments like the age of the entrepreneur, the marital status, the family income along with the socio-economic changes are the main factors influences the changes of the standing of the entrepreneur. In normal standards, the entrepreneurship is subjective to social, political, economic and technological environmental changes as well to the various culture settings that are acknowledged with the impact on the various aspects of the entrepreneurship behavior; along with the prior experience, personality, talents and the ability of the entrepreneurship (Lee and Peterson, 2000).

The entrepreneurship suffers setbacks from the cultural settings; within a specific cultural background the self-employed individuals tend to harvest success which may or may not be accepted due to the inability of the extant culture system to produce entrepreneurial idea like the lower entrepreneurial activities. However, the high trust of society on entrepreneurship makes it easy for the transfer of power and the personal responsibility to the aspiring entrepreneurship; which may lead to Potential Corporation for enhancing the future success of the entrepreneurship

(Hisrich et al., 2002). Entrepreneurs play a very important role in the economic development of country. They face numerous problems and challenges in day to day activities. As the thorns are part of roses, similarly every flourishing business has its own kind of problems. Some of the major problems faced by rural entrepreneurs were mention in Figure 6.



**Figure 6. Challenges and problems faced by rural entrepreneurs**

Source: authors own presentation based on literatures

- **Financial Problems**

Finance is considered a big problem because these types of enterprise are not profitable to the investors as the big ones. Many of the rural entrepreneurs do not get external funds to the lack of credit in the market and the tangible security. The procedure of obtaining the loan is also very time consuming because it is usually disappointing the entrepreneur. Government does not provide the infrastructural support. The presence of these less financial resources or external support the entrepreneurs tend to develop less capacity to take the risk as well lack of borrowers i.e. lending institutions reduces the exposure to the capital. According to Dabson (2001) and Saxena (2012), completion is the main challenge for the entrepreneurs when they enter the new market.

- **Management Problems**

Lack of Knowledge of information technology is not so common in rural areas. Entrepreneurs depend on internal relations that boost the flow of goods, services, information and ideas. The concentration of family and personal relationships in rural

societies can former helpful but they can face obstacles to effective business relationships.

- **Human Resources Problems**

The inability to access the skilled labor is one of the main restrains of the rural enterprise. The level of lower education along with the formal skills are the main matter of fact. Lack of knowledge regarding the information technology is widespread problem in the rural areas. The rural entrepreneurs have problems also in terms of the legal formalities because of the illiteracy and the ignorance as they cannot obtain the licenses. There is lack of technical information as well. The main problem is the finance; commonly reported challenge in the work of in Saxena (2012), Dabson (2001) and Smallbone (2009)

- **Marketing problems**

Small business is vulnerable to the presence of the big ones in the market. The fact that these new ventures have less financial support; these large sized organizations and the urban entrepreneurs are a major problem. New business also comes with new marketing strategies like advertisements which the rural people do not comprehend well. Also, the media has limited extend in these areas. It has already been stated that the educational level is low in these areas. The middlemen are also considered as the competitors as the exploit the rural entrepreneurs. The dependence on the rural entrepreneurs on the middlemen is quite high. They need these middlemen for broadcasting their products and services. Such similar challenges have been explained by several authors like Saxena (2012) and Smallbone (2009). They also state communication and transport as one of the main hindrances to the entrepreneurship.

### **Other important problems face by rural entrepreneurs**

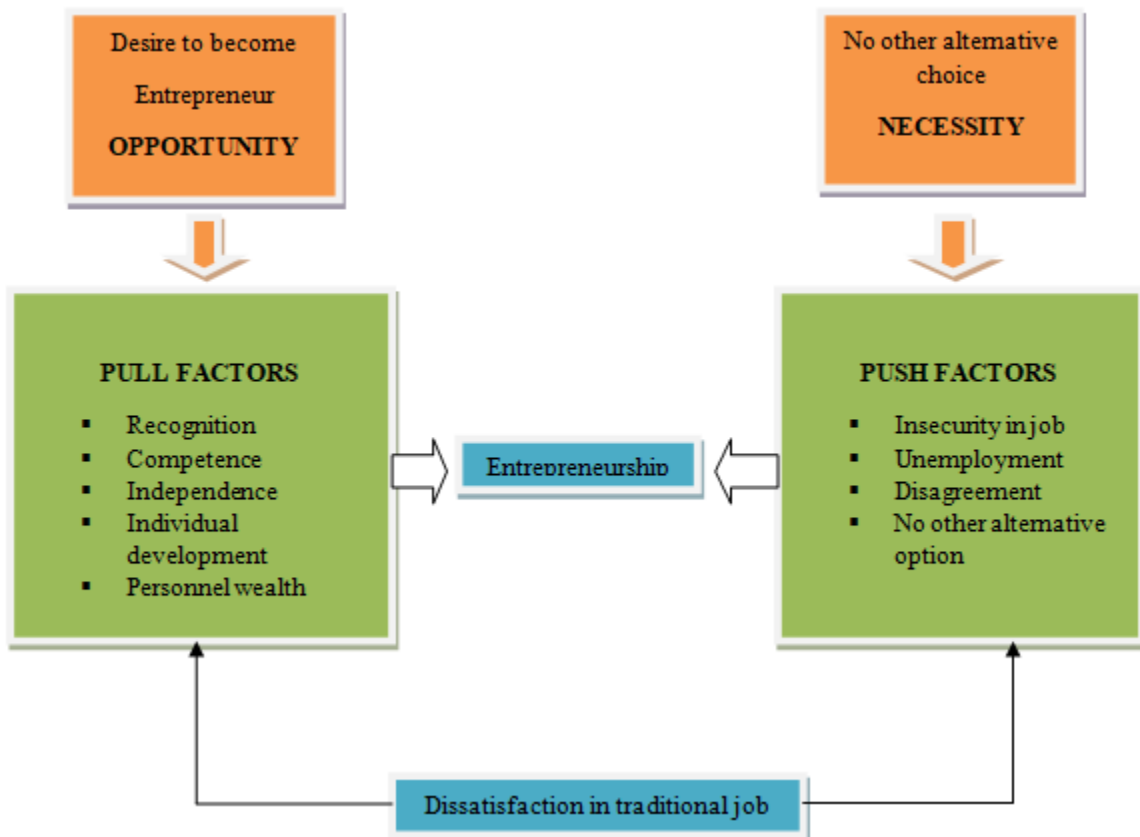
Following are the main problem facing in entrepreneurship

- Family members were not supportive with decision to be an entrepreneur.
- Poor financing creates a major challenge in the performance of entrepreneurs.
- Risk taking, and failure is inherent in entrepreneurship.
- Scarcity of resources and availability of raw materials and supplies.
- Time consuming and lengthy legal laws and formalities or procedures.
- Required education and training course facilities are not available.
- Non-availability and scarcity of skilled labor force (manage, mentor marketing etc.) to run the business.
- Political influences hamper your entrepreneurial activity.
- Suppliers are not very co-operative or supportive.
- Procurement of raw materials is very challenging task.
- Infrastructural problems (water, electricity, transportation etc.) creates difficulties to run the business
- Inadequate technological knowledge creates obstacles in our way to do business.
- Distribution channel depend based on size of market.

- Information gap is one of most common challenge for new entrepreneurs especially in rural area.
- Major competition from large sized businesses and urban entrepreneurs.
- Middlemen exploit rural entrepreneurs by pocket a large amount of profit.
- This above measure points also asked in questionnaires to check the severity of challenges in rural entrepreneurship in both countries. This data will help to analyze the condition as per their different economical and geographical condition.

## 2.6. Factors affecting entry to entrepreneurship

There are numerous of factors that can force an individual to become an entrepreneur (Nieman and Nieuwenhuizen, 2009). There are push and pull factors (necessity and opportunity factors) which affects entry of entrepreneurship. The figure below presents the influence that result in entrepreneurship.



**Figure 7. Push and pull factors of entrepreneurship**

Source: Figure presentation based on Trilochan,S.(2015)

### **2.6.1 Push factors**

According to GEM, essential driven entrepreneurship level in a country is concerned with factors such as low tax revenue as a percentage of GDP, low level involvement in both secondary and tertiary education as well as elevated levels of income inequality and low levels of social safety (Reynolds et al., 2004). So particularly in developing and less earning countries are probably to contribute in business out of economic requirement (Chigunta, et al., 2005) and (Reynolds et al., 2004).

Developing countries like India be likely have much higher rates of require determined entrepreneurship. From the above description, GEM data, constantly prove requirement driven entrepreneurship considers to be higher in factor motivated economies than in competence and innovation motivated economies. Here, factor responsible to run economy and which submit to basic factor situation such as low-cost labor and unprocessed natural resources are the dominant basis of passive advantage, while effectiveness driven economies consist of produce more effective and useful products and services, large investment in competent infrastructure, business friendly government, access to investment capital and improvement in productivity.

In the recent scenario, the research and development of developing and developed countries of has revolutionized the Field of industrial growth and manufacturing; but, despite these technical innovations it lacked behind in terms of utilization of these technological innovations to their maximum potential. It pointed out towards a loophole in the R and D department in background of utilization of resources and manpower. However, these innovations were launched at a low scale, thus failing to create a profound impact. Once these innovations were laid at a high scale, with the implementing knowledge and other programs to suit the demand of the technological counterparts needed for advancement and development in the industrial and non-industrial sector.

Similarly, innovation determined economies refer to produce innovative products and services with progressive technology and technique. This result is supported by Llisterri et al. (2006) who demonstrate entrepreneurs by requirement could be more usually found along with poor and not much educated peoples. Necessity give birth to entrepreneurs who provide much better informal economy as there lean to be only few or no incentives to sanctify in the circumstance they engage in (Llisterri et al., 2006).

### **2.6.2 Pull factors**

Nieman and Nieuwenhuizen (2009), stated that opening venture is depends further on the interconnection between the push and pull factors. With reference to his view that if these services are burly enough, number of entrepreneurial venture would get place in the country. Opportunity determined entrepreneurship, as a result, refers to entrepreneurship which is come about as an outcome of wish to follow an apparent opportunity, but not because of the only

option for generate some earnings for living. When an individual would like to be left his or her paid employment to set up a company, researcher categorize this individual as an opportunity entrepreneur. This individual is coming into entrepreneurship activity for determine entrepreneurial opportunity (Llisterri et al., 2006). Opportunity determine entrepreneurship is related with a conviction of comprise with ability to initiate a venture, and startup asset and support actions (Reynolds et al., 2004). Consequently, we can say that occasion determine entrepreneurship appeared to be further leading in the high income and economically developed countries. On basis of study of GEM report, prospect determined entrepreneurship probably more prevailed in developed countries due to perceived more future business opportunity, high confidence level and required skill set to initiate and run a business and availability of infrastructure and financial support for entrepreneurs (Schoof, 2006).

## 2.7. Entrepreneurship and economic development

Relationship between economic growth and employment shows the aggregate production function (Blanchard, 2000). In other words, how much output produced for a given quantities of capital and labor. For example, we assume that aggregate production  $Y$  is using to inputs capital ( $K$ ) and labor ( $L$ ). It shows below equation. (But it is simple model)

$$Y_t = A_t K_t^\alpha L_t^\beta$$

$Y_t$ - Gross domestic production

$A_t$  – Factor of productivity

$K_t^\alpha$ - Quantity of capital

$L_t^\beta$ - Quantity of labor

Furthermore, Okun's law shows the relationship between employment and economic growth. Okun's law stated that on supply side for everyone percentage point of the actual unemployment rate exceeds the natural rate of unemployment; real gross domestic product is reduced by 2.5%. Hence, economic growth is increasing depends on employment growth.

Entrepreneurship plays very important role for providing employment opportunity and it helps in contribution to economic growth (Carree, 2002).

With respect to the entire accounts, entrepreneurial activities are essential for economic growth due to cause like make opportunities for self-employment and innovative entrepreneurs and therefore, they are apparent as economic developers as it provide to be the producer of knowledge spill out crossways to the environment (Vanpraag and Crammer, 1985). Entrepreneurial background comprises variables like labor laws, intellectual assets rights and point of educational and training that crashes both on national and regional economies.

Entrepreneurship is one of the principal contributor and originator of job opportunities; therefore, entrepreneurship increasing level of poverty (Herrington et al., 2009). Worldwide, entrepreneurial action is a decisive means for economic development with the help of formation of job, formation of innovative strategy, welfare and increasingly one of the rising policy benefit

at national level hence, Entrepreneurship has emerged as the engine of economic and social development throughout the world (Herrington et al., 2009). Politicians and policy creator have intensely accepted the importance of entrepreneurship.

The innovative environment of entrepreneurs establishes great boost within the European Union in conditions of policy creation which permit entrepreneurship to thrive because of the constant significant function of providing guidance, advice counting measures of grants and tax concessions (European Union, 2003).

In the developing countries, here is growing unemployment rates and increasing poverty; though, entrepreneurship, more employment prospects were available with additional disposable profits to be used up in the market (Rwigemaand Venter, 2008). This flow in entrepreneurship merely takes place within the national framework as the serious role-played for growth during the combination of resources such as investment in human capital.

Entrepreneurship is competent of solving socio-economic troubles such as to battle of budding poverty rates and to propose employment opportunities; entrepreneurial action promotes long-term economic growth and development (Minniti, 2008; Carree et al., 2002). Various entrepreneurial actions are strongly hindered by environmental issues. Rather than further challenges; entrepreneurship still remains extremely significant at international level particularly in developing. Usually entrepreneurial activities permit poor individuals to get profits during the supply of individual labor and thus impact on the economic increase and poverty alleviate (Fox, 2007).

Entrepreneurship development is a progressively more and seems promising substitute to conventional economic development, as it releases the possible of local peoples to generate employment and provide local markets. Though, the majority of the research about entrepreneurship is devoted to high development, high technological progress and its employment formation qualities; rural entrepreneurship diverse from entrepreneurship as a discipline, formulating their own opportunities and challenges. Beneath, the rural environment economic situations, the entrepreneurship and business management entailed a set of distinct features which begin in the progressive phase of the rural area.

In the Theory of Economic Development Shumpeter (1934) highlights the role of entrepreneur, as a main resource of economic growth, being this improvement concluded above innovation. Taking into account this research we can say that if the entrepreneur has an important function in development, this function is accomplished through the institution that he or she represents emphasis on the problem of quality employment generation by the SMEs and refutes the temporary attitude of growing the size of employment generation cooperating along with superiority. The researchers contend that employment generation by the SMESs may be high in measurable term but small in quality. Technological upgradation would empower the small businesses to generate quality employment enhancing compensation, period and skill. This

organisational swing may decrease the degree of employment generation in the small period but would certify high-income employment generation in the long run.

Entrepreneurship has become a dynamic field of research in the last two decades. Entrepreneurs play an important role in the overall economic development of the country. The growth and development of entrepreneurship facilitate self-employment, results in broader distribution of economic and industrial activities and helps in the maximum utilization of locally available resources. It is a fact that the majority of rural entrepreneurs are facing several problems due to lack of basic amenities in rural areas like, lack of education, financial problems, marketing hurdles, management and human resource problems, insufficient technical and conceptual ability etc. India is a country of villages. About three-fourth of India's population are living in rural areas out of which 68% of the labour force is still earning its livelihood from agriculture and its allied activities. Land being limited is unable to absorb the labour force in agriculture. Therefore, there is a need to develop rural industries to solve rural unemployment and rural migration to cities.

Enterprise and entrepreneurship are the drivers of economic growth in Europe's rural areas. With the ongoing challenges facing traditional rural sectors, the future success of the rural economy is inextricably linked to the capacity of rural entrepreneurs to innovate, and to identify new business opportunities that create job opportunities and income in rural areas. Considering the European Union (EU), rural regions cover 57% of the territory and 24% of the population (CE, 2012). The Rural Development Policy of the European Commission is one of the two pillars of the Common Agricultural Policy (CAP). This helps in finding answers to the challenges facing rural areas for sustainable development.

As per the Global Entrepreneurship Monitor (GEM) study earlier the years has constantly fixed global economic development to entrepreneurship (Herrington et al., 2009). Entrepreneurship is generally recognized as the critical driver of economic growth during inventive means. (Bosma et al., 2002) argue that further estimation is required. For example, opportunities to establish businesses in precise areas and further necessities concerning the quality and quantity of the prospect and the environment counting the population growth, the culture and the economic policy are very important as determinants of enhanced entrepreneurial rate (Bosma et al., 2002). From the former scientific study of Baumol (1968), it was pointed out that rural entrepreneurship focuses primarily on individual wealth; therefore, it is not each and every person inside the environment that is eager to control booming business actions. To promote better economic growth, it is serious to involve the whole environment.

Entrepreneurship acts an essential part in providing job opportunities and the organization of an advance innovation; so, it offers sufficient local link out in conditions of economic growth (Naudé, 2008). A research by established that, on standard, the small business segments forms 64% of the economy and 26% description for the GDP of developed and developing countries.



Entrepreneurship is recognized as an essential economic strength that Figure the global economic concert; so far, the in general consideration of entrepreneurial association and the economic development still remains to be seen (Herrington et al., 2009). Inside the common economy, entrepreneurial behavior is professed as prospect centered (Timmons and Spinelli, 2009). Specify that the entrepreneurship is concerning blending accessible resources for marketplace innovation and to additional motivate market competition.

From recent years, the economy of India has experienced several economic, political and social setbacks; key amongst these challenges is the growing problems of unemployment particularly between the young individuals. at the same time as there have been some encouraging symbols of economic growth because of entrepreneurship activity; at rest the point of unemployment together with the short of entrepreneurial strength with the Indian population is increasingly rapidly in contrast amongst other of the developing countries (Knight, 1963).

Indian economy is developing economy from the time of liberalization is attracting foreign investments, its GDP per capita has greater than before, the stock market capitalization has become deeper and these profits channelizes back to economy. With the development, globalization and information sources infiltration market had contract generating new opportunity for entrepreneurs to grow up and utilize the opportunities. By means of liberalization of economy in 1991 access barrier have reduced by huge deal economists sight rising foreign investment as source provided that global accomplishment. The stock market and economy have also beneficial to this as foreign investment which in revolve creates investment in India a profitable business. Other than this progress has beneficial to entrepreneurs? Economic development gives an elevated usual of economy, investment situation both domestic and foreign. The stock market feelings develop into optimistic which form bang in the market for new investments and innovation having determinants to become entrepreneur. Opportunity, want and capability are the determinants for entrepreneurship (Davidsson and Honig, 2003) economic progress, financial development, investment and entrepreneurial policy of the state structure the opportunity.

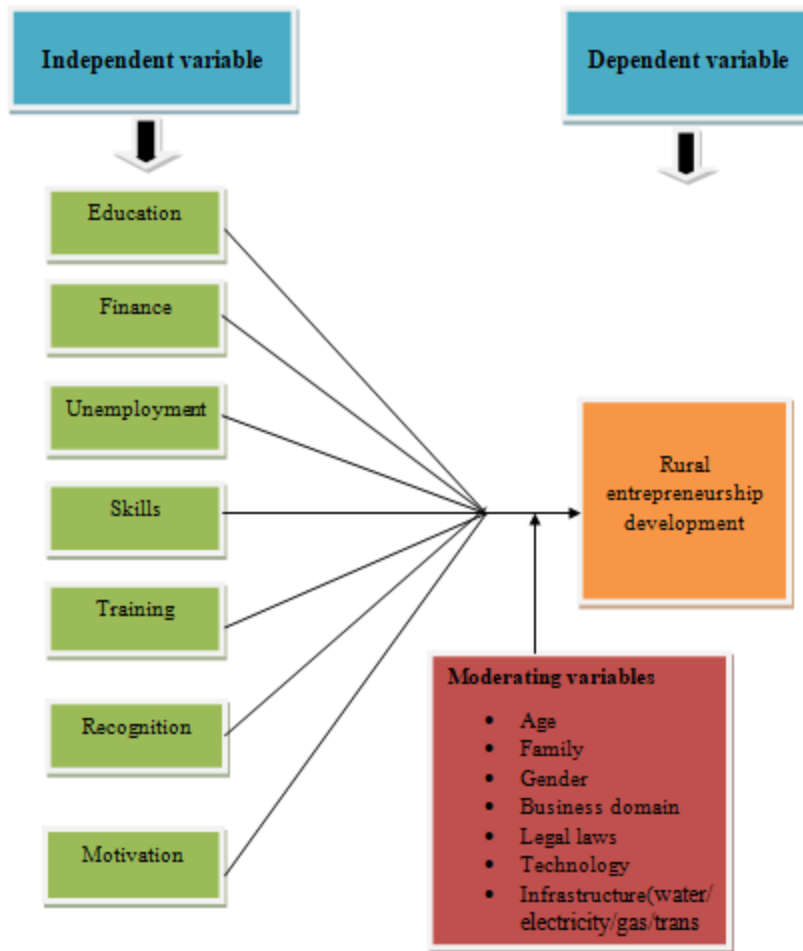
Looking towards the previous data the pre-crisis economic growth accomplish around European countries come into sight to be sustainable and look like to make enough room for immediate catching-up with the economic intensity of the old member states (Fifeková, 2013). Both the prospect of utilizing the EU financial resources and the pledge to meet the union criteria encourage dynamic pro-growth impulses. As per outlook of investors the countries were considering to be safe as required for accomplishment of the convergence criteria formed fundamentals for good return on investment (Sass, 2011). On the same time the development of the situation for mobility of production features made scope for better assets flows into the region.

As per Eurostat 2016 report the expansion in the Hungarian economy is different. The somber slowdown of the economy could be seen since the beginning of the year 2006. Concerning GDP growth is noticeable that the crisis has strike Hungary a bit previous than the other V4 countries. In April 2006, the Hungarian government implements a package of austerity measures in order to reduce the budget scarcity. Further GDP decline (1.7%), Hungary gone through recession in 2016, with GDP growth of 1.1%. though, feeble investment, low employability of non-skillful workers and non-availability labor and product markets detained back growth potential.

Elasticity and existing problems with unemployment situation in Hungary revitalized the debate about the opportunity that economic policy might persuade the association between economic growth and employment growth in conditions of labor market, the major concern that require to resolve are: a) high unemployment rates b) long term unemployment and to discover how to get lasting unemployed for employment but one thing is relatively exciting. Although relating high unemployment rates crosswise the EU, nearby is more than 2 million employment opportunity. Now and again the only matter is geographic People are not keen to move to another city or country since of social relationships. Along with further employment problem, therefore the most severe issues, enduring and youth unemployment and we need to pay staid consideration for solving them. Since the longer you are jobless, the difficult it is to get hired and the more support is needed. Even though European countries have some targeted dynamic labor market program for enduring and unemployed, Public Services lean to use the majority of the resources for further jobless people for the reason that this lead to enhanced results for searching jobs for unemployed.

## **2.8. Conceptual or theoretical framework:**

The theoretical framework explains the correlation between the independent variables and dependent variables. Below mention framework shows that independent variables influence the proper use of the rural entrepreneurship development. The theoretical framework of this research was developed on research problem and relevant literature.

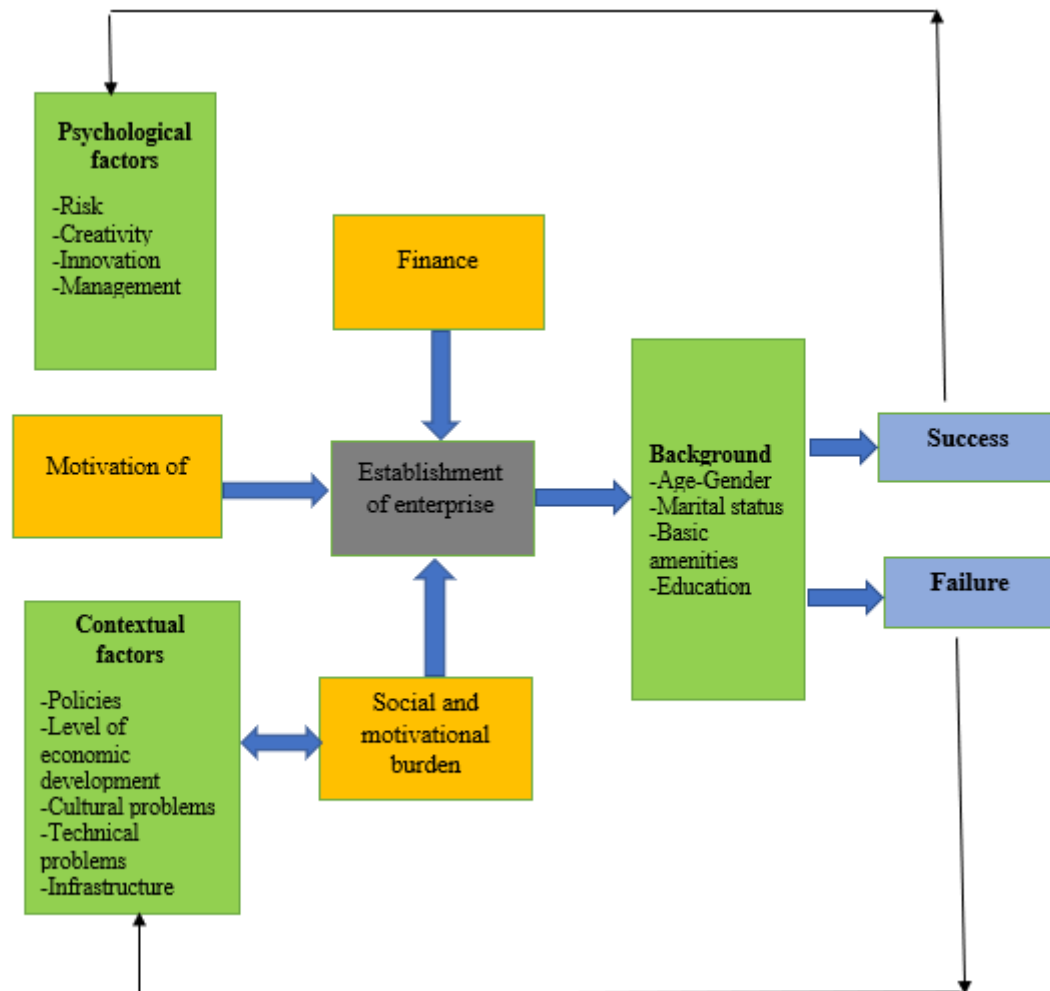


**Figure 8. Conceptual framework of research**

Source: authors own work based on (Trilochan, 2015)

## 2.9. Research gap identified

From the previous discussion, various literatures on the challenges and problems faced by entrepreneurs specifically in rural areas have been reviewed. It is distinguished that many researchers have pointed out the general problems and challenges which are faced by rural entrepreneurs. As well, it is noticed that the number of studied literatures are not empirical research. As a substitute of looking at the familiar challenges faced by rural entrepreneurs, this research emphasizes on the challenges related to financial, marketing, human resource, and management in rural areas. In addition, researchers try to explore how the problems and challenges could be overcome with help of empirical research conducted in rural areas of India and Hungary.



**Figure 9. Theoretical framework on several factors: enterprise development**  
**Conceptual framework of research**

Source: authors own work

In Figure 9 show the variables which illustrate the challenges and opportunities of rural entrepreneurs. It proposed the entrepreneurial financial credit capacity as an independent variable. While, population requirements, business process, dynamics in markets and financial systems, economic environment, society desires and enterprise capital requirements are dependent variables for enterprise credit accessibility. As a final point, the prevailing variables are the policy frame, financial infrastructure, enterprise acknowledgment, business trust and level of market operations. Numerous factors are measured; researcher make focused on credit accessibility aspect for entrepreneurship to thrive, challenges and prospects forward. The researcher tries to study key issues and link enterprise associated to agricultural contribution, seller and distributors from rural areas.

### 3. MATERIALS AND METHODS

This chapter describes the importance of research methodology for this research. There are various types of methodology available to overcome issues by solving the problems and find out the suitable solution for the study. In this research researcher used quantitative methods as a research process and is explained why it is suitable. We can say, a research methodology is the scientific and systematic technique of gathering and evaluating data in order to reach a satisfactory result (Henning, 2004; Flick, 2011).

(Bell et al., 2004) stated that qualitative research is a research strategy that indicates the relationship between theory and research and usually emphasizes on how theories were generated. As a research strategy qualitative research is intuitivist, constructionist, and interpretive, but qualitative researchers always don't subscribe to all three of these methods.

The objective of this research is to investigate the challenges of rural entrepreneurship in selected rural areas of India and Hungary.

In this chapter an overview is provided about the research methodology that was used to analyze the above stated objective. Also, it helps to investigate data of the research gathered, the research method employed in the study, the data collection techniques used and the target population, the sample size and sampling techniques as well as the data analysis method employed and instrument validity process. It finally looks at the procedures and the limitations faced in gathering these evidences.

#### 3.1 Research Methodology

Research methodology is one of the most important tasks during writing a dissertation. It helps to describe the scientific and systematic search for information. According to the concise oxford definition of research as systematic investigation into the study of materials and sources in order to establish facts and reach new conclusions. Similarly, Reynolds et al. (2004) defined research as a systematized effort to gain new knowledge. In conclusion research methodology refers to the process of obtaining logical and systematic information of any studies.

There are numerous types of research methodologies that are being useful to search the information needed for study such as descriptive vs. analytical, applied vs. fundamental, qualitative vs. quantitative, conceptual vs. empirical (Kothari, 2004). As per, suitability researcher chooses quantitative research and applies accordingly. As a result, this study aims to discover the specific factors of rural entrepreneurship and investigate particular challenges as well as opportunities that affect the performance of rural entrepreneurs. Quantitative research methodology will reveal the truth affecting to research problems and present the critical outcomes.

### **3.2 Quantitative research methodology**

This study quantifies challenges of rural entrepreneurship development in India and Hungary. Quantitative research is an adopted research strategy for this dissertation. Quantitative research method is used because it allows the researcher to get the facts and not abstract about the aim of dissertation (Bell, 1986). Quantitative research methods are basically applied to the collection of data that is structured and which could be represented numerically. Generally quantitative data is collected when researcher has adopted the positivist epistemological approach and data is collected that can be scientifically analyzed.

### **3.3 Research design**

This research employed descriptive research design. A research design is a blueprint, which provides descriptive method in which the data of the study should be collected, analyzed and used by determination to find appropriate answers for questions that are posed by the investigator (Flick, 2011). The importance of the research design is highlighted by (Easterly and Lowe, 2002), he argues that research designs are about organizing research activity, including the collection of data, in a way that are most likely to achieve the research aims. As per this study, a quantitative empirical research approach was employed, with the help of structured questionnaires. (Bloomberg and Volpe, 2008) said that a quantitative research approach is applied to describe conditions, investigate relationships, and study cause-effect phenomena. This study is designed more or less in both ways, exploratory and descriptive. Exploratory in the sense that it seeks to aim and investigate how rural entrepreneurs face various problems while doing business in rural area. This is done through the collection of available quantitative data in Nepalese context. Similarly, the analysis and discussion are descriptive in the sense that it describes the general situation of rural entrepreneurship on the basis of available primary and secondary data. In addition, this method can be applied through personal interviews, administering of questionnaires, and personal surveys (Naris, 2009), and is more concerned with analysis of the numerical data (Brynard and Hanekom, 2006; Fox and Bayat, 2007). (Musengu and Agulu, 2010) and (Fatoki and Chindoga, 2011) have successfully used this method in their respective studies, which were relatively similar to this research.

More specifically, in the framework of this research, quantitative empirical research designed is used with the help of self-administered, structured questionnaires. (Zacca, 2015) stated research design as the master plan specifying the methods and procedures for collecting and analyzing the needed information. This is basically a context for the research plan of action. The exhaustive research design should response the complete research questions and support in the accomplishment of the research objectives.

The intensive research design employed here consist of administering structures questionnaires through personnel interviews from entrepreneurs who comes under small and medium size enterprises registered with this District Industries Centre, as well as this research employed small medium entrepreneurship activities for development of rural areas of India, the researcher chose Vidarbha region as a research area while from Hungary researcher chose rural areas of northern Hungary, northern great plain, southern great plain, central Hungary, central transdanubia, western transdanubia, and southern transdanubia.

### **3.3.1 Population**

According to Hungler and Polit (1999) the population as accumulative or totality of all the objects, subjects or members that conform to a set of specifications. Eligibility standards specify the characteristics that people in the population must possess in order to be included in the research (Hungler and Polit 1999). Similarly, Population as a full set of elements that may include individuals, groups, organizations, human products and events from which a sample can be drawn to generalize results for the entire population (Welman and Kruger, 2001). Therefore, a research population is normally a huge collection of individuals or objects that is the core focus of a scientific query. In adopting a case study method in a research, the selection of the research site is the most important (Yong, 1994).

A research population is also known as a well-defined collection of people or subjects known to have similar features. All people or objects within a certain population usually have a common, binding characteristic or traits. First phase of data collection was conducted in India; as we know India is huge country, being the second most populated country around the world, due to the large sizes of population, researcher can't do assessment of each and every individual in the population because it is too expensive and time-consuming. This is one of the most common and important reason why the researcher relies on sampling techniques.

The research population for this study was rural entrepreneurs who are running small and medium size enterprises in Vidarbha region, who were formally registered on District Industries Centre. The population for this study consists of 297 subjects, and all of them virtually share a common set of characteristics.

India, is the second most populated country in the world with nearly a fifth of the world's population. According to the 2017 revision of the World Population Prospects, the population stood at 1.324 billion. (World Population Prospects: The 2017 Revision) the population density in India is 450 per km<sup>2</sup> and the total land area is 2,973,190 km<sup>2</sup>, out of 1.324 billion population 32% of the population living in urban area, while 68% population living in rural area. With reference to above regions geographical region of India is quite huge and practically it is not possible for researcher to conduct research within whole country; thus, researcher chooses Vidarbha region as a research area. Vidarbha is the eastern region of the Indian state of Maharashtra, comprising Nagpur Division and Amravati Division. It occupies 31.6% of total

area and holds 21.3% of total population of Maharashtra. The reasons behind to choose Vidarbha was firstly, most of the SMEs are located in this area, With the objectives of the study in mind, selecting this region afforded the researcher the opportunity to contact those entrepreneurs who are running small medium size enterprises; therefore, have a lot of experiences to share. Secondly, there are not much job opportunities available nowadays due to urbanization. As well as, this region is blessed with various natural resources allowing people to approach towards entrepreneurship for various employment opportunities; thirdly it was easier for the researchers to approach these SMEs operators since the researcher also belongs from the same region. Choosing any other region would mean travelling a long distance just to make contact with the SMEs operators, which would have been very difficult considering the time frame of this thesis. While second phase of data collected from Hungary. Hungary is country With a land area of 93,028 square km, Hungary is a landlocked country in Central Europe. It measures about 250 km from north to south and 524 km from east to west. It has 2,106 km of boundaries, shared with Austria to the west, Serbia, Croatia and Slovenia to the south and southwest, Romania to the southeast, Ukraine to the northeast, and Slovakia to the north. According to 2017 revision population of Hungary is 9.798 million.

### **3.3.2 Sample size**

Webster Dictionary describe that sampling is a finite part of a statistical population, whose properties are studied to expand data about the whole. At the level of individuals, it can be described as a set of respondents (people) selected from a huge population for the purpose of a survey. Sampling is the process of selecting a group of subjects for a study in such a way that the individuals represent the larger group from which they were selected (Onwuegbuzie and Leech, 2005). This representative percentage of a population is called a sample. In research, a sample is defined as particular subset of elements of the population that can scientifically and systematically be selected for the purpose of being studied (Bless et al., 2006). The main purpose of quantitative sampling method is to draw a representative sample from the population, so that the results of reviewing sample can then be complete back to the population (Marshall, 1996). The research is basically comparative study which was conducted in India and Hungary. Data collection was divided into two phases i.e. phase one was India and phases two was in Hungary,

In this research, owing to the time constrain, the whole population could not be studied in India. A random sample of 340 participants from small and medium size enterprises registered with this district industries center where selected (Vidarbha region) India. on simple random sampling basis; but out of that 297 entrepreneur's response was evaluated. In the context of this research, first part of study was conducted in India; therefore, the researcher has some advantage regarding data collection since it is her home country. As already stated, population denotes to the entire group of individuals, events or things of interest that a researcher wants to study. It is practically not possible to comprise the whole population in the research. Out of the entire population a



sample of 297 subjects of rural entrepreneurs are taken into consideration. In context of the population studied the sample included different SME's, income groups and both sexes. According to the Report of MSME, Government of India (2012), there were 11866 small and medium size units registered with the DICs namely: Chandrapur, Gondia, Akola, Wardha, Amravati and Bhandara. These entrepreneurs running their business at Warora, Tiroda, Khamgaon, Warud, Hinghanghat and Lakhani blocks. The reason behind for choosing these entrepreneurs from taluka/block-wise for survey because these blocks are the centres of various business activities.

**Table 5. Distribution of sample entrepreneurs (India)**

Sr.no	Districts/DICs	Block	No. of SME(Registered)	Sample entrepreneurs
1	Chandrapur	Warora	2098	33
2	Gondia	Tiroda	2370	69
3	Akola	Khamgaon	1520	35
4	Wardha	Hinghanghat	1774	43
5	Amravati	Warud	1830	38
6	Bhandara	Lakhani	2274	79
	<b>Total</b>		<b>11866</b>	<b>297</b>

Source: Annual reports of the district industries centers, 2012 and field survey conducted in India

Second phase of research was conducted in Hungary, researcher choose Hungary for research because she is doing study in this country as well as Hungary is one of the developing country amongst central Europe and Small and medium-sized enterprises (SMEs) are the backbone of Hungary's economy as a result, the economic growth depends on the sector's development ability. Since entrepreneurship is the most important source of employment in the country. Geographically Hungary is divided in 7 regions namely northern Hungary, northern great plain, southern great plain, central Hungary, central transdanubia, western transdanubia, and southern transdanubia. researcher collected 182 respondents sample size from rural areas of above mention 7 Hungarian regions. According to the Eurostat (2017), there were 519648 small and medium size units registered in Hungary. A random sample of 233 participants from small and medium size enterprises registered in seven regions of Hungary on simple random sampling basis, but out of that 182 entrepreneur's response was evaluated, distribution of sample of respondents briefly mention in table 7. The researcher believes that 479 respondents sample size from India and Hungary was large enough to represent entire population of this study, the larger the sample, the more the population of the study is represented. It means the larger sample is likely to lower the error of generalizing to the population of the study.

**Table 6. Distribution of small medium size enterprises (Hungary)**

Enterprise size	Number of enterprise		
	Hungary		EU 28
	Number	share	share
Micro	489767	94.10%	92.80%
Small	25750	4.90%	6.00%
Medium	4131	0.80%	1.00%
SME's	519648	99.80%	99.80%
Large	877	0.20%	0.20%
<b>Total</b>	<b>520525</b>	<b>100%</b>	<b>100%</b>

Source: These are estimates for 2017 produced by DIW Econ, based on Figures from the structural business statistics database (Eurostat, 2016)

**Table 7. Distribution of sample entrepreneurs (Hungary)**

Sr. No.	Region	Sample entrepreneurs
1	Northern Hungary	38
2	Northern Great Plain	57
3	Southern Great Plain	27
4	Central Hungary	8
5	Central Transdanubia	23
6	Western Transdanubia	11
7	Southern Transdanubia	18
	<b>Total</b>	<b>182</b>

Source: Field survey conducted in India

The most important advantage of using simple random sampling technique was that the subjects had equal opportunity of being selected, thus reducing bias and the disadvantages of this method of sampling is cost of travelling to meet the participants and in most of the cases the participants do not want to complete the questionnaires, while in the beginning they agreed to participate in the research (Gwija et al., 2014).

### 3.3.3 Construction the questionnaire

The study from literature review gave valuable insight in to those things essential to measure the problems and challenges facing small medium business owners (entrepreneurs) as well as the apparent achievement of small businesses. A comprehensive questionnaire was designed to

evaluate the survey. The questionnaire was based on the related literature on the topic and designed to meet the research objectives. The questionnaire comprised of 8 sections and these sections includes open and close-ended questions and statements with regard to assessing the challenges by and perceived success of the enterprises (Sections A to E), 5-point Likert-type scale was used for collection of data and statements was recorded with different levels of responses such as strongly disagree, disagree, neutral view, agree and strongly agree statements. In this study researcher choose same questionnaire for both countries because with the help of same variables and questions I wants to analyze the results based on challenges, motivation, values, government policies of rural entrepreneurship and analyze situation of rural India and Hungary.

The questionnaire was structured as follows:

- Section 1: General statement of people perception for Entrepreneurship
- Section 2: Challenges of entrepreneurs
- Section 3: Motivation factor/ reasons to be an entrepreneur
- Section 4: Entrepreneurial values
- Section 5: Government policies for rural entrepreneurship
- Section 6: Rural entrepreneurship
- Section 7: Rural development
- Section 8: Business and operational information and demographic profile of respondent

### **3.4 Data collection**

Data are very important evidential proof. Formal data collection is necessary to ensure that data gathered is both defined and accurate and that subsequent decisions based on arguments embodied in the findings are valid (Sapsford and Jupp, 2006). Data collection included both primary and secondary data sources. Primary data was collected by researcher with the menace of distributing the questionnaires to the respondents (rural entrepreneurs) and then researcher requested them to fill up this questionnaire. Sometimes the researcher recorded responses by personnel interviews. Questionnaires were personally circulated by the researcher to respondents. (Fox and Bayat, 2007) defined a questionnaire as a list of questions, which was collected by a researcher on a particular investigation, either written or orally, to attain the appropriate information or answers from respondents (Fox and Bayat, 2007) (Flick, 2011) define that with this tool applicants were generally provided limited options to answer questions that are asked.

This instrument was selected due to its capability to gather objective and unbiased information (Cupido, 2003). Furthermore, the structured questionnaire was adopted as a result of its simplicity and its potential to obtain relevant data from respondents within a short space of time. From Indian data out of a total of 340 questionnaires that were distributed to respondents of the study, according to responses from respondents only 297 questionnaires were evaluated/analyzed

while from Hungarian data out of a total of 233 questionnaires that were distributed to respondents of the study, according to responses from respondents only 182 questionnaires analyzed and remaining responses (Appendix II) being unusable owing to the fact that they were answered inconsistently.

**Table 8. Distribution of sample entrepreneurs India and Hungary**

<b>India</b>		<b>Hungary</b>	
<b>Area</b>	<b>Sample entrepreneurs</b>	<b>Area</b>	<b>Sample entrepreneurs</b>
Chandrapur	33	Northern Hungary	38
Gondia	69	Northern Great Plain	57
Akola	35	Southern Great Plain	27
Wardha	43	Central Hungary	8
Amravati	38	Central Transdanubia	23
Bhandara	79	Western Transdanubia	11
<b>Total</b>	<b>297</b>	Southern Transdanubia	18
		<b>Total</b>	<b>182</b>

Source: Field survey conducted in India and Hungary

In this method of gathering one's own research data gives control over both the structure of the sample and the data gained from each respondent and gives the confidence that the data will match the study objectives (Sapsford and Jupp, 2006). On the other way, secondary data was collected from already published national and international sources in this area of research and another similar area discovered in past through different databases of source knowledge. Thus, both sources of collection were important in this study in order to understand the correlated theories and observe the practical implication in realities.

### **3.4.1. Data Analysis**

After collecting data from respondents, Statistical Package for Social Science (SPSS) Version 20 software by IBM was used to present, analyze and to infer the relationship between the variables. Researcher used some descriptive statistics and one-sample t-test to testing research hypotheses. The one-sample t-test is used when we want to know whether our sample comes from a particular population, but we do not have full population information available to us. For instance, the one-sample t-test is used only for tests of the sample mean. Thus, our hypothesis tests whether the average of our sample suggests that from a population with a known mean or whether it comes from a different population. The one sample t-test, which includes as a special case the paired comparisons t-test, is treated in detail. This test is used so often that the question

of its properties needs to be addressed. Some easy to follow rules are developed to help the researcher decide if his data are suitable for analysis by this test. (Cressie, 1983) and to check the reliability of collected research data from Indian and Hungarian rural area cronbach's alpha test has been applied, also researcher use cronbach's alpha test in her previous researches. Cronbach's alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items. In other words, the reliability of any given measurement refers to the extent to which it is a consistent measure of a concept, and Cronbach's alpha is one way of measuring the strength of that consistency. Cronbach's alpha has been described as 'one of the most important and pervasive statistics in research involving test construction and use' (Cortina, 1993) to the extent that its use in research with multiple-item measurements is considered routine (Schmitt, 1996). Alpha was developed by Lee Cronbach in 1951 (Cronbach, 1951) to give a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1. Internal consistency describe the extent to which all the objects in a test measure the same idea or create and hence it is necessary but not enough situation for measuring homogeneity or unidimensional in a sample of test items.(Cortina, 1993), (Green et al., 1977) basically, the thought of reliability believe that unidimensional exists in a sample of test items and if this statement is desecrated it does cause a major undervalue of reliability (Miller,1995).As well as the data was also analyzed using non-parametric simple percentages and standard deviation. To study the entire population is time and resource intensive and not always feasible; therefore, studies are often done on the sample; and data is summarized using descriptive statistics. These findings are further generalized to the larger, unobserved population using inferential statistics. Statistics plays a vital role in every research. It helps present data precisely and draws the meaningful conclusions. While presenting data, one should be aware of using adequate statistical measures. Standard error of mean quantifies uncertainty in estimate of the mean. (Glantz, 2002) whereas standard deviation indicates dispersion of the data from mean.

This result was based on 297 responses of rural entrepreneurs from India and 182 rural entrepreneur's responses from Hungary, who took part in this study. The result was presented in the form of tables, bar charts in chapter 4 which is result and discussion.

### **3.4.2 Primary data**

The questionnaire was a well-established instrument for social science research, for obtaining information on applicant social characteristics, current and previous behavior, standards of behavior or attitudes and their views and motives for action with respect to the matter under investigation (Bird, 2009). Therefore, questionnaires were used to collect data as a primary source, which are vital and precise to the success of a business. It permits collecting information that is not in magazines, books or internet sources (Brace, 2004). Sapsford and Jupp (2006) defined a questionnaire as a list of questions, which are assembled by a researcher on a specific study, either written or orally, to get the appropriate information or responses from respondents. The information gathered from this tool is characterized in two terms- facts and opinions. It is

important for researcher to understand all points of using questionnaire and have clear vision regarding related facts or opinions. (Denscombe, 2007).

Generally, questionnaires were used when there is huge number of respondents in several locations or in another situation it is also used when researcher wishes uncontroversial and brief answer with the straightforward information.

In this research, a standardized and identical questionnaire was used for all respondents. The main aim of the questionnaire was to find out the challenges and problems faced by rural entrepreneurs. The questionnaire clearly states to every respondent that their contribution to this research was invaluable in terms of information, their contribution is completely voluntarily. The instructions provided in the questionnaire were very simple, clear and briefly written. This researcher has employed both Five-point Likert Scale, open and closed-ended questions.

The structured questionnaire was use in this study since its simplicity and probability to obtain relevant information within a short span of time. In India a total of 340 questionnaires that were distributed to the participants of the study, 297 questionnaires were evaluated and use for this study while sample of 233 participants from small and medium size enterprises registered in seven regions of Hungary on simple random sampling basis; but out of that 182 entrepreneur's response was evaluated.

### **3.4.3 Secondary data**

For helping with the secondary data, the information and other useful information related to the rural entrepreneurship area were collected. Different sources and databases were used for collecting information. Secondary data is only used in retrench only for review of literature and discussion to explain the research in detail only.

Secondary data comprised an inclusive variety of national and international academic sources and employed both qualitative and quantitative data. While gathering and using secondary data, I had also searched research materials like published national international journal articles, books, internet website and materials received from the respondents as they are the reliable source of understanding the concept and gathering required information about the topic.

For this study to determine the challenges facing rural entrepreneurship the study has pursued a comprehensive literature study. The following topics will be researched:

- Rural entrepreneurship
- Role played by entrepreneurs in rural development entrepreneurship
- Factors responsible for the emergence of entrepreneurship
- Critical challenges and constraints of entrepreneurs
- Factor affecting entry to entrepreneurship
- Entrepreneurship and economic development
- Conceptual or theoretical framework

### 3.5 Reliability and validity

Research designates that in the arena of social science, there is no measurement method that is perfect. (Golafshani, 2003), define that validity and reliability are two factors which any researcher should be concerned about while designing a study, evaluating results and judging the quality of the study.

(Miller, 2001) said that validity and reliability are two most important and essential features of measurement. Reliability measures if the method produces the same results

On persistent trials, while validity provides insight that whether study gets correct result in regard to actuality. Also, this pertains to the idea of a good quality research when reliability is a perception to evaluate quality in quantitative study with a purpose of explaining while quality thought in qualitative study has the aim of generating understanding (Stenbacka, 2001). Though creating good quality research through reliability and validity in quantitative research, defines that the trustworthiness of a research lies at the heart of issues predictably deliberated as validity and reliability.

Joppe (2000) states validity determines whether the research truly measures what it was intended to measure or how truthful the research results are. This research was tested with the help of various methods. Generalization is one of the implication techniques for the assessment of the validity and reliability of a study. As per opinion of Golafshani (2003), he states that generalization of results is one of the common processes to test validity and reliability in the research. Likewise, he also claims that quality of research depends on the generalization of the result.

The extent in which one can trust on the source of the data and the data itself is known as reliability. Reliable data is trustworthy, dependable, certain, consistent, realistic, unaffected (Jary and Jary, 1995). The aim of this research was to analyze challenges and opportunities of entrepreneurs from Indian and European rural areas. So, the problem whether the source is reliable, trustworthy or realistic, is not of concern to us. Therefore, the reliability of directed interviews and results are relatively high in the case.

According to Kimberlin and Winterstein (2008) the extent to which an instrument measures what it purports to measure, is validity. Validity requires that an instrument reliable, but an instrument can be reliable without being valid. In other words, validity measures what the researcher wishes to investigate. Information invalid because the questions that were asked to entrepreneurs were directly related to the research topic. Since entrepreneurs themselves were interviewed and covered the area of interest, and as all questions were connected only to the topic, the validity of the data was fulfilled.

In this research, numerous articles have been used as a reference. The information contained in those articles increased my knowledge regarding the subject and confirms that the results were valid and reliable. The research questions and tools used in data collection were confirmed to determine the reliability and validity. As a result, the instrument was valid for conducting the survey.

#### 4. RESULTS AND DISCUSSION

The main purpose of this research is to examine problems and challenges face by rural entrepreneurs which prevent their entrepreneurial development, as well as to find out particular factors which demotivates the rural peoples to pursue their career as entrepreneur in rural areas of India and Hungary

The objective of this chapter is to discuss and present the research's findings. Moreover, result and discussion would help the researcher to draw conclusion about rural entrepreneurship in India and Hungary.

**Table 9. Reliability statistical analysis for Indian and Hungarian data**

Sr. No	Question No.	Cronbach's alpha for India	Cronbach's alpha for Hungary
1	04 to 13	0.721	0.716
2	14 to 29	0.718	0.756
3	30 to 40	0.731	0.717
4	41 to 46	0.721	0.78
5	47 to 56	0.728	0.713
6	57 to 66	0.74	0.771
7	67 to 76	0.76	0.823
<b>Mean</b>	<b>4 to 76</b>	<b>0.731</b>	<b>0.753</b>

Source: Field survey conducted in India and Hungary

According to table 9 to check the reliability of collected research data from Indian and Hungarian rural area Cronbach's alpha test has been applied, the results of the study emphasized that the alpha coefficient for the seven items is 0.731 and 0.753 for Indian and Hungarian data respectively, suggesting that the items have relatively high internal consistency. (Note that a reliability coefficient of .70 or higher is considered acceptable in most social and business and management science research situations.)

##### 4.1 Indian data analysis

In this research first part of study was conducted in India, owing to the time constrain, A random sample of 297 participants from small and medium size enterprises registered with this district industries center where selected (Vidarbha region) India were analyzed. In this part of study researcher describe criteria of sample analysis which includes general factors of entrepreneurs such as age, gender, and education family background, source of startup capital, business duration of enterprise, domain of business, and type of enterprise etc. And descriptive statistics analysis based on general opinion about rural entrepreneurship, challenges and problems faced by rural entrepreneurs, motivation factor behind to choose entrepreneurial carrier, entrepreneurial values, government Policies, to rural entrepreneurship, to rural development.



**Table 10. Criteria of sample analysis (India)**

SR. NO.	PARTICULARS/ VARIABLES	NO OF RESPONDENTS	PERCENTAGE
1	<b>GENDER</b>		
	Male	219	73.7
	Female	78	26.3
2	<b>AGE</b>		
	18-25	56	18.9
	26-30	137	46.1
	31-45	80	26.9
	More than 45	24	8.1
3	<b>EDUCATION</b>		
	Secondary	94	31.64
	Diploma	62	21
	Bachelor's degree	104	35.01
	Master's degree	37	12.45
4	<b>MARITAL STATUS</b>		
	Married	183	61.6
	Unmarried	114	38.4
5	<b>SIZE OF ENTERPRISE</b>		
	Micro	17	5.7
	Small	182	61.3
	Medium	98	33
6	<b>BUSINESS DOMAIN</b>		
	Agriculture	122	41.1
	Manufacturing	40	13.5
	Service	112	37.7
	Handicraft	23	7.7

Source: Field survey conducted in India

1. **Gender:** The implication of this result is that majority of the respondents i.e. 219 (73.7%) are males while females constitute only 78 respondents (26.3%) This result that majority of those who engaged in entrepreneurial activities are males it shows women dominating Indian culture. These results similar to previous research (Bushell, 2008) who shows that socio cultural constraints are likely to negatively affect the participation of woman in entrepreneurial ventures.
2. **Age:** From the research it has been disclosed that maximum respondents that is 137 (37%) from 26-30 year age group while 56 (18.9%) respondents belong to 18-25 years, as well 80 (26.9%) and 24 (8.1%) respondents from 31-45 year and more than 45 year age

group respectively ,The result implies that most of the respondents are in their active and productive in 26- 30 age.

According to the International Labor Organization (ILO) the minimum age for admission to employment or work to a level consistent with the fullest physical and mental development of young person's as well those dealing with night work and hazardous work set 18 years as the minimum age for admission to employment, this is the reason that in India individual can initiate employment / business from the age of 18 years.

3. **Education:** As far as educational level of the respondents is concerned, 94 (31.64%) of the entrepreneur's respondents had got secondary education, 62 respondents (21%) had National Diploma while 104 respondents (35.01%) are bachelor's degree holder and only 37 respondents (12.35%) were post graduate. The implication is that majority of the entrepreneurs are Secondary School Certificates holder. As per Lowergren (2006), suggested that at high school level, entrepreneurship study / basics should be introduced in all Fields of the study, because all students may require such entrepreneurial competencies.
4. **Marital status:** The results described the marital status of the entrepreneurs. 183 people (61.6%) were married and 114 people (38.4%) were unmarried.
5. **Size of enterprise:** From the results of the size of enterprise was studied; the enterprises were grouped into three categories micro, small and medium size. 17 people (5.7%) were owning micro sized enterprises, majority of them were in the small sized category 182 people (61.3%) and the remaining 98 people (33%) were having medium sized enterprise. In India the Classification of Micro, Small and Medium Enterprises (MSMEs) categorized into majorly in 3 types micro enterprises, small enterprise and medium enterprise (MSME Development Act 2006) for the establishment of micro enterprise specifically in manufacturing sector requires 2.5 million for investment and it should exceed more than 2.5 million. While in service sector investment for setting of micro enterprises should not be more than 1.0 million, In the case of formation of small enterprise in manufacturing sector the investment in initial fix asset including plant and machinery which excludes land and machinery should be more than 2.5 million and investment should not exceed more than 50 million on the other hand for service sector investment in equipment is more than 1.0 million but it should not be exceed than 20 million. For starting up a new medium enterprise in manufacturing secto required investment must be more than 50 million but it should not be extending more than 100 million while for the establishment of medium size service industry startup capital must be more than 20 million but does not exceed than 50 million.
6. **Business domain:** Business domains of the entrepreneurs were documented in study, there were 4 major domains agriculture, manufacturing, service and handicraft. Majority of them were in agriculture sector 122 (41.1%), followed by service 112 (37.7%), manufacturing 40 people (13.5%) and handicrafts 23 people (7.7%).

**Table 11. Criteria of sample analysis (India)**

<b>SR. NO.</b>	<b>PARTICULARS/ VARIABLES</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
1	<b>TYPE OF BUSINESS OWNERSHIP</b>		
	Sole	218	73.4
	Partnership	55	18.5
	Co-operative Society	11	3.7
	Limited	13	4.4
2	<b>START-UP CAPITAL</b>		
	Own fund	49	16.5
	Finance from family	23	7.7
	Loan from commercial bank	114	38.4
	Loan from financial institutions	57	19.2
	Both own fund and finance from family	54	18.2
3	<b>AREA</b>		
	Same city where your business belongs	208	70
	Hometown	27	9.1
	Nearby Urban area	62	20.9
	Less than 1 year	80	26.9
4	<b>DURATION OF BUSINESS</b>		
	Less than 1 year	80	26.9
	1-3 years	92	31
	4-6 years	58	19.5
	More than 6 years	67	22.6
5	<b>FAMILY PERCEPTION</b>		
	Supportive	219	73.7
	Not supportive	78	26.3
6	<b>FAMILY MEMBERS</b>		
	2 Members	47	15.8
	3-4 Members	93	31.3
	5-6 Members	83	27.9
	more than 6 Members	74	24.9
7	<b>ANNUAL INCOME</b>		
	Less than 1 Lac	193	65
	1 Lac to 3 Lac	88	29.6
	3 Lac to 6 Lac	12	4
	6 Lac to 10 Lac	4	1.3

Source: Field survey conducted in India

**\*Note- 100000 Lac Rs= 1250.60 Euro**

1. **Business ownership:** The entrepreneur's belonged to different form of business enterprises. Most of them were having sole ownership of the business enterprise 218 people (73.4%), with 55 people in partnership (18.5%), 13 had private limited enterprise (4.4%) and 11 people (3.7%) were in co-operative society.  
From this it can be said that entrepreneurs in Maharashtra state are wanted to conduct their business by their own harmony. That is sole proprietorship is operated and managed by the owner.
2. **Source of start-up capital:** For the working of an enterprise, adequate investment is an essential factor According to Charantimath (2012), before initiating a business unit, it is important that an entrepreneur estimate its financial condition. He/she should scientifically estimate the fixed investment and working capital requirements. Figure 19. 114 respondents (38.4%) took bank loan, followed by 57 people (19.2%) who took support from financial institutions, 54 people (18.2%), who had own i.e. self support and family back up, 23 people (7.7%) who just had family support and last but not least 49 people (16.5%) were self-supported.
3. **Living areas:** Most of the people questioned, most were living in the same city 208 people (70%), followed by 62 people (20.9%) living in the nearby urban area and 27 people (9.1%) in the hometown.
4. **Duration of business operation:** From the analysis of the results it has been found that most of the people who owned their own business were categorized into different categories based upon the time they had been running their business. The 297 people surveyed were split up into 4 time periods respectively; based upon the duration of business 80 respondents (26.9%) were running their business from less than 1 year while 92 people (31%) were in this business from almost 1-3 years likewise 58 people (19.5%) from 4-6 years and 67 people (22.6%) peoples in this business from more than 4 years.
5. **Family perception:** To understand, the effect of family perception on growth of rural entrepreneurship, 297 respondents were questioned, in which 235 people hold the notion there is effect of family perception and their support on business growth (79.1%) and 62 (20.9%) people do not support with this statement.
6. **Family member:** Results described details regarding the family member of the respondents. 297 people interviewed, 47 people (15.8%) have responsibility of only 2 members in home, 93 people (31.4%) were consisting of family with 3-4 members, 83 people (27.9%) had a relatively big family size of 5 -6 members and 74 people (24.9%) had a large family size of more than 6 members in family.
7. **Annual income level:** The data regarding annual income of the entrepreneurs indicated that 193 (65%) respondents had annual income up to less than 1 Lac, 88 (29.6%) of the entrepreneurs had annual income between. 1 Lac to 3 Lac, whereas 12 (4%) and 1(1.3)

entrepreneur reported their annual income 3 Lac to 6 Lac and 6 Lac to 10 Lac respectively. (\*Note- 100000 Lac Rs= 1250.60 Euro)

#### **4.2 Data presentation based on perception about rural entrepreneurship in India**

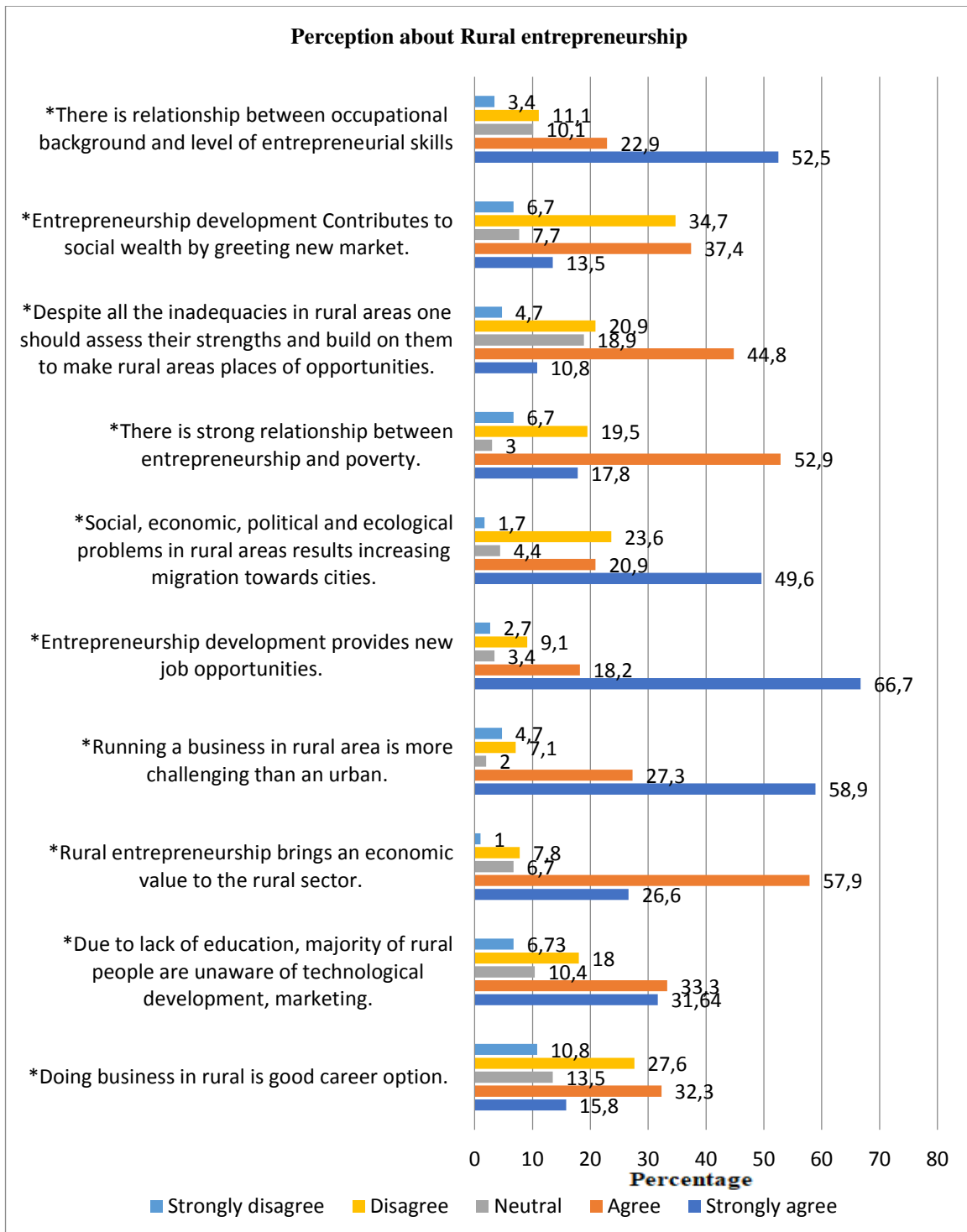
The main purpose of questions question 4 in Section of the questionnaire statement on perception about rural entrepreneurship (refer to appendix II ) was to indicate the extent to which the independent variable. The average or the mean ( $\bar{x}$ ) and the standard deviation ( $s$ ) (variation around the mean) of each of the 10 items that measures the business and operational challenges are indicated in Table 4.2 below and Figure 23. As per were requested to indicate their individual responses on selected independent (perception about rural entrepreneurship) and depended variables.

The following table and Figure shows general opinion about rural entrepreneurship in Indian rural area what exactly the perception of peoples to start their ventures specifically in rural area. The responses to a given statement are ranked in 5 choices. The first choice 5 –Strongly agree, 4 –agree, 3 –undecided/neutral, 2 –disagree and 1 strongly disagree.

**Table 12. General perception about rural entrepreneurship in India**

Sr. No	Statement Perception about rural entrepreneurship	Mean	Standard Deviation
1	Doing business in rural is good career option.	3.14	1.28
2	Due to lack of education, majority of rural people are unaware of technological development, marketing.	3.25	1.38
3	Rural entrepreneurship brings an economic value to the rural sector.	4.01	0.85
4	Running a business in rural area is more challenging than an urban.	4.28	1.11
5	Entrepreneurship development provides new job opportunities.	4.37	1.08
6	Social, economic, political and ecological problems in rural areas results increasing migration towards cities.	3.26	1.27
7	There is strong relationship between entrepreneurship and poverty.	3.55	1.18
8	Despite all the inadequacies in rural areas one should assess their strengths and build on them to make rural areas places of opportunities.	3.36	1.07
9	Entrepreneurship development Contributes to social wealth by greeting new market.	3.16	1.22
10	There is a relationship between Occupational background and level of entrepreneurial skills of entrepreneurs.	4.1	1.16

Source: Field survey conducted in India



**Figure 10. Perception about rural entrepreneurship in India**

Source: Field survey conducted in India

1. **Good career option:** Entrepreneurs create their career since they work outside the limitations of a company who employ them, completely balancing the three components of this model authenticity, stability and challenge. According to Politis (2008) entrepreneurs' career experiences can consist in previous start-up experience, previous management experience, and previous industry-specific experience. These experiences by their turn produce effects at the entrepreneurial learning level, specifically for opportunity identification. indeed, entrepreneurship as a career option has also been explain in the literature as self-employment (Kenney and Mujtaba, 2007). Regarding rural areas, entrepreneurs believe doing business in rural is a good career option 47 (15.8%) strongly agreed, 96 (32.3%) agreed, 40 people (13.5%) took a neutral strand, 82 people (27.6%) who disagreed and 32 people (10.8%) who strongly disagreed with mean value of 3.14 and standard deviation value 1.28
2. **Lack of education:** Another factor restricting rural development, which is believed by many entrepreneurs, is education. Due to lack of education, majority of rural people are unaware of technological development, marketing 94 people (31.64%) strongly agreed, 99 (33.3%) agreed, 31 neutral (10.43%) ,53 disagreed (17.84%) and 20 strongly disagreed (6.73%) with mean 3.25 and standard deviation 1.38. Rural literature about education and technologies has a strong agricultural, rather than community, focus. Grace and Sen (2013), research considers the part that increased technology plays in the role of public libraries to contribute to community resilience, though not specifically in rural contexts.
3. **Brings an economic value:** Entrepreneurs bolster the statement that rural entrepreneurship brings economic value to the rural areas 79 (26.6%) strongly agreed, 172 agreed (57.9%), 20 who were neutral (6.7%), 23 disagreed (7.8%) and 3 people (1%) strongly disagreed with mean 4.01 and standard deviation value 0.85.
4. **Running a business in rural area is more challenging:** Responses recorded from respondents, they hold the notion that running a business in rural is more challenging than urban, about 175 people (58.9%) strongly agreed, 81 (27.3%) agreed, 6 being neutral (2%), 21 disagreed (7.1%) and 14 people (4.7%) strongly disagreed with mean 4.28 and 1.11.
5. **Provides new job opportunities:** In general, maximum number of peoples believed entrepreneurship development as the key to provide new job opportunities, about 198 people (66.7%) strongly agreed to it, with 54 people (18.2%) just agreed, 10 (3.4%) took a neutral stand, 27 (9.1%) disagreed and another 8 people strongly disagreed about 2.7% with mean 4.37 and standard deviation 1.08. According to Jaryand Jary (1995) analyze the relationship between essential entrepreneurship and the economic circumstances of a country; when it is better, job opportunities increase and, therefore, the necessitate to open new businesses is reduced; other than the situation is pretty the opposite for opportunity entrepreneurship. Similarly, McMullen et al. (2008) explain classification



about certain institution persuade one of the two types of entrepreneurship, but not the other.

6. **Social, economic, political and ecological problems resulted into migration:** Due to Social, economic, political and ecological problems in rural areas results increasing migration towards cities is consoled by 147 people who strongly agreed (49.5%) ,62 agreed (20.9%), 13 neutral people (4.4%), 70 who disagreed (23.6%) and 5 who strongly disagreed (1.7%) with mean 3.92 and standard deviation 1.27.
7. **Relationship between entrepreneurship and poverty:** (United Nations Report, 1998 and 2000) As the world's economies become more interdependent, solving a problem as big and as difficult as poverty demands international alliances. According to the International Fund for Agricultural Development (IFAD), the Millennium Development Goals set forth by the United Nations are a guiding light for international cooperation for development, in particular the target to halve the proportion of hungry and extremely poor people by 2015. Entrepreneurship is the key to mitigate poverty, hence the statement there is relationship between entrepreneurship and poverty is encouraged by 53 (17.8%) who strongly agreed, 157 (52.9%) who agreed, 9 undecided (3%), 58 (19.6%) who disagreed and 20 people (6.7%) who strongly disagreed with mean value 3.55 and standard deviation 1.18.
8. **Assess the strengths and build on them to make rural areas places of opportunities:** It is recommended that despite all the inadequacies in rural areas one should assess their strengths and build on them to make rural areas places of opportunities. This view is reassured by 32 people (10.8%) strongly agreed, 133 people (44.8%) agreed, 56 people (18.9%) neutral, 62 people (20.9%) disagreed and 14 people (4.7%) who strongly disagreed with Mean value 3.36 and standard deviation 1.07.
9. **Contributes to social wealth:** This view was supported by the statement that entrepreneurship development contributes to social wealth by greeting new market by about 40 people (11.5%) who strongly agreed, 111 agreed (37.4%), 23 having undecided (7.7%), 103 people disagreed (34.7%) and 20 strongly disagreed (6.7%) with mean 3.16 and standard deviation 1.22.
10. **Relationship between Occupational background and level of entrepreneurial skills:** Other than entrepreneurs hold the view that there is a relationship between occupational background and level of entrepreneurial skills of entrepreneurs, with 156 people (52.5%) who strongly agreed, 68 who agreed (22.9%), 30 being neutral (10.1%), 33 who disagreed with the statement (11.1%) and 10 who strongly disagreed (3.4%) with mean value of 4.10 and standard deviation 1.16.

Table 12 and Figure 10 were indicated that respondents who's participated in this study their perception was entrepreneurship development provides new job opportunities ( $x=4.37$ ) as the most significant opinion about rural entrepreneurship and rated highest. Other were also rated high, i.e. Running a business in rural area is more challenging than an urban. ( $x= 4.28$ ). Furthermore, according to the respondents who participated in this study, rural communities are

faced with other business and operational opinion including Doing business in rural is good career option ( $x = 3.14$ ) were rated lowest.

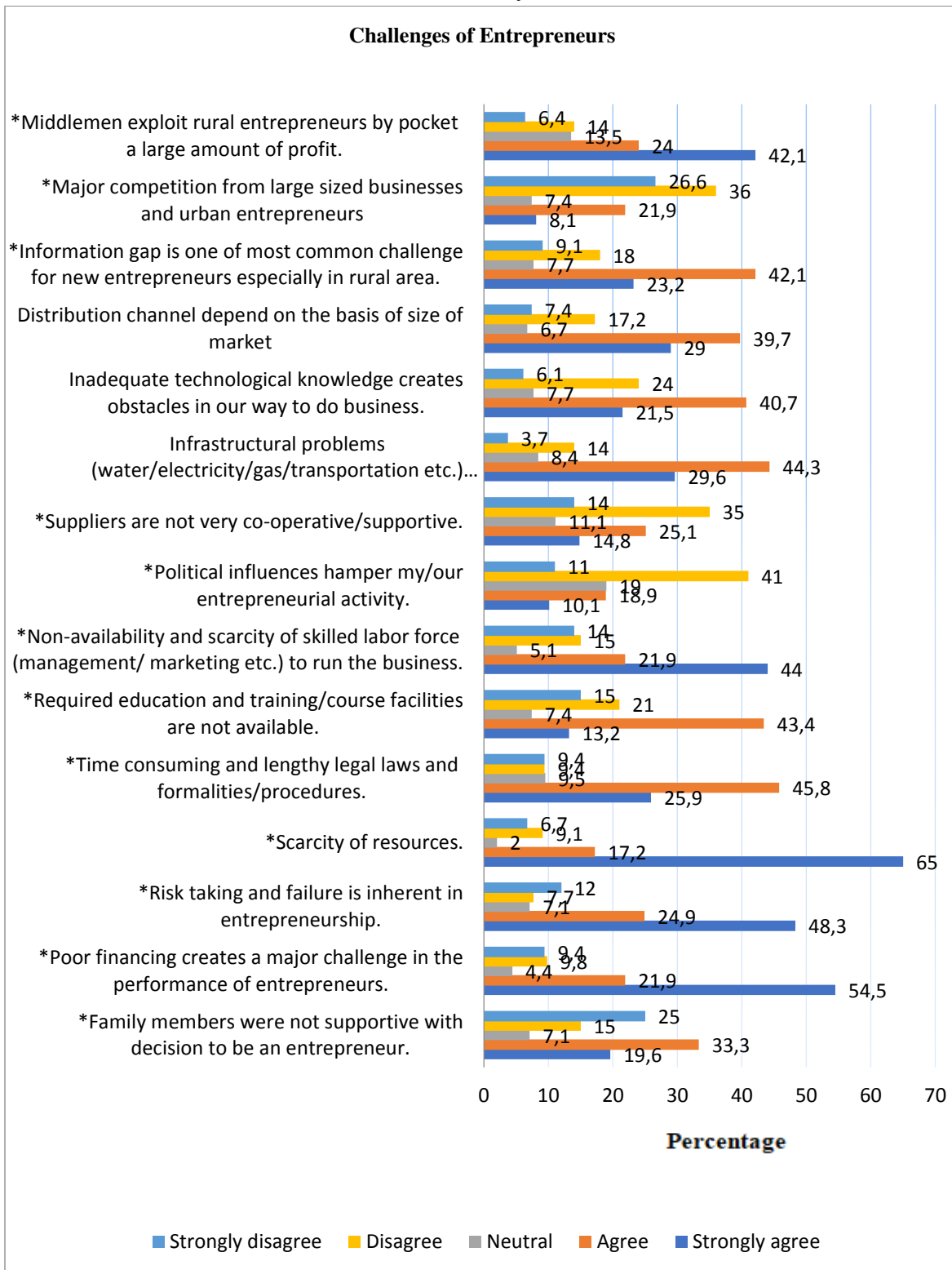
#### 4.3 Data presentation based on challenges and problems faced by rural entrepreneurs in India

The following table and Figure focus on challenges and problems faced by rural entrepreneurs in India. while establishing new venture specifically in rural area. The purpose of questions 5 in Section challenges and problems faced by rural entrepreneurs of the questionnaire (refer to Appendix II) was to measure the dependent variable.

**Table 13. Challenges and problems faced by rural entrepreneurs in India**

Sr. No	Statement	Mean	Standard deviation
	Challenges of Entrepreneurs		
1	Family members were not supportive with decision to be an entrepreneur.	3.06	1.5
2	Poor financing creates a major challenge in the performance of entrepreneurs.	4.02	1.35
3	Risk taking, and failure is inherent in entrepreneurship.	3.9	1.38
4	Scarcity of resources and Procurement of raw materials	4.24	1.25
5	Time consuming and lengthy legal laws and formalities/procedures.	3.69	1.22
6	Required education and training/course facilities are not available.	3.21	1.31
7	Non-availability and scarcity of skilled labor force (management/ marketing etc.) to run the business.	3.69	1.49
8	Political influences hamper my/our entrepreneurial activity.	2.76	1.17
9	Suppliers are not very co-operative/supportive.	2.92	1.32
10	Infrastructural problems (water/electricity/gas/transportation etc.) creates difficulties to run the business	3.96	2.63
11	Inadequate technological knowledge creates obstacles in our way to do business.	3.47	1.23
12	Distribution channel depend on the basis of size of market	3.65	1.26
13	Information gap is one of most common challenge for new entrepreneurs especially in rural area.	3.52	1.27
14	Major competition from large sized businesses and urban entrepreneurs	2.49	1.3
15	Middlemen exploit rural entrepreneurs by pocket a large amount of profit.	3.81	1.28

Source: Field survey conducted in India



**Figure 11. Challenges and problems faced by rural entrepreneurs in India**

Source: Field survey conducted in India

1. **Family members were not supportive:** Management of enterprise can infrequently be hampering to ample the social concern. That can raise appalling language from family and this play a role of negative to inspiration. The initial consensus and frequent assistant is very much critical to endure the business successfully. In response to the declaration family members were not agreeing with my decision to be an entrepreneur with the opinion with this challenge faced by 57 people (19%) who strongly agreed, 99 (33%) who agreed, 21 who were neutral (7.1%), 45 (15.2%) who disagreed and 75 (25.3%) who strongly disagreed by mean value of 3.06 and standard deviation 1.50 .Those Individuals whose, parents have or running their own business ventures may influence entrepreneurial attitudes for them who live together in the same environment (Nieman and Nieuwenhuizen, 2009).
2. **Poor financing or Paucity of funds:** The findings of this study demonstrate that poor financing creates a major challenge in the performance of entrepreneurs 162 people (54.5%) strongly agreed, 65 agreed (21.9%), 13 neutral (4.4%), 29 disagreed (9.8%) and 28 strongly disagreed (9.4%). with mean value of 4.02 and standard deviation value 1.35. Maximum numbers of the rural entrepreneurs usually fail to get external funds because of absence of tangible security and credit in the market. The process for getting loan facility is too time-consuming. Availability of finance to rural entrepreneurs is one of the biggest problem which rural entrepreneur is bearing now days especially due to global recession in addition, various previous studies about rural entrepreneurs has shown that more than 50 percent of their problems relate to the insufficiency of start-up capital (UNDP 1988).
3. **Risk element:** Rural entrepreneurs have very less risk-taking capacity because of lack of availability of financial re Source's and external support. The outcome of this study with the challenge i.e. risk taking, and failure is inherent in entrepreneurship backed –up by respondents with recorded findings likewise 144 strongly agreed (48.3%), 74 agreed (24.9%), 21 neutral (7.1%), 23 disagreed (7.7%) and 35 strongly disagreed (11.8%) with mean 3.90 and standard deviation 1.38.
4. **Scarcity of resources and procurement of raw materials:** To make availability resources and procurement of raw materials is really a difficult task for rural entrepreneur. They may transpire with poor quality raw materials, may also face the problem of storage and warehousing responses recorded responses states that, 193 strongly agreed (65%), agreed 51 (17.2%), 6 who were neutral (2%), 27 agreed (9.1%) and 20 who strongly disagreed (6.7%) with mean and standard deviation value 4.24 and 1.25 respectively. Respondents showed their worry over high cost of business resources like machines and tools, new technology, skilled human re Source: and raw material. Access to reliable electricity is very important during running businesses.
5. **Time consuming legal formalities:** There are a lot of formal law and procedures due to because of that it is difficult to get by business license very easily as well as all these legal formalities are time consuming and lengthy which create problems while starting

new business from these study it has been observed that 77 people (25.9%) strongly agreed, 136(45.8%) agreed, 28 neutral (9.4%), 28 (9.5%) disagreed and 28 (9.4%) strongly disagreed by this statement with mean 3.69 and standard deviation 1.22. In this research the majority of the participates were face problems concerning this lengthy procedure, ambiguity in business registration process, and high cost contribution in business registration procedure because of involvement of agents, who claim to facilitate the registration process for aspirant entrepreneurs.

6. **Non-availability and scarcity of skilled labor force:** Maximum number of the entrepreneurs from rural areas not able to get labors with high skills. Turnover rates are also high in this case. They must give them on the job training and their training is generally a serious problem for entrepreneur as they are mostly uneducated, and they have to be taught in local language which they understand easily. The industries in rural areas are not only established just to take advantage of cheap labor but also to bring about an integrated rural development. So rural entrepreneurs should not look at rural area as their market, they should also see the challenges existing in urban areas and be prepared for them. From the results it has been found that 133 (44%) respondents strongly agreed, 65 (21.9%) agreed, 15 neutral (5.1%), 43 (14.5%) disagreed, 41 strongly disagreed (13.8%)with mean value of 3.69 and standard deviation 1.49.
7. **Non-availability required education and training:** Non-availability of education limit right of entry to opportunities, restricts their ability to discuss the bureaucracies of finance and government, and frequently prevent them from efficiently expression their opinion (Bushell, 2008). A human being who, obtain entrepreneurship education and training from the environment s/he is brought up, thus, cooperate a very important role in influence his attitude towards setting up entrepreneurial ventures (Pillania et al., 2009). The results of this statement states that 41 (13.8%) respondents strongly agreed, 129 (43.4%) agreed,22 (7.4%) neutral, 62 (20.9%) disagreed and 43 (14.5%)who strongly disagreed with mean 3.21 and standard deviation value 1.31.
8. **Political influences:** The constancy of a country's environment is much encouraging to enhance the entrepreneurial career. Politics is a superior part of the environment. Various types of political effort can hamper the way of entrepreneurship. (Khanka, 2009) pointed that we also consider security to be an important factor for entrepreneurship development. This is practical too since if peoples are afraid of losing their economic assets or of being subjected to different negative sanctions, they will not be liable to enhance their insecurity by behaving entrepreneurially. In response to the statement Political influences hamper my/our entrepreneurial activity 30 (10.1%) respondents strongly agreed,56 (18.9%) agreed, 58 (19%)undecided, 121 (40.7%) disagreed and 32 (10.8%) strongly disagreed. Mean value 2.76 also indicate it as a problem regarding entrepreneurial growth. Here, the Standard Deviation is 1.17.
9. **Inadequate infrastructural facilities:** Inadequate infrastructural facilities can extremely hinder the business. Sometimes the incorrect choice of location, lack of water supply,

irregular supply of electricity and gas, transport bottleneck can make the chaotic situation. Infrastructural problems (water, electricity, gas, transportation, etc.) are very difficult to run the business. This statement contains mean value 3.96 and Standard Deviation 2.63 shown it as a challenge. Here in the result, respondents 88 (29.6%) strongly agreed, 131 (44.1) agreed, 25 neutral (8.4%), 41 (13.8%) disagreed and 11 (3.7%) strongly disagreed.

10. **Distribution channel:** The distribution channel depends on the market size with 86 (29%) strongly agreed, 118 (39.7%) agreed, 20 neutral (6.7%) ,51 (17.2%) disagreed and 22 (7.4 %)(strongly disagreed with mean value 3.65 and standard deviation 1.26.
11. **Non-cooperative suppliers:** Various entrepreneurs likely to manage business enterprise only between clients they know. Products are sold to their friends and relatives and suppliers tend to be a people they know through family, friends or other close connections. Lack of knowledge on strategic marketing has become an issue. Sometimes suppliers are not at all cooperative by menace of supply of raw materials and sometimes finish products. While running business if suppliers are not cooperating properly it leads to major problem while running a business, there are 44 respondents (14.8%) strongly agreed, 75 people (25.3%) who agreed, 33 people neutral (11.1%). 104 people (35%)who disagreed and 41 (13.8%) who strongly disagreed with mean value 2.92 and standard deviation 1.32 with this statement.
12. **Inadequate technological knowledge:** Rural entrepreneurs suffer a major problem of lack of technical knowledge which crate a problem for the growth of rural entrepreneurship, about 64 people (21.5%) strongly agreed, 121 (40.7%) agreed, 23 (7.7%) neutral, 71 (23.9%) disagreed and 18 (6.1%) who strongly disagreed with mean 3.47, with standard deviation 1. 23.

In the developed countries, technological knowledge has become one of the major input and output factor of economic act development. Besides, new technologies are smoothening the progress of globalization of economies and societies. In such a context, technological learning (Carayannis, 1993, 1994, 2001, 2003) and knowledge have become crucial factors of economic, social and particularly entrepreneurial development, which empower people and entrepreneurs throughout the world in taking benefit of opportunities and chances unidentified and unknown until in recent times.

13. **Information gap:** Information and technology plays very crucial role in development process, in this logic there is a few concerns that information is still not alleged as being as essential as other resources. (Camara, 1990), mention that planners, developers and governments do not yet acknowledge the role of information as a basic resource:, or are unaware of its potential value .Total 69 people (23.2%) who strongly agreed, 125 people (42.1%) who agreed, 23 neutral (7.7%), 53 people (17.8%) who disagreed and 27 people (9.1%) who strongly disagreed with mean 3.52 and standard deviation value 1.27, have opinion that lack of information, about available business support structure plus services and amenities these are another barrier for rural entrepreneurs in Indian rural area while

setting up their new business. Due to lack of government support structure to rural entrepreneurship growth, receiving way in to business related information is extremely tough for new entrepreneurs. The support structure of the government which has been formed to help establishes and development of business should be broadly reachable and well knowledgeable to the rural entrepreneurs.

14. **Competition:** Rural entrepreneurs face major competition from large sized businesses and urban entrepreneurs. They acquire high cost of production due to high input cost. Competition from large scale industries also creates problem for the survival of new ventures. New business has limited financial resources and therefore they cannot afford to spend more on sales promotion. The network ability of small businesses is related to its positive conception of knowledge, and the capability of a firm to innovate and encourage competition assertively provide as factors that mediate between performance and knowledge creation (Zacca at el., 2015). From this research results stated that only 24 entrepreneurs (8.1%) strongly agreed was Major competition from large sized businesses and urban entrepreneurs. 65 (21.9%) agreed, 22 neutral (7.4%), 108 people (36.4%) disagreed and 78 (26.6%) strongly disagreed with mean 2.49 and standard deviation value 1.30 by statement one of the challenges for rural entrepreneurs is major competition from large sized businesses and urban entrepreneurs.
15. **Middlemen:** Exploitation by middlemen is another major limitation factor, Middlemen exploit rural entrepreneurs by pocket a large amount of profit from results 125 (42.1%) respondents strongly agreed, 72 agreed (24%), 40 neutral (13.5%), 41 (13.8%) disagreed and 19 strongly disagreed (6.4%) that Middlemen exploit rural entrepreneurs with mean 3.81 and standard deviation value 1.28. The rural entrepreneurs are so much dependent on middlemen for marketing of their products who pocket large amount of profit.

Data in table number 13 and Figure 11 shows scarcity of re Sources and Procurement of raw materials rated higher ( $x = 4.24$ ), while Major competition from large sized businesses and urban entrepreneurs ( $x = 2.49$ ) rated lower in Challenges and problems faced by rural entrepreneurs.

#### 4.4 Data presentation based on motivation factor/ reasons behind to choose entrepreneurial carrier in India

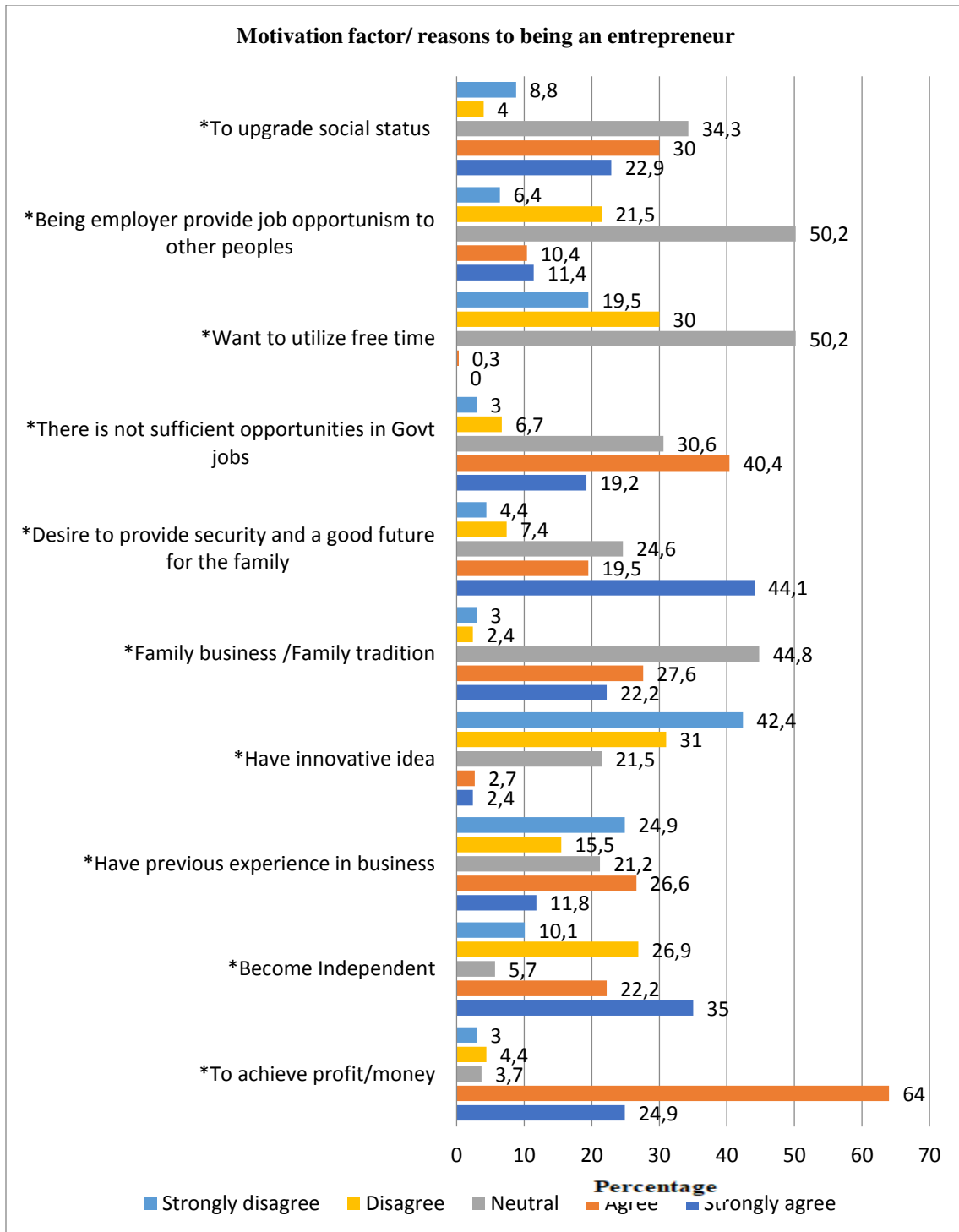
The following table 14 and Figure 12 highlights various factors that inspired participants of this study to start their own business.

**Table 14. Motivation factor/ reasons behind to choose entrepreneurial carrier in India**

Sr. No.	Statement	Mean	Standard deviation
	Motivation factor/ Reasons to be an Entrepreneur		
1	To achieve profit/money	4.42	0.69
2	Become Independent	4.53	0.56
3	Have previous experience in business	3.96	0.62
4	Have innovative idea	4.1	0.63
5	Family business /Family tradition	3.99	0.98
6	Desire to provide security and a good future for the family	4.43	0.68
7	There is not sufficient opportunities in Govt jobs	3.48	0.93
8	Want to utilize free time	3.25	1.1
9	Being employer provide job opportunism to other peoples	3.86	0.84
10	To upgrade social status	3.36	0.92

Source: Field survey conducted in India





**Figure 12. Motivation factor or reasons behind to choose entrepreneurial carrier in India**  
 Source: Field survey conducted in India

1. **To achieve profit:** To measure entrepreneurial motivation. As for the attitude towards the work they perform at the time of the research, the potential entrepreneurs consider that, although it is attractive and appreciated by the other citizens; it fails to secure them the long-expected income. The reasons which determine potential entrepreneurs to start a business are as diverse as the activities in which they choose to be involved. The results show the main entrepreneurial motivations as resulted from the research were performed 74% respondents (24.9%), 190 (64%) agreed, 11 (3.7%) neutral, 13 (4.4%) disagreed and 9 (3%) strongly disagreed with mean value of 4.03 and standard deviation 0.85. The result shows that the most consistent group of respondents have perception that entrepreneurship as a Source: of higher income.
2. **Become Independent:** Independence need for taking the responsibility to utilize own decisions than blindly following the statement of others (Shane, 2000). Various researchers have experience that the entrepreneurial role requires independence. First of all, the entrepreneur accepts the accountability self for following an opportunity, and secondly, individuals may follow entrepreneurial career since they desire independence. 104 (35%) respondents who strongly agreed, 66 (22.2%) agreed, 17 (5.7%) neutral, 80 (26.9%) disagreed and 30 (10.1%) who strongly disagreed they were attracted by the idea of being independent with mean value of 3.45 and standard deviation 0.85.
3. **Previous business experience:** The knowledge and experience from previous job/business, as well as disappointing working situation had influence individuals to begin new career by creation of entrepreneurial venture. From the prior experience, respondents come in touch with business networking such as suppliers and customers, gains knowledge concerning marketing the products, and understands the helpful information about banking, credit and loans. From this study 35 respondents were strongly agreed (11.8%), 79 (26.6%) agreed, 63 (21.2 5) neutral, 46 (15.5%) disagreed and 74 (24.9%) strongly disagreeing that previous work experience behind their entrepreneurial motivation with mean value of 2.84 and standard deviation 1.36.
4. **Have innovative idea:** Entrepreneurship is the practice where an entrepreneur's structure an enterprise by considering the opportunity in the market, accept the risk by the help of efficient innovative idea or process and collect profit from the business. (Gwija et al., 2014). From this research it has been resulted that 7 (2.4%) of respondents were strongly agreed, 8 (2.7%) agreed, 64 (21.5%) neutral, 92 (31%) disagreed and 126 (42.4%) who strongly disagreed (mean 1.91) (standard deviation 0.97) by statement that they have innovative ideas because of this idea they would like to proceed their career as entrepreneur.
5. **Family business or Family tradition:** become entrepreneur because of family tradition they have to continue the family business. The following Figure explain the extent to which participants agreed or disagreed from this research it has been observed that individuals involvement in a family business from young age in their life provide an improved entrepreneurial base to start their own businesses. According to Bolton and

Thompson (2003), find another Source: argue that in a family business, a baton is always passed on to the children of the founder to carry on the legacy at some point in life. However, some children who establish entrepreneurial ventures on a good foundation previously paved by their parents tend to lack hunger for success (Bolton and Thompson, 2003 41). Many of respondents quoted that entrepreneurship being a family business/family tradition, 66 respondents (22.2%) who strongly agreed, 82 (27.6%) who agreed, 133 (44.8%) neutral, 7 (2.4%) disagreed and 9 (3%) who strongly disagreed. with mean 1.91 and 0.97.

From the previous research it has been observed that there is positive correlation between the parents' entrepreneurial status and the possibility that their children will become entrepreneurs in future life.

6. **Desire to provide security and a good future for the family:** Entrepreneurs have another type of motivation lies in the desire to provide security and a good future for the family. There are 131 respondents (44.1%), 58 (19.5%) who agreed, 73 (24.6%) who were neutral, 22 (7.4%) disagreed and 13 (4.4%) who strongly disagreed with mean 3.9 and standard deviation 1.17.
7. **No sufficient opportunities in Govt jobs:** India is a country where everyone wants to work with government services for financial and job security but unfortunately looking towards Indian population government cannot provide jobs to everyone and private jobs that's why nowadays individuals were entering into entrepreneurial activity from our study. In India when there are an estimated 17 million people entering the workforce every year, and only about 5.5 million jobs being created, one would expect filling up existing vacancies to be the government's priority. Recruitment to such posts is done via agencies such as the union public service commission and the staff selection commission. from this research is has been found that 57 respondents strongly agreed (19.2%), 120 (40.4%) agreed, 91 (30.6%) neutral. 20 (6.7%) disagreed and 9 (3%) (mean 3.66) (standard deviation 0.96) who strongly disagreed with statement there is not sufficient opportunities in Govt jobs.

Meanwhile, there were 44.9 million job-seekers registered with India's employment exchanges as of September 2015. The International Labour Organization (ILO) has predicted a worsening of the situation. The number of jobless people in India will increase to 18.6 million in 2018 and 18.9 million in 2019, compared to 18.3 million in 2017, as per the ILO's latest report, looking towards this situation there is less amount of jobs in private as well as in government sector now and in future also. This is one of the reason that nowadays maximum number of individual choosing their career as entrepreneur.

8. **Want to utilize free time:** From the results of this research it has been found that 1 (0.3%) respondents were agreed, 149 (50.2%) neutral, 89 (30%) disagreed and 58 (19.5%) strongly disagreed with opinion that they want to utilize free time that's why they start their business with mean value of 2.31 and standard deviation 0.78. From this

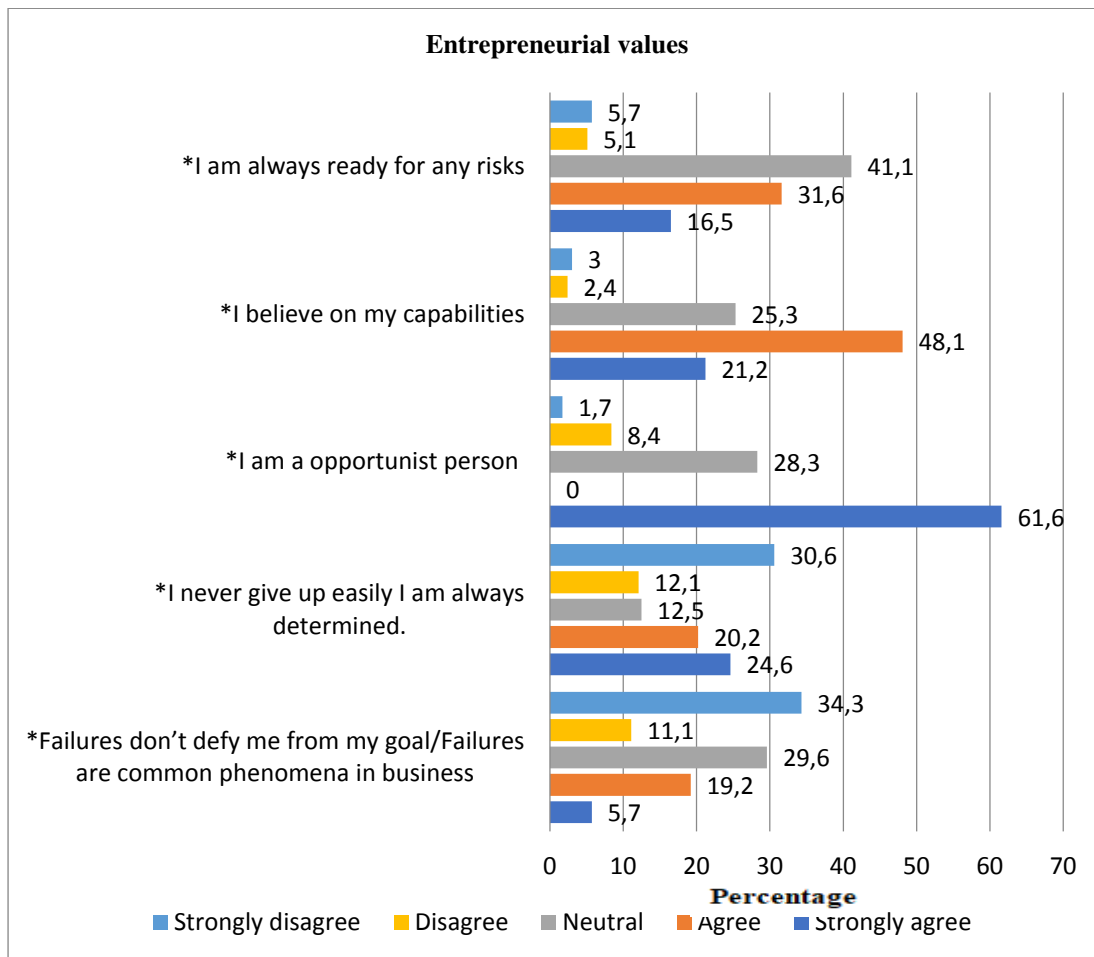
respondents majorly were woman's they want to utilize their free time and wish to support family by extra source of income.

9. **Being employer provide job opportunities to other peoples:** Being employer provide job opportunities to others 34 (11.4%) respondents were strongly agreed, 31 (10.4%) agreed, 149 respondents (50.2%) have neutral opinion, 64 (21.5%) strongly disagreed with this opinion with mean value of 2.99 and standard deviation 1.01.
10. **To upgrade social status:** An entrepreneur social status and life style may change, if his or her venture becomes successful and lucrative, and other people who live within the community begin to regard him/her as a role model. There are 68 respondents (22.9%), 89 agreed (30%), 102 (34.3%) neutral, 12 (4%) disagreed and 26 (8.8%) who strongly disagreed that they would like to start business for up gradation of social status with mean value 3.54 and standard deviation value 1.14.

From the analysis of results, it has been found that Data table 14 and Figure 12 shows to achieve profit or money ( $x = 4.03$ ) was rated higher while having innovative idea ( $x = 1.91$ ) rated lower in Motivation factor or reasons behind to choose Entrepreneurial carrier.

#### **4.5 Data presentation based on entrepreneurial values in India**

The following table 15 and Figure 13 highlights various entrepreneurial values of Indian entrepreneurs.



**Figure 13. Opinion about entrepreneurial values in India**

Source: Field survey conducted in India

**Table 15. Opinion about entrepreneurial values in India**

Sr. No	Statement	Mean	Standard deviation
	Entrepreneurial values		
1	Failures don't defy me from my goal/ Failures are common phenomena in business	2.5	1.29
2	I never give up easily I am always determined.	2.96	1.59
3	I am a opportunist person	4.48	0.78
4	I believe on my capabilities	3.82	0.89
5	I am always ready for any risks	3.48	1.013

Source: Field survey conducted in India

The 'value' concept that is an appropriate idea for study of social and individual development procedure is analyzed as a significant factor of economic, technological, cultural, and political theories and interpretation applicable to the countries practicing fast development and changes. Values, criteria of individuals' ideas and behaviors are essential components of social incorporation and acknowledged as the fundamental feature of human behavior. Values in this sense exhibit preference between totality of beliefs and life style of entrepreneurs who use criteria to assess the events, things, and individuals as being good or bad, or their behaviors as polite or not. Due to this value influence the organizational structure and strategies by shaping entrepreneur's decisions and behaviors. The level of collaboration of an entrepreneur, his/her understanding of information, vision, relationships with other individuals, consideration of the success, degree of acceptance or rejection of objectives, organizational responsibility, work adaptability, decision making process, group behavior, communication, leadership ability and like strategy and behavioral outline obtain some particular shape depending upon the values possessed by him/her.

The value notion affects entrepreneurs' entrepreneurial achievement in their business decision. Since, individual value structure affects the entrepreneurs' consideration of the events, solve problems which they used to face, decision making, personal relations, cognition of success, and organizational performance. Values act as parameters that lead ways in regarding the evaluation of the behaviors and selection of the people and the events. The values are ordered according to their relative importance. This creates a perfectly organized and systemic value system. On the other hand, the culture and the individuals go by their own order-preference system. After these discussions, it can be clearly seen that values are the motivational force and the main driving principle factors in entrepreneurship and other decisional based events.

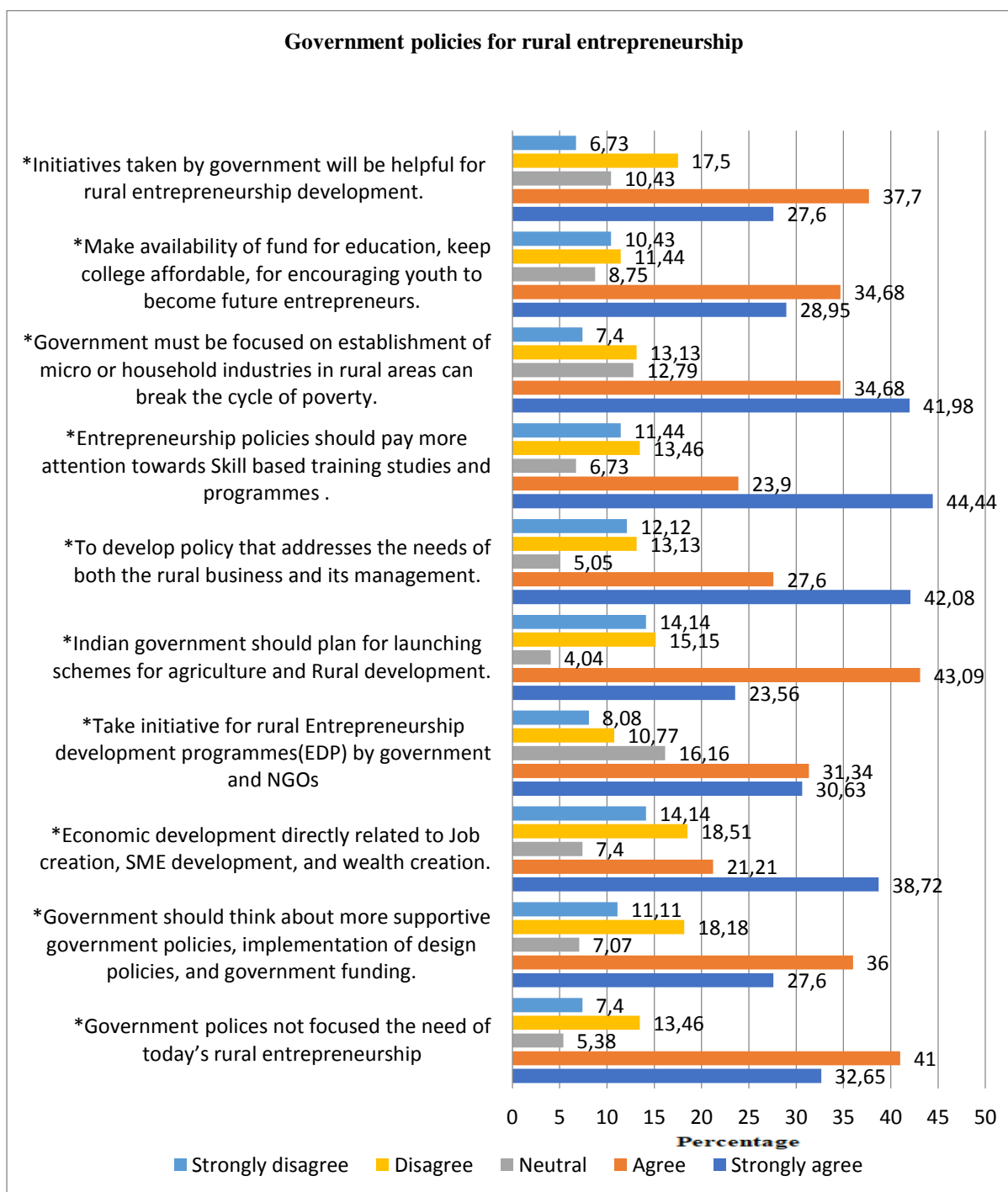
In the current scenario, the regional and the environmental factors have become an important issue. Many researches have been conducted in the different region with different characteristics where fast entrepreneurial activities are developing at a rapid pace. It has been shown in these researches that there are different results of different countries showing significant similarities. The results also indicate a positive correlation between the level of development of a region and the extension of the entrepreneurship (Davidson and Wiklund, 1997). Other exogenous factors like social, economic and political factors also play an important role in the effect on entrepreneurship. Hence, it is necessary to cognate the socio-economic view of the society to understand the effect on entrepreneurial features. Hofstede expressed the need to understand the economic and political conditions that affect the level of enterprise, entrepreneurship and economic success. Hofstede proposed the importance of effect of culture to the improvement and the developmental means necessary to free the market and the political environment for the success. He also stressed that the market conditions that create the economic growth have also been developed around the mid 1950's

1. **Failures don't defy me from my goal:** According to Ritchie and Richardson (2004), Success and failure are identifiable as end states We all have different definitions of failure, simply because we all have different benchmarks, values, and belief systems. A failure to one person might simply be a great learning experience for someone else. From result shows that 17 respondents (5.7%) strongly agreed that they did not defy from their goal by failures, another 57 (19.2%) agreed, 88 (29.6%) were neutral, 33 (11.1%) disagreed and 102 respondents (34.3%) strongly disagreed with mean 2.50 and standard deviation 1.29.
2. **I never give up easily I am always determined:** This value was about determination 73 respondents (24.6%) strongly agreed, 60 people (20.2%) agreed, 37 (12.5%) were neutral, 36 (12.1%) disagreed and 91 (30.6%) strongly disagreed (mean 2.96) (standard deviation 1.59).
3. **I am an opportunist person:** Most of the entrepreneurs believe they are opportunists. 183 respondents (61.6%) strongly agree with this viewpoint. 84 people (28.3%) are neutral. 25 people (8.4%) disagree on this and 5 people (1.7%) strongly disagree with mean value 2.5 and standard deviation.
4. **I believe on my capabilities:** From the analysis it has been observed that there were 63 respondents (21.2%) were strongly agreed, 143 (48.1%)agreed, 75 (25.3%) were undecided, 7 (2.4%) disagreed and 9 (3%) strongly disagreed on statement that their own capabilities as they were very well aware about their strengths and weakness so their self SWAT analysis help for discover own capabilities with mean 3.82 and standard deviation 0.89.
5. **I am always ready for any risks:** There were 49respondents (16.5%) were strongly agreed. 94 (31.6%) agreed, 122 (41.1%) neutral, 15 (5.1%) agreed and 17 people (5.7%) strongly disagreed (mean 3.48) (standard deviation1.01).

Data table 14 shows and Figure 13 to I am an opportunist person ( $x = 4.48$ ) was rated higher while Failures are common phenomena in business ( $x = 2.16$ ) rated lower in Entrepreneur value.

#### 4.6 Data presentation based on government policies for rural entrepreneurship in India

The following table 16 and Figure 14 highlights various government Policies for rural entrepreneurship in India.



**Figure 14. General opinion about government policies for rural entrepreneurship in India**  
Source: Field survey conducted in India



**Table 16. Opinion about government policies for rural entrepreneurship in India**

Sr. No	Statement	Mean	Standard deviation
	Government Polices for Rural entrepreneurship		
1	Government polices not focused the need of today's rural entrepreneurship	3.45	1.22
2	Government should think about more supportive government policies, implementation of design policies, and government funding.	4.22	0.86
3	Economic development directly related to Job creation, SME development, and wealth creation.	4.65	0.68
4	Take initiative for rural Entrepreneurship development programmes(EDP) by government and NGOs	3.41	1.27
5	Government should plan for launching schemes for agriculture and Rural development.	4.46	0.69
6	To develop policy that addresses the needs of both the rural business and its management.	3.98	1.09
7	Entrepreneurship policies should pay more attention towards Skill based training studies and programs.	4.33	1.074
8	Government must be focused on establishment of micro or household industries in rural areas can break the cycle of poverty.	4.10	1.08
9	Make availability of fund for education; keep college affordable, for encouraging youth to become future entrepreneurs.	4.677	0.74
10	Initiatives taken by government will be helpful for rural entrepreneurship development.	4.41	0.93

Source: Field survey conducted in India

This part of study develops a conceptual framework which examines the role government policy plays in the entrepreneurship development and its impact on economic growth. The It has been established that entrepreneurship is a very significant component for employment generation as well as economic development (Friedman, 2011) As the accomplishment of income generation for the foremost group of both rural and urban population without standard paid job extremely depends on entrepreneurship (Ihugba, 2014). The relationship between entrepreneurship and economic development has been studied widely both at the local, state and regional levels (Minniti, 2008). Kumar and Liu (2005), study disclose that entrepreneurial segment contribution to employment and GDP is on the increase from this ground recommended that governments have to reduce the constraint on entrepreneurship. In the case of government support policies, it is believed that since government is in the direct for entrepreneurial growth, it must offer the

essential resource within its ability; these resources comprise provision of environment favorable to business that will endorse entrepreneurship. Government policy in this framework is any route of act which aim at adaptable and improving the conditions of SMEs in terms of supportive, performance and financial support policies by the government. Based on this definition, government policy and entrepreneurial practice following results were found.

1. **Government policies should be more focused:** The table 27 describes the main government policies for developing rural entrepreneurship. There were 97 respondents (32.65%) strongly agreed, 122 (41.07%) agreed, 16(5.38%) neutral, 40 (13.46%) disagreed and 22 (7.40%) strongly disagreed (mean 3.45) (standard deviation 1.22) with statement government polices not focused the need of today's rural entrepreneurship
2. **Government should think about more supportive government policies:** Government should think about more supportive government policies, implementation of design policies, and government funding with this 82 (27,60%) respondents were strongly agreed, 107 (36.02%) agreed, 21 (7.07%) were neutral, 54 (18.18%) disagreed and 33 (11.11%) strongly disagreed (mean 4.22) (standard deviation 0.86).
3. **Economic development directly related to Job creation, SME development, and wealth creation:** The next policy is related to economic growth i.e. economic development directly related to Job creation, SME development, wealth creation for this statement 115 respondents (38.72%) strongly agreed, 63 (21.21%) agreed, 22 (7.40%) neutral, 55 (18.51%) disagreed and 42 (14.14%) strongly disagreed (mean 4.65) (standard deviation 0.68).
4. **Take initiative for rural Entrepreneurship development programmed:** There were 91 (30.63%) respondents who's strongly agreed, 102 (34.34%)agreed, 10 (3.4%)neutral, 48 (16.16%) disagreed and 32 (10.77%) strongly disagreed. Government polices not focused the need of today's rural entrepreneurship 70 (23.56%) strongly agreed, 128 (43.09%) agreed, 12 (4.04%)neutral, 45(15.15%) agreed and 42 (14.14%) strongly disagreed with statement that government and NGOs should take initiative for rural Entrepreneurship development programmes(EDP), (mean 3.41) (standard deviation1.27)
5. **Government should plan for launching schemes for agriculture and Rural development:** 70 (23.56%) respondents were strongly agreed, 128 (43.09%) agreed, 12(4.04%) neutral, 45(15.15%) disagreed and 42 (14.14%) disagreed by Indian government should plan for launching schemes for agriculture and Rural development (mean 4.46), (standard deviation 0.69).
6. **To develop policy that addresses the needs:** To develop policy that addresses the needs of both the rural business and its management. With this strongly agreed by 125 (42.08%) respondents, 82 (27.60%) agreed, 15 (5.05%) neutral, 39(13.13%) agreed and 36 (12.12%) strongly disagreed (mean 3.98), (standard deviation1.09).
7. **Entrepreneurship policies should pay more attention:** There were 132 respondents (44.44%) strongly agreed, 71(23.90%) agreed, 20 (6.73%) neutral ,40 (13.46%)disagreed and 34 (11.44%) strongly disagreed (mean 4.33) (standard deviation 1.07) with statement

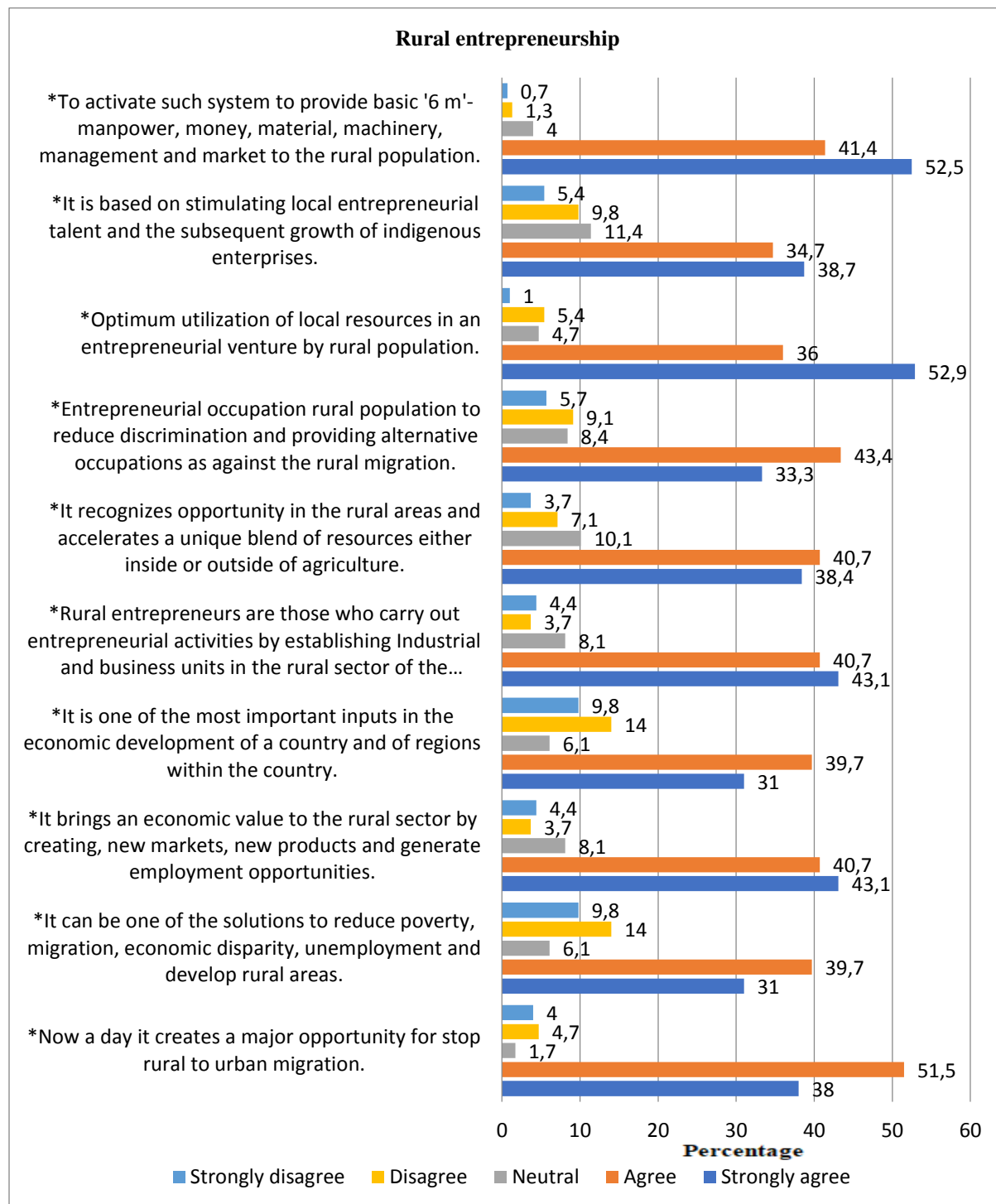
entrepreneurship policy should pay attention towards increasing attention on entrepreneurial policies related to skill-based training and programs.

8. **Government must be focused on establishment of micro or household industries:** Government must be focused on establishment of micro or household industries in rural areas can break the cycle of poverty with this statement 95 respondents were strongly agreed (31.98%), 103 (34.68%) agreed, 38 (12.79%) neutral, 39 (13.13%) disagreed and 22 (7.40%) strongly disagreed by (mean 4.10) (standard deviation 1.08).
9. **Make availability of fund for education:** The most important one is organization for availability of funds for education, make college available and making it accessible for future entrepreneurship; 86 (28.95%) respondents strongly agreed, 120 (34.68%) agreed, 26 (8.75%) were neutral, 35 (11.44%) disagreed and 31 (10.43%) strongly disagreed by (mean 4.67), (standard deviation 0.74).
10. **Initiatives taken by government will be helpful:** Initiatives taken by government will be helpful for rural entrepreneurship development with 82 (27.60%) strongly agreed, 212 (37.71%) agreed, 31 (10.43%) took a neutral stand, 52 (17.50%) disagreed and 20 (6.73%) strongly disagreed by (mean 4.41), (standard deviation 0.93).

Data table in table 16 and Figure 14 shows that to make availability of fund for education; keep college affordable, for encouraging youth to become future entrepreneurs ( $x = 4.67$ ) was rated higher while take initiative for rural entrepreneurship development programmed (EDP) by government and NGOs ( $x = 3.41$ ) rated lower in rural government policies for entrepreneurship.

#### 4.7 Data presentation base on statements related to rural entrepreneurship in India

The following table 17 and Figure 15 highlights various issues associated with rural entrepreneurship in India.



**Figure 15. Opinion about rural entrepreneurship in India**

Source: Field survey conducted in India

**Table 17. Opinion about rural entrepreneurship in India**

Sr. No	Statement	Mean	Standard deviation
	Rural entrepreneurship		
1	Now a day it creates a major opportunity for stop rural to urban migration.	4.14	0.96
2	It can be one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural areas.	3.68	1.3
3	It brings an economic value to the rural sector by creating, new markets, new products and generate employment opportunities.	4.14	1.01
4	It is one of the most important inputs in the economic development of a country and of regions within the country.	4.12	1.02
5	Rural entrepreneurs are those who carry out entrepreneurial activities by establishing Industrial and business units in the rural sector of the economy.	4.35	0.95
6	It recognizes opportunity in the rural areas and accelerates a unique blend of resources either inside or outside of agriculture.	4.03	1.05
7	Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration.	3.89	1.13
8	Optimum utilization of local resources in an entrepreneurial venture by rural population.	4.34	0.87
9	It is based on stimulating local entrepreneurial talent and the subsequent growth of indigenous enterprises.	3.91	1.17
10	To activate such system to provide basic '6 m'-manpower, money, material, machinery, management and market to the rural population.	4.43	0.7

Source: Field survey conducted in India

The fundamental role of **rural entrepreneurs** to offer employment opportunities and accordingly, applying a check on migration. There is the wealth of craft, performing art, vivid lifestyle and cultural diversity we can see in rural India. Therefore, rural entrepreneurship will

additional help bridge this gap between the rural and urban areas and the development of urban areas won't ensue at the cost of rural areas.

From this study it has been found that

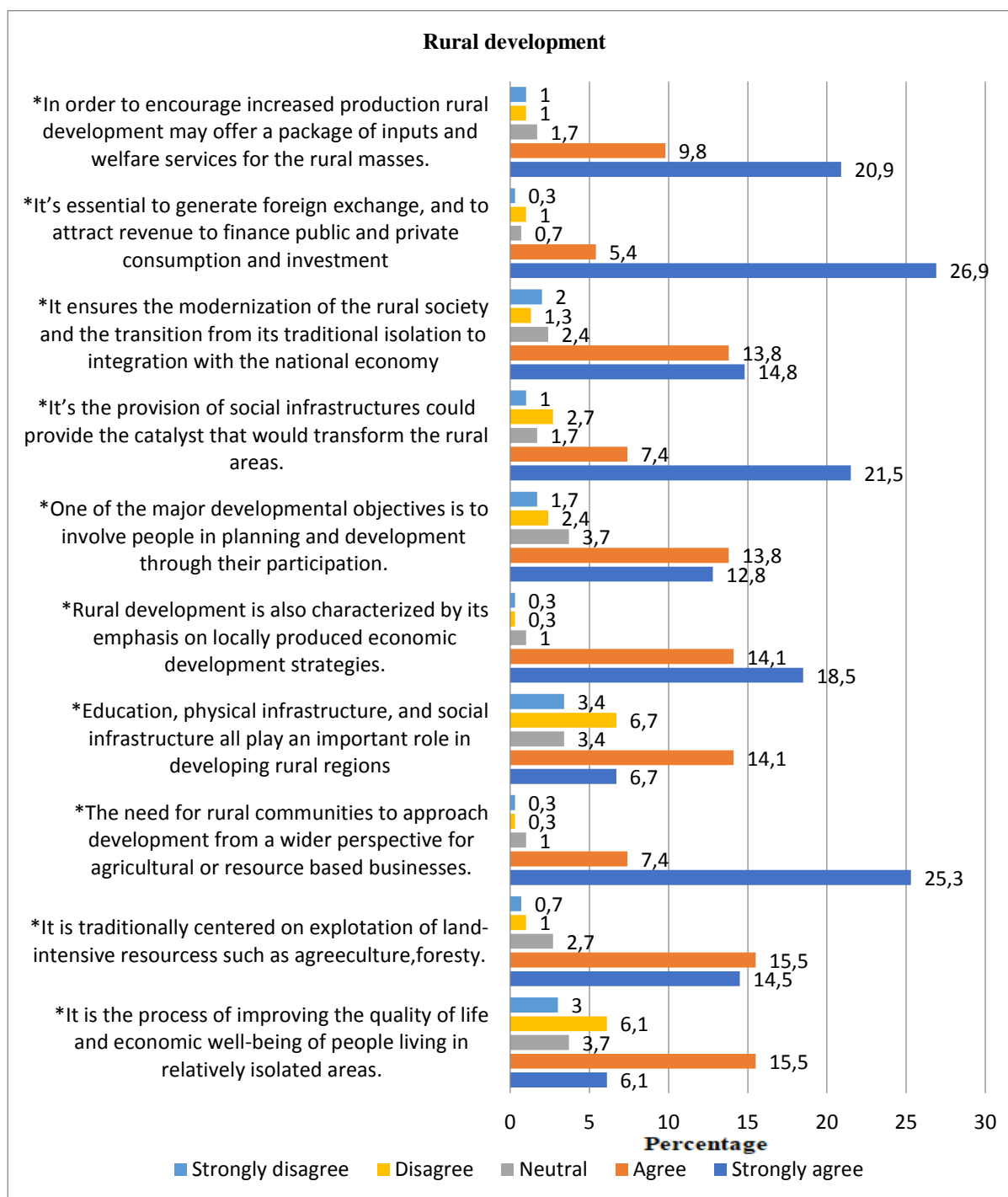
1. **Creates a major opportunity:** 113 respondents (38%), 153 (51.5%), 5 (1.7%) neutral, 14 (4.7%) disagreed and 12 (4%) strongly disagreed with statement that nowadays rural entrepreneurship creates a major opportunity for stop rural to urban migration with mean 4.14 and standard deviation 0.96.
2. **The solutions to reduce poverty:** The main advantages of rural entrepreneurship are firstly that it can be one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural areas with this statement 92 (31%) respondents strongly agreed, 118 (39.7%) agreed, 18 (6.1%) neutral, 40 (13.5%) disagreed and 29 (9.8%) strongly disagreed (mean 3.68), (standard deviation 1.30).
3. **It brings an economic value:** It is believed that rural entrepreneurs bring an economic value to the rural sector by creating, new markets, new products and generate employment opportunities with these 128 respondents (43.1%) strongly agreed, 121 (40.7%) agreed, 1 (4%) neutral, 4 (1.3%) disagreed and 2 (0.7%) strongly disagreed (mean 4.14), (standard deviation 1.01).
4. **It is one of the most important inputs in the economic development:** It is one of the most important inputs in the economic development of a country and of regions within the country with this opinion 92 (31%) respondents were strongly agreed, agreed 118 (39.7%), neutral 18 (6.1%), 40 (13.5%) disagreed and 29 (9.8%) strongly disagreed with mean value 4.12 and standard deviation 1.02.
5. **Carry out entrepreneurial activities by establishing Industrial and business units:** 128 respondents (43.1%) strongly agreed, 121 (40.7%) agree, 24 (8.1%) neutral, 11 (3.7%) disagree and 13 (4.4%) strongly disagreed with the statement rural entrepreneurs are those who carry out entrepreneurial activities by establishing Industrial and business units in the rural sector of the economy with mean value 4.35 and standard deviation 0.95.
6. **It recognizes opportunity:** Rural entrepreneurs tend to recognize opportunity in the rural areas and accelerates a unique blend of resources either inside or outside of agriculture with this statement by 114 respondents (38.4%), 121 (40.7%) agreed, 30 (10.1%) neutral, 21 (7.1%) disagreed and 11 (3.7%) strongly disagreed opinion with mean 4.03 and standard deviation 1.05.
7. **Reduce discrimination and providing alternative occupations:** The most benefit of rural entrepreneurship is stops mitigation of immigration; it is believed that Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration with this opinion 99 respondents (33.3%) strongly agreed, 129 (43.4%) agreed, 25 (8.4%) neutral, 27 (9.1%) disagreed and 17 (5.7%) strongly disagreed with mean value 3.89 and standard deviation 1.13.

8. **Optimum utilization of local resources:** 157 respondents (52.9%) strongly agreed, 107 (36%) agreed, 14 (4.7%) neutral, 16 (5.4%) disagreed and 3 (1%) strongly disagreed with statement that Optimum utilization of local re Sources in an entrepreneurial venture by rural population with mean 4.34 and standard deviation 0.87.
9. **Stimulating local entrepreneurial talent:** The main aim of rural entrepreneurship is to stimulate local entrepreneurial talent and the subsequent growth of indigenous enterprises there are 115 (38.7%) respondents were strongly agreed, 103 (34.7%) agree, 34 (11.4%) neutral, 29 (9.8%) disagree and 16 (5.4%) strongly disagreed by mean value 3.91 and standard deviation 1.17.
10. **To activate such system to provide basic '6 m':** To develop a system where the 6 m are provided i.e. to activate such system to provide basic '6 m'- manpower, money, material, machinery, management and market to the rural population with these 156 respondents (52.5%) strongly agreed, 123 (41.4%) agreed, 12 (4%) neutral, 4 (1.3%) disagreed and 2 (0.7%) strongly disagreed with mean value 4.43 and standard deviation 0.70.

Data table in table 17 and Figure 15 shows to activate such system to provide basic manpower, money, material, machinery, management and market to the rural population. ( $x = 4.43$ ) was rated higher while it can be one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural areas ( $x = 3.68$ ) rated lower in entrepreneurship.

#### 4.8 Data presentation base on statements related to rural development in India

The following table 18 and Figure16highlight various issues associated with rural development in India.



**Figure 16. General opinion about rural development in India**

Source: Field survey conducted in India



**Table 18. Opinion about rural development in India**

Sr. No	Statement	Mean	Standard deviation
	Rural Development		
1	It is the process of improving the quality of life and economic well-being of people living in relatively isolated areas.	3.49	1.24
2	It has traditionally centered on the exploitation of land-intensive natural resources such as agriculture and forestry.	3.65	1.26
3	The need for rural communities to approach development from a wider perspective for agricultural or re Source: based businesses.	4.66	0.78
4	Education, physical infrastructure, and social infrastructure all play an important role in developing rural regions	4.63	0.72
5	Rural development is also characterized by its emphasis on locally produced economic development strategies.	3.25	1.38
6	One of the major developmental objectives is to involve people in planning and development through their participation.	4.31	1.08
7	It's the provision of social infrastructures could provide the catalyst that would transform the rural areas.	4.66	0.77
8	It ensures the modernization of the rural society and the transition from its traditional isolation to integration with the national economy	3.92	1.27
9	It's essential to generate foreign exchange, and to attract revenue to finance public and private consumption and investment	3.55	1.18
10	In order to encourage increased production rural development may offer a package of inputs and welfare services for the rural masses.	3.36	1.072

Source: Field survey conducted in India

The main population of India is living in rural areas and their main living hood is through agriculture and agriculture related activities These rural populations can be differentiate by mass poverty, low levels of literacy and income, high level of unemployment, and poor nutrition and health status. To undertake these particular problems, several rural development programmers are being apply to form opportunities for improvement of the quality of life of these rural individuals. The expression rural development is nothing but the development of entire development of area under the non-urban locality or rural area and population living there, as well as it is a process significant to sustainable up gradation in the quality of life of rural

community particularly the poor (Santanu, 2014). The rural development programs propose to reduce the poverty and unemployment, to develop the health and educational status and to accomplish the basic needs such as food, shelter and clothing of the rural population. The table 18 emphasizes characteristics of rural development.

1. **It is the process of improving the quality of life:** There were 235 (79.1%) respondents were strongly agreed, agreed by 42 (14.1%), neutral 6 (2%), disagreed 11 (3.7%) and strongly disagreed 3 (1%) with statement that nowadays it creates a major opportunity for stop rural to urban migration (mean 4.66) (standard deviation 0.77)
2. **It has traditionally centered on the exploitation of land-intensive natural resources:** The need for rural communities to approach development from a wider perspective for agricultural or resources-based businesses. with this opinion 233 (78.5%) respondents were strongly agreed, agreed 44 (14.8%), 6 neutral (2%), disagreed 11 (3.7%) and strongly disagreed 3 (1%) by (mean 4.66), (standard deviation 0.78).
3. **The need for rural communities to approach development:** There were 216 (72.7%) respondents strongly agreed, agreed by 64 (21.5%), neutral 10 (3.4%), disagreed by 3 (1%) and strongly disagreed by 4 (1.3%) (mean 4.63), (standard deviation 0.72).
4. **Education, physical infrastructure, and social infrastructure all play an important role in developing rural region:** With statement education, physical infrastructure, and social infrastructure all play an important role in developing rural regions. While 182 (61.35) respondents were strongly agreed, agreed 67 (22.6%), neutral 15 (5.1%), disagreed 24 (8.1%) and strongly disagreed by 9 (3%), (mean 4.31), (standard deviation 1.08) with statement that one of the major developmental objective is to involve people in planning and development through their participation.
5. **It ensures the modernization:** Rural development leads to modernization via modernization of the rural society and the transition from its traditional isolation to integration with the national economy strongly with this 147 (49.5%) respondents were strongly agreed, 62 (20.9%) agreed, 13 (4.4%) neutral, 70 (23.6%) disagreed and strongly disagreed 5 (1.7%), (mean 3.92), (standard deviation 1.27).
6. **One of the major developmental objective is to involve people in planning and development:** 182 (61.3%) respondents were strongly agreed, 67 (2.6%) agreed, 15 (5.1%) neutral, 24 (8.1%) disagree, 9 (3%) strongly disagreed by (mean 4.31), (standard deviation 1.08).
7. **Provide the catalyst:** With statement that one of the major developmental objective is to involve people in planning and development through their participation. 235 (79.1%) respondents were strongly agreed, agreed 42 (14.1%), neutral 6 (2%) 11 (3.7%) disagree, 3 (1%) strongly disagreed by (mean 4.66), (standard deviation 0.77) with statement that It's the provision of social infrastructures could provide the catalyst that would transform the rural areas.
8. **It ensures the modernization:** Rural development leads to modernization via modernization of the rural society and the transition from its traditional isolation to

integration with the national economy strongly with this 147 (49.5%) respondents were strongly agreed, 62 (20.9%) agreed, 13 (4.4%) neutral, 70(24%) disagree, 5 (1.7%) strongly disagreed by (mean 3.92), (standard deviation 1.27).

9. **To generate foreign exchange and to attract revenue to finance public and private consumption and investment:** It's essential to generate foreign exchange, and to attract revenue to finance public and private consumption and investment this opinion strongly agreed by 53(17.8%) respondents, agreed 157(52.9%), neutral 9(3%), disagree 58 (20%) and strongly disagreed by 20(6.7%) (mean 3.55), (standard deviation 1.88).
10. **Encourage increased production rural development:** In order to encourage increased production rural development may offer a package of inputs and welfare services for the rural masses. with this opinion strongly agreed by 32 (10.8%) respondents, agreed 133(44.8%), neutral 56 (18.9%), disagree 62 (21%) and strongly disagreed by 14 (4.7%) (mean 3.68) (standard deviation 1.07).

Data table in table number 18 and Figure 16 shows that education, physical infrastructure, and social infrastructure all play an important role in developing rural regions( $x = 4.63$ ) was rated higher while rural development is also characterized by its emphasis on locally produced economic development strategies( $x = 3.25$ ) rated lower in rural Development.

#### 4.9 Hypotheses Test analysis for Indian Data

For the purpose of verifying the hypotheses of the research in determining the effect our proposed factors, the one-sample t-test has used, which is based on the comparison of the calculated average with the modified average. The null hypothesis is accepted if the significant level is greater than the value of 5%, the results are presented in below table as following

**H1: There is a significant relationship between challenges of Indian rural entrepreneurship ventures and performance rural Entrepreneurship**

**Table 19. Description about one-sample test for hypothesis one**

Test Value = 0					
T	df	Sig. (2-tailed) P-value	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
180.795	296	.000	37.17845	36.7738	37.5831

Source: SPSS analysis

The result of testing the hypothesis is summarized in table 4.9. As it can be seen, the hypothesis is supported. Because the  $p < 0.05$  and T-value is 108.62. Therefore, it can claim There is a significant relationship between challenges of Indian rural entrepreneurship ventures and performance rural Entrepreneurship.

**H2: There is a significant relationship between entrepreneurship motivation and entrepreneurial opportunities in the rural areas of India to encourage development of enterprises initiatives.**

**Table 20. Description about one-sample test for hypothesis two**

Test Value = 0					
T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
166.448	296	.000	55.43434	54.7789	56.0898

Source: SPSS analysis

The result of testing the hypothesis is summarized in table 4.10. As it can be seen, the hypothesis is supported. Because the  $p < 0.05$  and T-value is 166.44 Therefore, it can claim that there is a significant relationship between entrepreneurship motivation and entrepreneurial opportunities in the rural areas of India to encourage development of enterprises initiatives.

**H3: There is a significant relationship between negative perception of rural peoples about entrepreneurship and entrepreneurship development.**

**Table 21. Description about one-sample test for hypothesis three**

Test Value = 0					
T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
148.513	296	.000	36.13805	35.6592	36.6169

(Source: SPSS analysis)

The result of testing the hypothesis is summarized in table 4.11. As it can be seen, the hypothesis is supported. Because the  $p < 0.05$  and T-value is 148.51. Therefore, it can claim that there is a significant relationship between negative perception of rural peoples about entrepreneurship and entrepreneurship development.

**H4: There is significant effect of the entrepreneurial values and attitude in support to the success of rural entrepreneurs.**

**Table 22. Description about one-sample test for hypothesis four**

Test Value = 0					
T	Df	Sig. (2-tailed) P-value	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
108.627	296	0.12	19.41414	19.0624	19.7659

Source: SPSS analysis

The result of testing the hypothesis is summarized in table 4.12 there is no evidence to support the hypothesis there is non-significant effect of the entrepreneurial values and attitude in support to the success of rural entrepreneurs. Because the corresponding T Value is 108.62 and P=0.12.

#### **4.10 Hungarian data analysis**

In this research second part of study was conducted in Hungary, owing to the time constrain, A random sample of 182 participants from Hungary were analyzed.

In this part of study researcher describe criteria of sample analysis which includes general factors of entrepreneurs such as age, gender, and education family background, source of startup capital, business duration of enterprise, domain of business, and type of enterprise etc. and descriptive statistics analysis based on general opinion about rural entrepreneurship, challenges and problems faced by rural entrepreneurs, motivation factor behind to choose entrepreneurial carrier, entrepreneurial values, government Policies, to rural entrepreneurship, to rural development.

**Table 23. Criteria of sample analysis (Hungary)**

SR. NO.	PARTICULARS/ VARIABLES	NO OF RESPONDENTS	PERCENTAGE
1	<b>GENDER</b>		
	Male	106	58.2
	Female	76	41.8
2	<b>AGE</b>		
	18-25	19	10.4
	26-30	19	10.4
	31-45	69	37.9
	More than 45	75	41.2
3	<b>EDUCATION</b>		
	Secondary	40	21.97
	Diploma	10	5.49
	Bachelor's degree	101	55.49
	Master's degree	31	17.03
4	<b>MARITAL STATUS</b>		
	Married	121	66.5
	Unmarried	61	33.51
5	<b>SIZE OF ENTERPRISE</b>		
	Micro	83	45.6
	Small	87	47.8
	Medium	12	6.6
6	<b>BUSINESS DOMAINS</b>		
	Agriculture	35	19.2
	Manufacturing	62	34.1
	Service	71	39
	Handicraft	14	7.7

Source: Field survey conducted in Hungary

1. **Gender:** The implication of this result is that 106 (58.2%) respondents are males while females constitute 76 (41.8) from these results it has been found that there is no gender discrimination in European countries. OECD (2012; 2013) states Gender equality is not just about economic empowerment. It is a moral imperative. It is about fairness and equity and includes many political, social and cultural dimensions. It is also a key factor in self-reported well-being and happiness across the world. The EU is equally determined; according to its website equality

between women and men is a fundamental right, a common value of the EU, and a necessary condition for the achievements of the EU objective of growth, employment and social cohesion.

2. **Age:** From the research it has been disclosed that maximum respondents that is 19(10.4%) from 26-30 year age group while 19(10.4%) respondents belong to 18-25 years, as well 69 (37.9%) and 75 (41.2%) respondents from 31-45 year and more than 45 year age group respectively, The result implies that most of the respondents are in their active and productive in 26- 30 age.
3. **Education:** As far as educational level of the respondents is concerned, 40 (21.97%) of the entrepreneur's respondents had got secondary education, 10 respondents (5.49%) had National Diploma while 101 respondents (55.49%) are bachelor's degree holder and only 31 respondents (17.03%) were post graduate. The implication is that majority of the entrepreneurs are bachelor's degree holders.

Dershuis acknowledged that entrepreneurs have characteristics like as risk-taking, obtaining wealth, having diverse experiences in the market and economic situation, business smartness, family environment in business activities, and physical and educational characteristics. He measured education as one of the key determiners in creating entrepreneurship spirit. (Fardin et al., 2016) also considers that peoples with balanced skills and well-known with diverse Fields and occupation are more likely to become entrepreneurs.

4. **Marital status:** Results of the study described the marital status of the entrepreneurs. 121 respondents (66.5%) were married and 61 people (38.51%) were unmarried.
5. **Size of enterprise:** From the results of the size of enterprise was studied, the enterprises were grouped into three categories Micro, Small and Medium. 83 respondents (45.6%) owned micro sized enterprises, majority of them were in the small sized category 87 people (47.8%) and the remaining 12 people (6.6%) were having medium sized enterprise.
6. **Business domain:** Business domains of the entrepreneurs were documented. There were 4 major domains Agriculture, Manufacturing, Service and Handicraft. Majority of them were in Agriculture sector 35 (19.2%), followed by Service 71 (39%), Manufacturing 62 people (34.1%) and Handicrafts 14 people (7.7%).

**Table 24. Criteria of sample analysis (Hungary)**

<b>SR. NO.</b>	<b>PARTICULARS/ VARIABLES</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
<b>1</b>	<b>TYPE OF BUSINESS OWNERSHIP</b>		
	Sole	48	26.4
	Partnership	91	50
	Co-operative Society	20	11
	Private Limited	23	12.6
<b>2</b>	<b>START-UP CAPITAL</b>		
	Own fund	48	26.4
	Finance from family	50	27.5
	Loan from commercial bank	25	13.7
	Loan from financial institutions	55	30.2
	Both own fund and finance from family	4	2.2
<b>3</b>	<b>AREA</b>		
	Same city where your business belongs	85	46.7
	Hometown	63	34.6
	Nearby Urban area	34	18.68
<b>4</b>	<b>DURATION OF BUSINESS</b>		
	Less than 1 year	20	11
	1-3 years	89	48.9
	4-6 years	31	17
	More than 6 years	42	23.1
<b>5</b>	<b>FAMILY PERCEPTION</b>		
	Yes	144	79.1
	No	38	20.9
<b>6</b>	<b>FAMILY MEMBERS</b>		
	2 Members	65	35.7
	3-4 Members	93	51.1
	5-6 Members	21	11.5
	more than 6 Members	3	1.6
<b>7</b>	<b>ANNUAL INCOME</b>		
	Less than 1 Lac	43	23.6
	1 Lac to 3 Lac	57	31.3
	3 Lac to 6 Lac	63	34.6
	6 Lac to 10 Lac	19	10.4



Source: Field survey conducted in Hungary

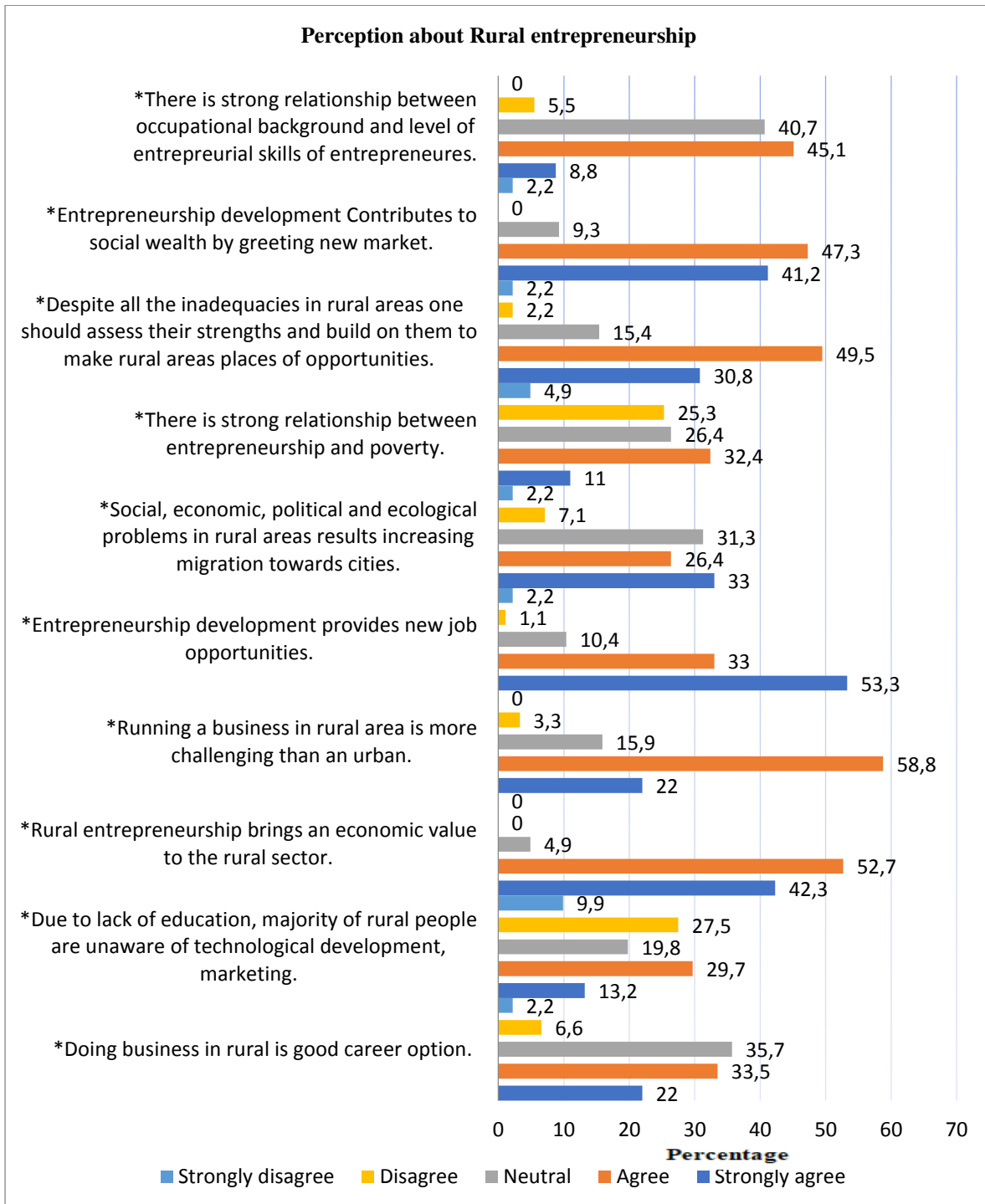
**\*Note- 100000 Lac Rs= 1250.60 Euro**

1. **Business ownership:** The entrepreneurs belonged to different form of business enterprises. Most of them were having sole ownership of the business enterprise 91 respondents (50%), with 91 people in partnership (50%), 23 had private limited enterprise (12.6%) and 20 people (11%) were in co-operative society.
2. **Source of start-up capital:** 25 respondents (13.7%) took bank loan, followed by 55 people (30.2%) who took support from financial institutions, 4 respondents (2.2%), who had own i.e. self-support and family back up, 50 people (27.5%) who just had family support and finally 48 people (26.4%) were self –supported.
3. **Living areas:** Most of the respondents were living in the same city 85 people (46.7%), followed by 34 people (18.68%) living in the nearby urban area and 63 people (34.6%) in their hometown.
4. **Duration of business operation:** Most of the people who owned their own business were categorized into distinct categories based upon the time they had been running their business. The 182 people surveyed were split up into 4 time periods respectively; based upon the duration of business About 20 people (11%) were running their business from less than 1 year while 89 people (48.9%) were in this business from almost 1-3 years likewise 31 people (17%) from 4-6 years and 42 people (23.1%) peoples in this business from more than 4 years.
5. **Family perception:** To understand, the effect of family perception on growth of rural entrepreneurship, 182 respondents were questioned, in which 144 people hold the notion there is effect of family perception and their support on business growth (79.1%) and 38(20.9%) people do not supported with this statement.
6. **Family members:** The results described details regarding the family member of the respondents, 65 respondents (35.7%) have responsibility of only 2 members in home, 93 people (51.1%) were consisting of family with 3-4 members, 21 people (11.5%) had a relatively big family size of 5 -6 members and 3 people (1.6%) had a large family size of more than 6 members in family
7. **Annual income level:** The data regarding annual income of the entrepreneurs indicated that 43(23.6%) respondents had annual income up to less than 1 Lac, 57 (31.3%) of the entrepreneurs had annual income between. 1 Lac to 3 Lac, whereas 63 (34.6%) and 19(10.4) entrepreneur reported their annual income 3 Lac to 6 Lac and 6 Lac to 10 Lac respectively. (\*Note- 100000 Lac Rs= 1250.60 Euro)

#### **4.11 Data presentation based on perception about rural entrepreneurship in Hungary.**

The following table 25 and Figure 17 shows opinion based on perception about rural entrepreneurship in Hungarian rural area what exactly the perception of peoples to start their ventures specifically in rural area. The responses to a given statement are ranked in 5 choices.

The first choice 5 –Strongly agree, 4 –agree, 3 –undecided/neutral, 2 –disagree and 1 strongly disagree.



**Figure17. Perception about rural entrepreneurship in Hungary**  
 Source: Field survey conducted in Hungary

**Table 25. Perception about rural entrepreneurship in Hungary**

Sr. No	Statement Perception about rural entrepreneurship	Mean	Standard deviation
1	Doing business in rural is good career option.	3.6648	0.96501
2	Due to lack of education, majority of rural people are unaware of technological development, marketing.	3.0879	1.2227
3	Rural entrepreneurship brings an economic value to the rural sector.	4.3736	0.57859
4	Running a business in rural area is more challenging than an urban.	3.9945	0.71679
5	Entrepreneurship development provides new job opportunities.	4.3407	0.87595
6	Social, economic, political and ecological problems in rural areas results increasing migration towards cities.	3.8077	1.04662
7	There is strong relationship between entrepreneurship and poverty.	3.1923	1.08803
8	Despite all the inadequacies in rural areas one should assess their strengths and build on them to make rural areas places of opportunities.	4.044	0.8657
9	Entrepreneurship development Contributes to social wealth by greeting new market.	4.2527	0.80184
10	There is a relationship between Occupational background and level of entrepreneurial skills of entrepreneurs.	3.5714	0.73044

Source: Field survey conducted in Hungary

- 1. Good career option:** According to Luthje and Franke (2003), successful research universities seem to encourage entrepreneurial activities among students. They argue that it is extensively unidentified whether related founding situation or rather personality traits that drive the students' career decision towards self-employment. Scott and Twomey (1988) said that in order to design efficient programs, policy makers have to know essential factors should be heavily emphasized. Regarding rural areas, entrepreneurs believe doing business in rural is a good career option 40 (22%) strongly agreed, 61 (33.7%) agreed, 61 people (33.5%) took a neutral strand, 65 respondents (35.7%) who disagreed and 4 people (2,2%) who strongly disagreed with mean value of 3.66 and standard deviation value 0.96.
- 2. Lack of education:** Entrepreneurship education and training plays a huge role in the accomplishment of any business. This support with (Ndedis, 2009) outlook that the significance of encourage entrepreneurship and training to entrepreneurs, throughout

centers and institutions, should not be taken lightly. Due to lack of education, majority of rural people are unaware of technological development, marketing 24 people (13.2%) strongly agreed, 54 (29.7%) agreed, 36 neutral (19.8%) ,50 disagreed (27.5%) and 18 strongly disagreed (9.9%) with mean 3.08 and standard deviation 1.22.

3. **Brings an economic value:** Entrepreneurs have wide scope for growth and opportunity through earnings which is a real motivation for every entrepreneur as the knowledge and skills he/she extended. In this way it not only benefits him but also the economy as a whole and brings economic value. Margaret Miller (2008). Entrepreneurs bolster the statement that rural entrepreneurship brings economic value to the rural areas 77 (42.3%) strongly agreed, 96 agreed (52.7%), 9 who were neutral (4.9%) opinion with mean 4.37 and standard deviation value 0.57.
4. **Running a business in rural area is more challenging:** Responses recorded from respondents, they hold the notion that running a business in rural is more challenging than urban, about 40 people (22%) strongly agreed, 107 (58.8%) agreed, 29 being neutral (15.9%) ,6 disagreed (3.3%) with mean 3.99 and 0.71.
5. **Provides new job opportunities:** In general, maximum number of peoples believed entrepreneurship development as the key to provide new job opportunities, about 97 respondents (53.3%) strongly agreed to it, with 60 people (33%) just agreed, 19 (10.4%) took a neutral stand, 2 (1.1%) disagreed and another 4 people strongly disagreed about 2.2% with mean 4.34 and standard deviation 0.87. Entrepreneurship gives self-sufficiency through provision of good standards of living to their employees. The essential factors which are responsible for happiness can be liberty, monetary rewards, and the feeling of satisfaction that one gets after doing the job. As a result, the contribution of entrepreneurs makes the economy a better place to live in, Margaret Miller (2008).
6. **Social, economic, political and ecological problems resulted into migration:** Due to Social, economic, political and ecological problems in rural areas results increasing migration towards cities is consoled by 60 people who strongly agreed (33%) ,48 agreed (26.4%), 57 neutral people (31.3%), 13 who disagreed (7.1%) and 4 who strongly disagreed (2.2%) with mean 3.80 and standard deviation 1.04.
7. **Relationship between entrepreneurship and poverty:** Entrepreneurship is the key to mitigate poverty, hence the statement there is relationship between entrepreneurship and poverty is encouraged by 20 (11%) who strongly agreed, 59 (32.4%) who agreed, 48 undecided (26.4%), 46 (25.3%) who disagreed and 9 people (4.9%) who strongly disagreed with mean value 3.19 and standard deviation 1.08. Due to the continuous increasing unemployment rate and rising level of poverty, there is a growing level of economic decline; in such situations entrepreneurship plays important role by making job opportunities and to build up small businesses (Van Vuuren and Groenewald, 2007).
8. **Assess the strengths and build on them to make rural areas places of opportunities:** It is recommended that despite all the inadequacies in rural areas one should assess their

strengths and build on them to make rural areas places of opportunities. This view is reassured by 56 respondents (30.8%) strongly agreed, 90 respondents (49.5%) agreed, 90 respondents (49.5%) neutral, 28 people (15.4%) disagreed and 4 people (2.2%) who strongly disagreed with Mean value 4.044 and standard deviation 0.86.

9. **Contributes to social wealth:** This view was supported by the statement that entrepreneurship development contributes to social wealth by greeting new market by about 75 respondents (41.2%) who strongly agreed, 86 agreed (47.3%), 17 having undecided (9.3%), and 4 strongly disagreed (2.2%) with mean 4.25 and standard deviation 0.80.
10. **Relationship between Occupational background and level of entrepreneurial skills:** Other than entrepreneurs hold the view that there is a relationship between occupational background and level of entrepreneurial skills of entrepreneurs, with 16 people (8.8%) who strongly agreed, 82 who agreed (45.1%), 74 being neutral (40.7%), and 10 (5.5%) respondents who strongly disagreed with the statement with mean value of 3.57 and standard deviation 0.73.

Main findings were indicated in Table 25 and Figure 17 that respondents who's participated in this study their perception was rural entrepreneurship brings an economic value to the rural sector ( $x=4.37$ ) as the most important operational challenge and rated high. Furthermore, according to the respondent's study that participated in this study, Due to lack of education, majority of rural people are unaware of technological development, marketing ( $x = 3.08$ ) were rated lowest.

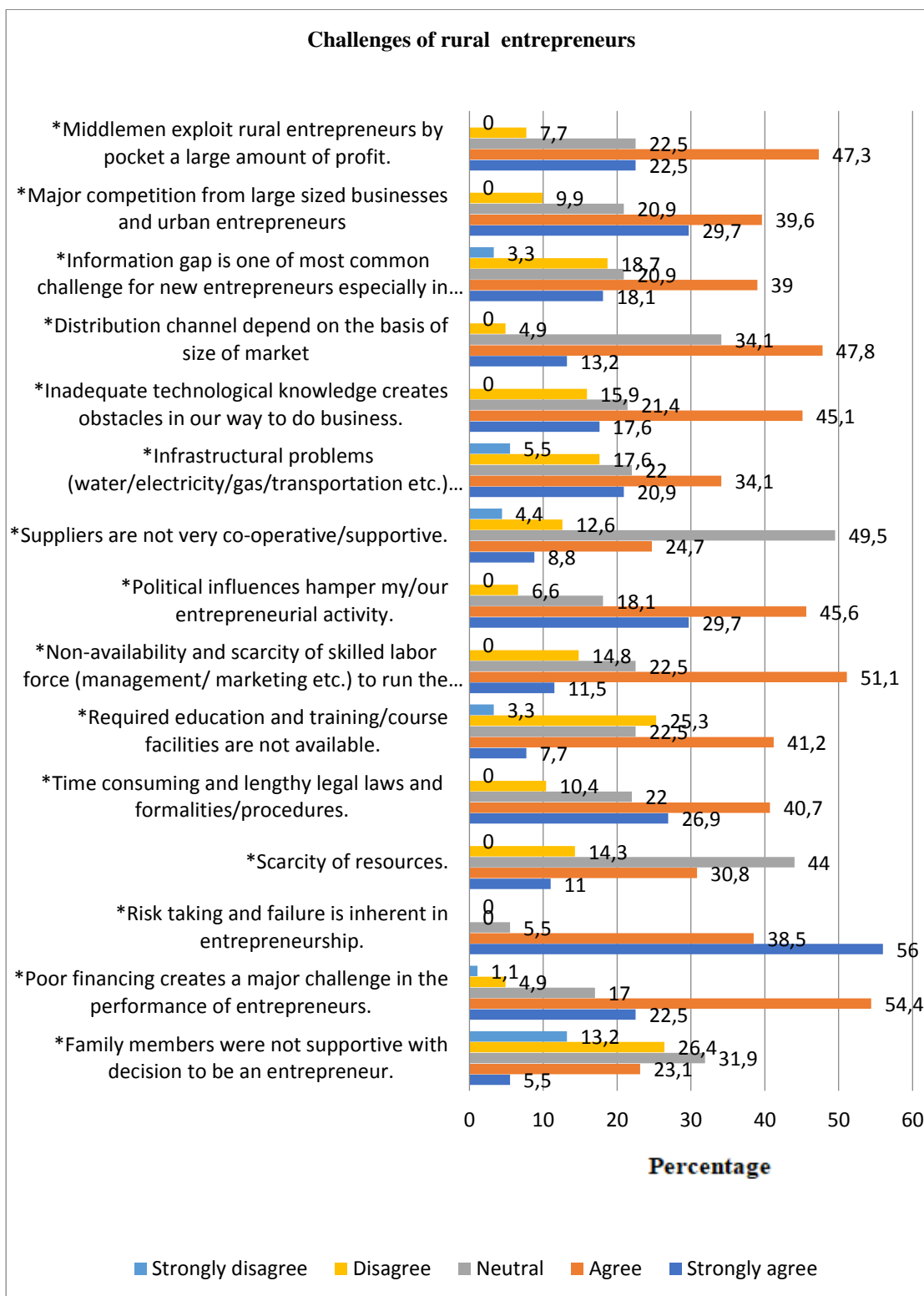
#### 4.12 Data presentation based on challenges and problems faced by rural entrepreneurs in Hungary

The following table 26 and Figure 18 focus on challenges and problems faced by rural entrepreneurs in Hungary. While establishing new venture specifically in rural area.

**Table 26. Challenges and problems faced by rural entrepreneurs in Hungary**

Sr. No	Statement Challenges of Entrepreneurs	Mean	Standard deviation
1	Family members were not supportive with decision to be an entrepreneur.	2.81	1.1
2	Poor financing creates a major challenge in the performance of entrepreneurs.	3.92	0.83
3	Risk taking, and failure is inherent in entrepreneurship.	4.5	0.6
4	Scarcity of resources and procurement of raw materials	3.38	0.86
5	Time consuming and lengthy legal laws and formalities/procedures.	3.84	0.94
6	Required education and training/course facilities are not available.	3.24	1.02
7	Non-availability and scarcity of skilled labor force (management/ marketing etc.) to run the business.	3.59	0.87
8	Political influences hamper my/our entrepreneurial activity.	3.98	0.86
9	Suppliers are not very co-operative/supportive.	3.2	0.92
10	Infrastructural problems (water/electricity/gas/transportation etc.) creates difficulties to run the business	3.47	1.16
11	Inadequate technological knowledge creates obstacles in our way to do business.	3.64	0.95
12	Distribution channel depend on the basis of size of market	3.69	0.76
13	Information gap is one of most common challenge for new entrepreneurs especially in rural area.	3.5	1.09
14	Major competition from large sized businesses and urban entrepreneurs	3.89	0.94
15	Middlemen exploit rural entrepreneurs by pocket a large amount of profit.	3.84	0.85

Source: Field survey conducted in Hungary



**Figure 18. Challenges and problems faced by rural entrepreneurs in Hungary**

Source: Field survey conducted in Hungary

1. **Family members were not supportive:** Convincing to family for business over job is certainly not an easy task for an individual. The first thing compared is- will you make more money in the business of your choice or will you work as a successor of family business. This is certainly a stage where it becomes almost impossible to convince that you can generate more cash with your passion than doing what your dad is doing. In response to the declaration family members were not agreeing with my decision to be an entrepreneur with the opinion with this challenge faced by 10(5.5%) who strongly agreed, 42 (23.1%) who agreed, 58 who were neutral (31.9%), 48 (26.4%) who disagreed and 24 (13.2%) who strongly disagreed by mean value of 2.81 and standard deviation 1.10.
2. **Poor financing or Paucity of funds:** The findings of this study demonstrate that Poor financing creates a major challenge in the performance of entrepreneurs 41 people (22.5%) strongly agreed, 99 agreed (54.4%), 31 neutral (17%), 9 disagreed (4.9%) and 2 strongly disagreed (1.1%). with mean value of 3.9 and standard deviation value 0.83. To get access to start-up capital is a major stumbling block while begin a new venture. (Pretorius and Shaw, 2004).
3. **Risk element:** Rural entrepreneurs have very less risk-taking capacity because of lack of availability of financial resources and external support. The outcome of this study with the challenge i.e. risk taking, and failure is inherent in entrepreneurship backed –up by respondents with recorded findings likewise 102 strongly agreed (56%), 70 agreed (38.5%), 10 neutral (5.5%), with mean 4.50 and standard deviation 0.60. According to opinion of Low the psychological characteristics used to express successful entrepreneurs have commonly included such as the necessity for attainment, propensity for risk-taking, personal and interpersonal level (Low ,MacMillan, 1988).
4. **Scarcity of resources and procurement of raw materials:** To make availability resources and procurement of raw materials is really a difficult task for rural entrepreneur. Responses recorded responses states that, 20 strongly agreed (11%), agreed 56 (30.8%), 80 who were neutral (44%) ,26 agreed (14.3%) with mean and standard deviation value 3.38 and 0.86 respectively.
5. **Time consuming legal formalities:** There are a lot of formal law and procedures due to because of that it is difficult to get by business license very easily as well as all these legal formalities are time consuming and lengthy which create problems while starting new business from these study it has been observed that 49 people (26.9%) strongly agreed, 74(40.7%) agreed, 40 neutral (22%), 19 (10.4%) disagreed by this statement with mean 3.84 and standard deviation 0.94.
6. **Non-availability and scarcity of skilled labor force:** To find and retain proper talent is seen as a main barrier for of organizations' success (Ohlhoff, 2008). Without the right human resources company would not have products or services to bring to the market (Van Dijk, 2008). Therefore, human resources are consider as the most valuable asset to the success of a business (Bosma et al., 2002), as Human capital can make or break organization. From the results it has been found that 21 (11.5%) respondents strongly



agreed, 93 (51.1%) agreed, 41 neutral (22.5%), 27 (14.8%) disagreed with mean value of 3.59 and standard deviation 0.86.

7. **Non-availability required education and training:** Entrepreneurship education and training plays an optimistic role in the success of organization (Sandrock, 2011) specifically it is very important those entrepreneurs who willing to start their own business ventures in future. The results which is this statement states that 14 (7.7%) respondents strongly agreed, 75 (41.2%) agreed, 41 (22.5%) neutral, 46 (25.3%) disagreed and 6 (3.3%) who strongly disagreed with mean 3.24 and standard deviation value 1.02.
8. **Political influences:** In response to the statement Political influences hamper my/our entrepreneurial activity 54 (29.7%) respondents strongly agreed, 83 (45.6%) agreed, 33 (18.1%) undecided, 12 (6.6%) with mean value 3.98 also indicate it as a problem regarding entrepreneurial growth. Here, the standard deviation is 0.86. as per opinion of (Jayadatta.S,2017) lines of authority and decision-making process are mostly blurred by local politics in rural areas.
9. **Inadequate infrastructural facilities:** Inadequate infrastructural facilities can extremely hinder the business. Sometimes the incorrect choice of location, lack of water supply, irregular supply of electricity and gas, transport bottleneck can make the chaotic situation. Infrastructural problems (water, electricity, gas, transportation, etc.) are very difficult to run the business. This statement contains mean value 3.47 and standard deviation 1.16 shown it as a challenge. Here in the result, respondents 38 (20.9%) strongly agreed, 62 (34.1) agreed, 40 neutral (22%), 32 (17.6%) disagreed and 10 (5.5%) strongly disagreed.
10. **Distribution channel:** Non-availability or scarcity of sustainable markets for entrepreneurs' transportation channel, products and services are along with factors that could direct to business failure (Nieman and Nieuwenhuizen, 2009). The distribution channel depends on the market size with 32 (17.6%) strongly agreed, 82 (45.1%) agreed, 62 neutral (34.1%), 9 (4.9%) disagreed and with mean value 3.69 and standard deviation 0.76.
11. **Non-cooperative suppliers:** While running business if suppliers are not cooperate properly it leads to major problem while running a business, there are 16 respondents (8.8%) strongly agreed, 45 respondents (24.7%) who agreed, 90 people neutral (49.5%). 23 people (12.6%) who disagreed and 8 (4.4%) who strongly disagreed with mean value 3.20 and standard deviation 0.92 with this statement.
12. **Inadequate technological knowledge:** Technology is not very common in rural areas. Entrepreneurs rely on internal linkages that which support the flow of services, goods, ideas and information. The strength of family and personal relationships in rural area can sometimes be very much useful but they may also present obstacles to effective and efficient business relationships. Business transactions may get less than thorough objectivity as well as mutual competition may decrease the scope for local support. (Jayadatta, 2017) Rural entrepreneurs suffer a major problem of lack of technical

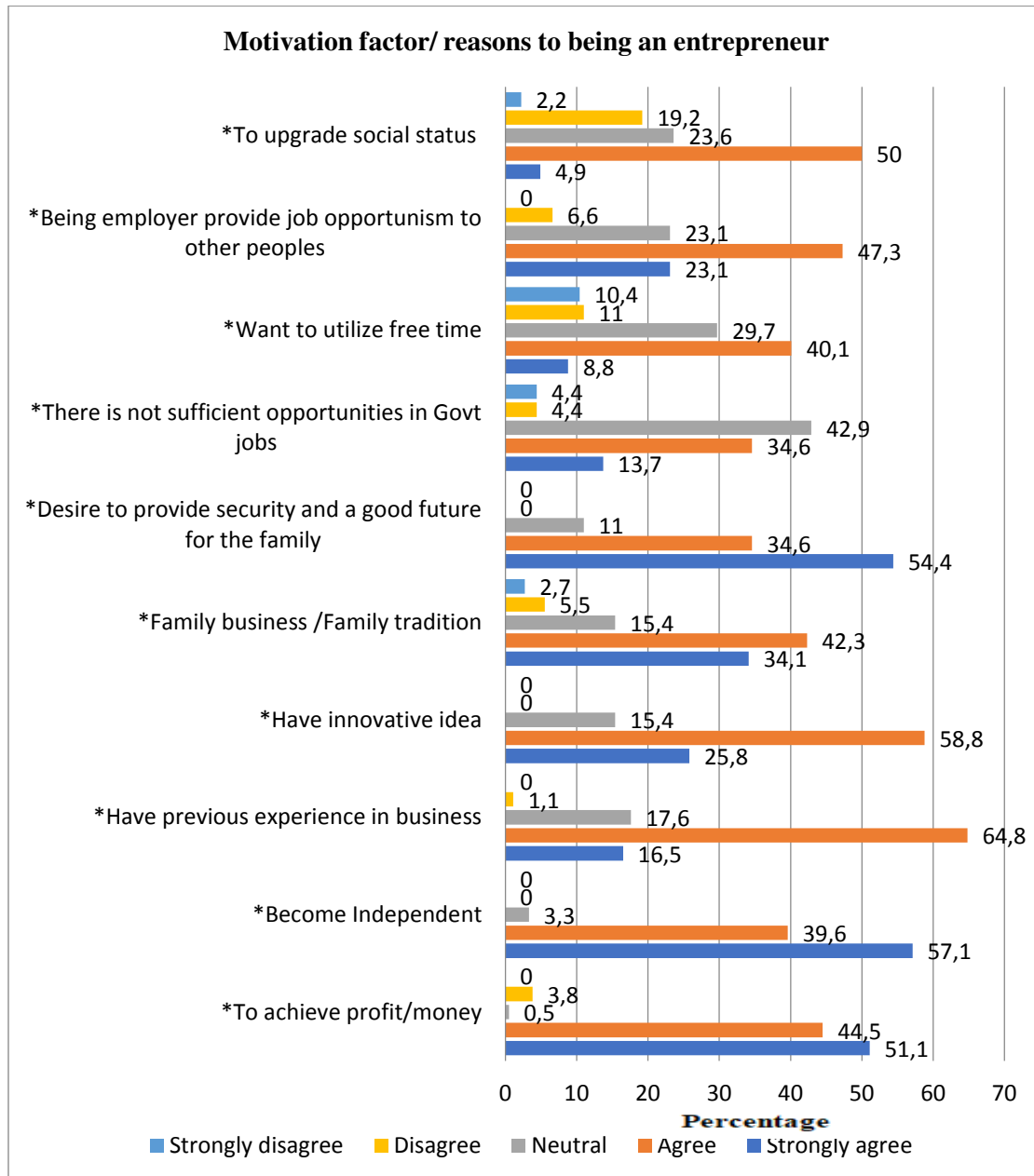
knowledge which create a problem for the growth of rural entrepreneurship, about 32 people (17.6%)strongly agreed, 82 (45.1%) agreed, 39 (21.4%) neutral, 29 (15.9%) disagreed with mean 3.64 with standard deviation 0.95.

13. **Information gap:** Information plays such a significant role in nearly every human activity; its value in the development process has been a topic of extensive debate. According to numerous researchers, (Bell, 1986; Boon, 1992), all agreed that lack of information has very negative impact on development process. In this sense there is some concern that information is still not perceived as being as important as other resources. A total 33 people (18.1%) who strongly agreed, 71 people (39%) who agreed, 38 neutral (20.9%), 34 people (18.7%)who disagreed, 6 people (3.3%)strongly disagreed with mean 3.5 and standard deviation value 1.09 have opinion that lack of information, about available business support structure plus services and amenities these are another barrier for rural entrepreneurs in Indian rural area while setting up their new business.
14. **Competition:** By starting new businesses, entrepreneurs exaggerate competition for existing businesses. Consumers benefit from the resulting lower prices and greater product variety. Researchers have developed a measure of market mobility, which identifies the effects of new business formation on existing firms (Koster et al., 2012) From this research results stated that 54 entrepreneurs (29.7%) strongly agreed was Major competition from large sized businesses and urban entrepreneurs.72 (39.6%) agreed, 38 neutral (20.9%), 18 people (9.9%)disagreed with mean 3.89 and standard deviation value 0.94 by statement one of the challenges for rural entrepreneurs is major competition from large sized businesses and urban entrepreneurs.
15. **Middlemen:** Middlemen exploit rural entrepreneurs. The rural entrepreneurs are strongly dependent on middlemen for marketing of their products who pocket large amount of profit. Storage facilities and poor means of transport are other marketing problems in rural areas. In most of the villages, farmers store the produce in open space, in bags or earther vessels etc. (Saxena.S.2012) from results 41 (22.5%) respondents strongly agreed, 86 agreed (47.3%), 41 neutral (22.5%), 14 (7.7%) disagreed that Middlemen exploit rural entrepreneurs with mean 3.84 and standard deviation value 0.85. The rural entrepreneurs are so much dependent on middlemen for marketing of their products who pocket large amount of profit.

Data table in table 26 and figure 18 shows risk taking, and failure is inherent in entrepreneurship ( $x = 4.50$ ) rated highest, while Family members were not supportive with decision to be an entrepreneur ( $x = 2.81$ ) in challenges and problems faced by rural entrepreneurs were rated lowest.

### 4.13 Data presentation based on motivation factor/ reasons behind to choose Entrepreneurial carrier in Hungary

The following table 27 and figure 19 highlights various factors that inspired participants of this study to start their own business.



**Figure19. Motivation factor or reasons behind to choose entrepreneurial carrier in Hungary**

Source: Field survey conducted in Hungary

**Table 27. Motivation factor or reasons behind to choose entrepreneurial carrier in Hungary**

Sr. No.	Statement	Mean	Standard deviation
	Motivation factor/ Reasons to be an Entrepreneur		
1	To achieve profit/money	4.42	0.69
2	Become Independent	4.53	0.56
3	Have previous experience in business	3.96	0.62
4	Have innovative idea	4.1	0.63
5	Family business /Family tradition	3.99	0.98327
6	Desire to provide security and a good future for the family	4.43	0.68411
7	There is not sufficient opportunities in Govt jobs	3.48	0.93867
8	Want to utilize free time	3.25	1.10464
9	Being employer provide job opportunism to other peoples	3.86	0.84368
10	To upgrade social status	3.36	0.9226

Source: Field survey conducted in Hungary

1. **To achieve profit:** Entrepreneurial ventures are the types of business that have the main intention to earn profit and growth (Nieman and Nieuwenhuizen, 2009). The reasons which determine potential entrepreneurs to start a business are as diverse as the activities in which they choose to be involved. The results show the main entrepreneurial motivations as resulted from the research were performed 93 respondents (51.1%), 81 (44.5%) agreed, 1 (0.5%) neutral, 7 (3.8%) disagreed with mean value of 4.42 and standard deviation 0.69. The result shows that the most consistent group of respondents have perception that entrepreneurship as a Source: of higher income.
2. **Become Independent:** Perhaps several of entrepreneurship profit that were highlighted in the literature such as economic competitiveness, economic independence and self-esteem could be the major motivating factors (European Commission, 2012; Linane et al., 2005; Dempsey, 2009). 104 (57.1%) respondents who strongly agreed, 72(39.6%) agreed, 6 (3.3%)neutral, they were attracted by the idea of being independent with mean value of 4.53 and standard deviation 0.62.
3. **Previous business experience:** Nieuwenhuizen (2009), emphasize that the emergence of entrepreneurship will depend on both necessity and opportunity factors. He declares that if someone is retrench after some years of experience in a good organization and has been thinking of initiating his/her own business and starts it when the window of opportunity opens, then he/she has been pushed and pulled to do business. From this study 30 respondents were strongly agreed (16.5%), 118 (64.8%) agreed, 32 (17.6%) neutral,

2(1.1%) disagreed that previous work experience behind their entrepreneurial motivation with mean value of 3.96 and standard deviation 0.62.

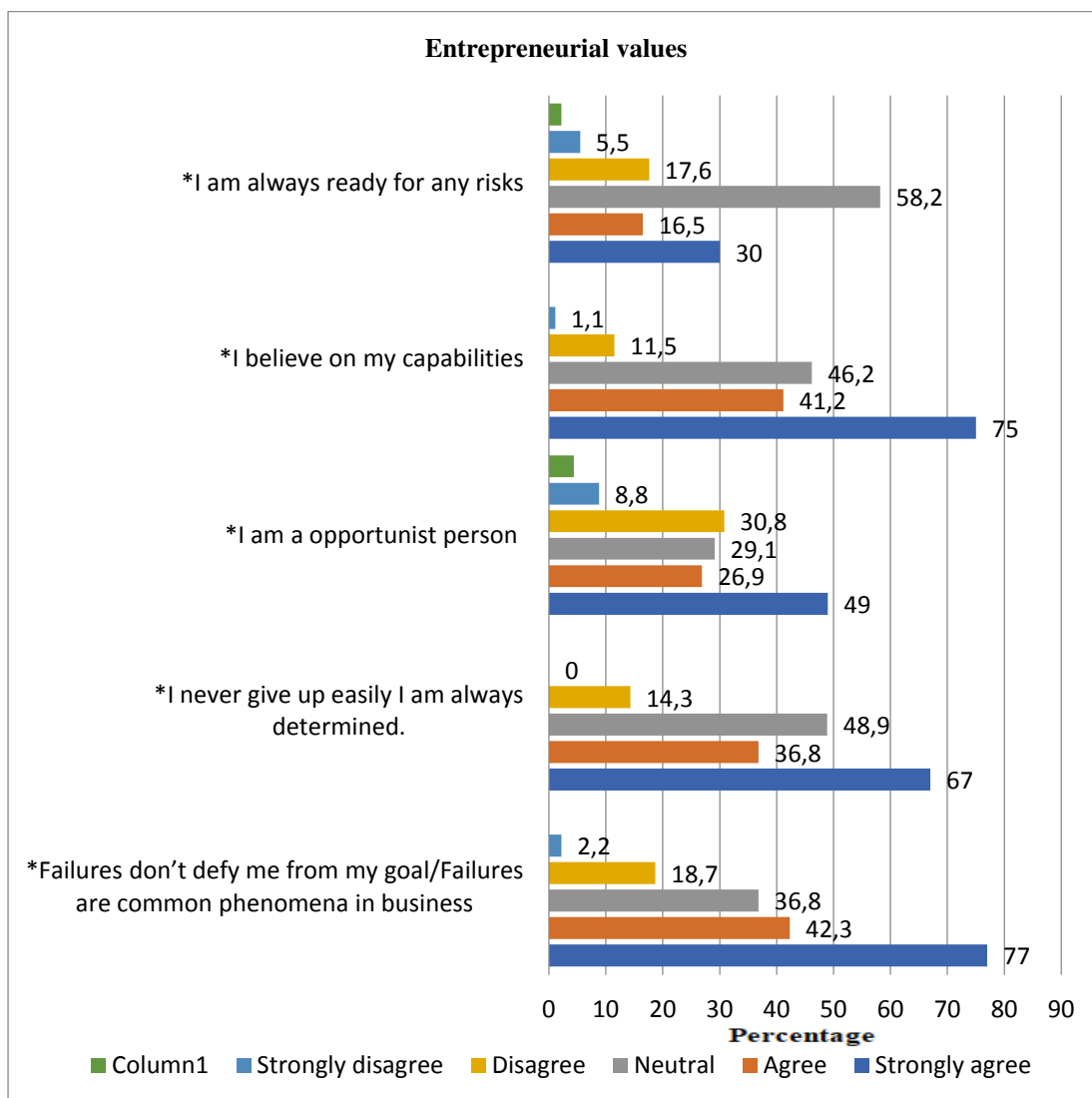
4. **Have innovative idea:** These entrepreneurial skills incorporate opportunity recognition, creativity and innovation, calculated risk-taking, determination, and so on, (Van Paaag and Cramer, 1985). From this research it has been resulted that 47 (25.8%) of respondents were strongly agreed, 107(58.8%) agreed, 28 (15.4%) neutral opinion with mean 4.10), (standard deviation 0.63) by statement that they have innovative ideas because of this idea they would like to proceed their career as entrepreneur.
5. **Family business /Family tradition:** Many of respondents quoted that entrepreneurship being a family business/family tradition, 62 respondents (34.1%)who strongly agreed, 77 (42.3%)who agreed,28 (15.4%)neutral ,10 (5.5%) disagreed and 5 (2.7%) who strongly disagreed .with mean 3.99 and 0.98 These results could be connected to earlier suggestions made in the literature that the foot-steps of family members and role models that are entrepreneurship orientated and encouraging individuals who reside within the same environment (Lall and Sahai, 2008).
6. **Desire to provide security and a good future for the family:** Entrepreneurs have another type of motivation lies in the desire to provide security and a good future for the family. There are 25 respondents (13.7%), 105 (57.7%) who agreed, 39 (21.4%) who were neutral, 13 (7.1%) and disagreed with mean 3.78 and standard deviation 0.76.
7. **No sufficient opportunities in Govt jobs:** from this research is has been found that 25 respondents strongly agreed (13.7%), 63 (34.6%)agreed, 78 (42.9%) neutral, 8 (4.4%) disagreed and 8 (4.4%) strongly disagreed (mean 3.48), (standard deviation 0.93) who strongly disagreed with statement there is not sufficient opportunities in Govt jobs.
8. **Want to utilize free time:** From the results of this research it has been found that 16 (8.8%) respondents were strongly agreed,73 (40.1%) agreed, 54 respondents (29.7%) have neutral opinion, 20 (11%)strongly disagreed,19 respondents (10.4%)were disagreed with opinion that they want to utilize free time that's why they start their business with mean value of 3.25 and standard deviation 0.84. From these respondents majorly were woman's they want to utilize their free time and wish to support family by extra Source of income.
9. **Being employer provide job opportunities to other peoples-**The individuals believe that entrepreneurship is the best preference for economic contribution rather than seek paid employment. These results are in accord with Mahadea et al. (2011)  
An entrepreneur is person who can offer job to others which indirectly helps for economic development, 42 (23,1%) respondents were strongly agreed, 86 (47.3%) agreed, 42 respondents (23.1%) have neutral opinion, 12 (6.6%) strongly disagreed with opinion being employer provide job opportunities to other peoples with mean value of 3.86 and standard deviation 0.84.
10. **To upgrade social status:** An entrepreneur social status and life style may change, if his or her venture becomes successful and lucrative, and other people who live within the

community begin to regard him/her as a role model. There are 9 respondents (4.9%), 91 agreed (50%), 43 (23.6%) neutral, 35 (19.2%) disagreed and 4 (2.2%) who strongly disagreed that they would like to start business for up gradation of social status with mean value 3.36 and standard deviation value 0.92.

Data table 27 and figure 19 shows to achieve profit and money ( $x = 4.42$ ) was rated higher while Want to utilize free time ( $x = 1.91$ ) rated lower in Motivation factor or reasons behind to choose Entrepreneurial carrier.

#### 4.14 Data presentation based on entrepreneurial values in Hungary

The following table 28 and figure 20 highlights various entrepreneurial values of Hungarian entrepreneurs.



**Figure 20. Perception about entrepreneurial values in Hungary**

Source: Field survey conducted in Hungary

**Table 28. General opinion about entrepreneurial values in Hungary**

Sr. No	Statement	Mean	Standard deviation
	Entrepreneurial values		
1	Failures don't defy me from my goal/ Failures are common phenomena in business	4.19	0.81
2	I never give up easily I am always determined.	4.22	0.68
3	I am a opportunist person	3.65	1.10
4	I believe on my capabilities	4.27	0.70
5	I am always ready for any risks	3.81	0.85

Source: Field survey conducted in Hungary

The Values are measured by various researchers as the main principle making people to act. Thus, value leads individual's actions and behaviors. The value thought effects entrepreneurs' entrepreneurial success in their business decisions. According to Schwartz (19987), values change depends upon their significance. Values are not specific and articulating the interests of peoples and societies. He indicates that the most important internal feature that differentiates the values is the kind of their motivational objective. In this research it highlights entrepreneurship and special features of entrepreneurs, the data obtained from questionnaire on entrepreneurial features of Anatolian entrepreneurs in terms of their values are statistically evaluated. The above tables describe the entrepreneurial values.

- 1. Failures don't defy me from my goal:** Failure is key behind success as per this proverb 77 respondents (42.3%)strongly agreed that they did not defy from their goal by failures, another 67 (36.8%) agreed, 34(18.7%) were neutral, 4 (2.2%) disagreed with mean 4.19 and standard deviation 0.81.
- 2. I never give up easily I am always determined:** This value was about determination 67 respondents (36.8%) strongly agreed, 89 people (48.9%) agreed, 26 (14.3%) were neutral, (mean 4.22), (standard deviation0.68).
- 3. I am an opportunist person:** Most of the entrepreneurs believe they are opportunists. 49 respondents (26.9%) strongly agree with this viewpoint.53 respondents (29.1%) are agree. 56 respondents (30.8%) were neutral,16 respondents (8.8%) were agree on this and

8 respondents (4.4%) strongly disagree with mean value 3.65 and standard deviation 1.10.

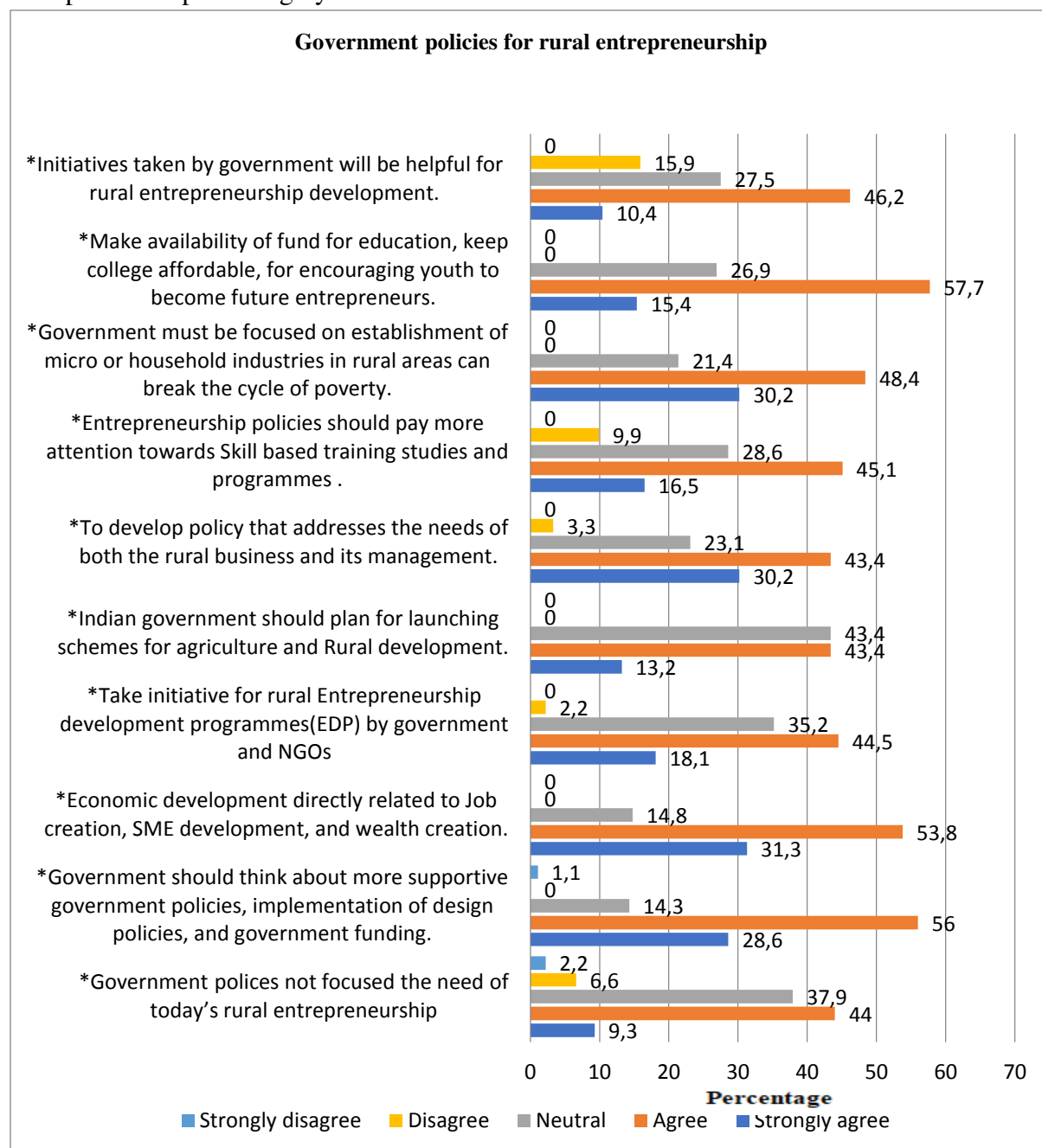
- 4. I believe on my capabilities:** From the analysis it has been observed that there were 75 respondents (41.2%) were strongly agreed, 84 (46.2%) agreed, 21 (11.5%) were undecided, and 2 respondents (1.1%) disagreed on statement that their own capabilities as they were very well aware about their strengths and weakness so their self SWAT analysis help for discover own capabilities with mean 4.27 and standard deviation 0.70.
- 5. I am always ready for any risks:** From results it has been found that there were 30 respondents (16.5%) were strongly agreed. 106 (58.2%) agreed, 32 (17.6%) neutral, 10 (5.5%) agreed and 4 people (2.2%) strongly disagreed (mean 3.81) (standard deviation 0.85).

Data table in table number 28 and Figure 20 shows to I believe on my capabilities ( $x = 4.27$ ) was rated higher while I am an opportunist person ( $x = 3.65$ ) rated lower in Entrepreneur value.



#### 4.15 Data presentation based on government policies for rural entrepreneurship in Hungary

The following table 29 and figure 21 highlights various government Policies for rural entrepreneurship in Hungary.



**Figure 21. General opinion about government policies for rural entrepreneurship in Hungary**

Source: Field survey conducted in Hungary

**Table 29. General opinion about government policies for rural entrepreneurship in Hungary**

Sr. No	Statement	Mean	Standard deviation
	Government Polices for Rural entrepreneurship		
1	Government polices not focused the need of today's rural entrepreneurship	3.51	0.83
2	Government should think about more supportive government policies, implementation of design policies, and government funding.	4.10	0.71
3	Economic development directly related to Job creation, SME development, and wealth creation.	4.16	0.66
4	Take initiative for rural Entrepreneurship development programs (EDP) by government and NGOs	3.78	0.76
5	Government should plan for launching schemes for agriculture and Rural development.	3.69	0.69
6	To develop policy that addresses the needs of both the rural business and its management.	4.00	0.81
7	Entrepreneurship policies should pay more attention towards Skill based training studies and programmes .	3.88	0.64
8	Government must be focused on establishment of micro or household industries in rural areas can break the cycle of poverty.	4.08	0.71
9	Make availability of fund for education; keep college affordable, for encouraging youth to become future entrepreneurs.	4.10	0.62
10	Initiatives taken by government will be helpful for rural entrepreneurship development.	3.51	0.88

Source: Field survey conducted in Hungary

From this research it has been found that,

1. **Government policies should be more focused:** There were 17 respondents (9.3%) strongly agreed, 80(44%) agreed, 69 (37.9%) neutral, 12 (6.6%) disagreed and 4 (2.2%) strongly disagreed (mean 3.51) (standard deviation0.83) with statement government polices not focused the need of today's rural entrepreneurship.
2. **Government should think about more supportive government policies:** while Government should think about more supportive government policies, implementation of design policies, and government funding with this statement 52 (28.6 %) respondents were strongly agreed, 102 (56%) agreed, 26 (14.3%) were neutral and 2 (1.1%) strongly disagreed (mean 4.10), (standard deviation0.71).
3. **Economic development directly related to Job creation, SME development, and wealth creation:** The next policy is related to economic growth i.e. economic development directly related to Job creation, SME development, wealth creation for this statement 57 respondents (31.3%) strongly agreed, 98 (53.8%) agreed, 27 respondents were (14.8%) neutral (mean 4.16) (standard deviation 0.66).
4. **Take initiative for rural Entrepreneurship development program:** There were 20 (6.7%) respondents who's strongly agreed, 42 (14.1%) agreed, 10 (3.4%) neutral, 20 (6.7%) disagreed and 10 (3.4% strongly disagreed. Government polices not focused the need of today's rural entrepreneurship. 33 (18.1%)strongly agreed, 81 (44.5%) agreed, 64 (35.2%) neutral, 4 (62.2%) with statement that government and NGOs should take initiative for rural Entrepreneurship development programmes(EDP) (mean 3.78) (standard deviation0.76)
5. **Government should plan for launching schemes for agriculture and rural development :**24 (13.2%) respondents were strongly agreed, 79 (43.4%) agreed,79 (43.4%) neutral, by Indian government should plan for launching schemes for agriculture and Rural development (mean 3.69) (standard deviation0.69).
6. **To develop policy that addresses the needs:** To develop policy that addresses the needs of both the rural business and its management. With this strongly agreed by 55 (30.2%)respondents ,79(43.4%) agreed,42 (23.1%) neutral ,6 (3.3%)agreed (mean 4) (standard deviation0.81). There were 30 respondents (16.5%) strongly agreed, 82 (45.1%) agreed, 52(28.6%) neutral ,18 (9.9%) (mean 3.88) (standard deviation0.64)
7. **Entrepreneurship policies should pay more attention:** With statement entrepreneurship policy should pay attention towards increasing attention on entrepreneurial policies related to skill-based training and programs. Government must be focused on establishment of micro or household industries in rural areas can break the cycle of poverty with this statement 55 respondents were strongly agreed (30.2%), 88 (48.4%) agreed, 39 (21.4%) neutral, (mean 4.08), (standard deviation0.71).
8. **Government must be focused on establishment of micro or household industries:** The most important one is organization for availability of funds for education, make college available and making it accessible for future entrepreneurship; 28 (15.4%)

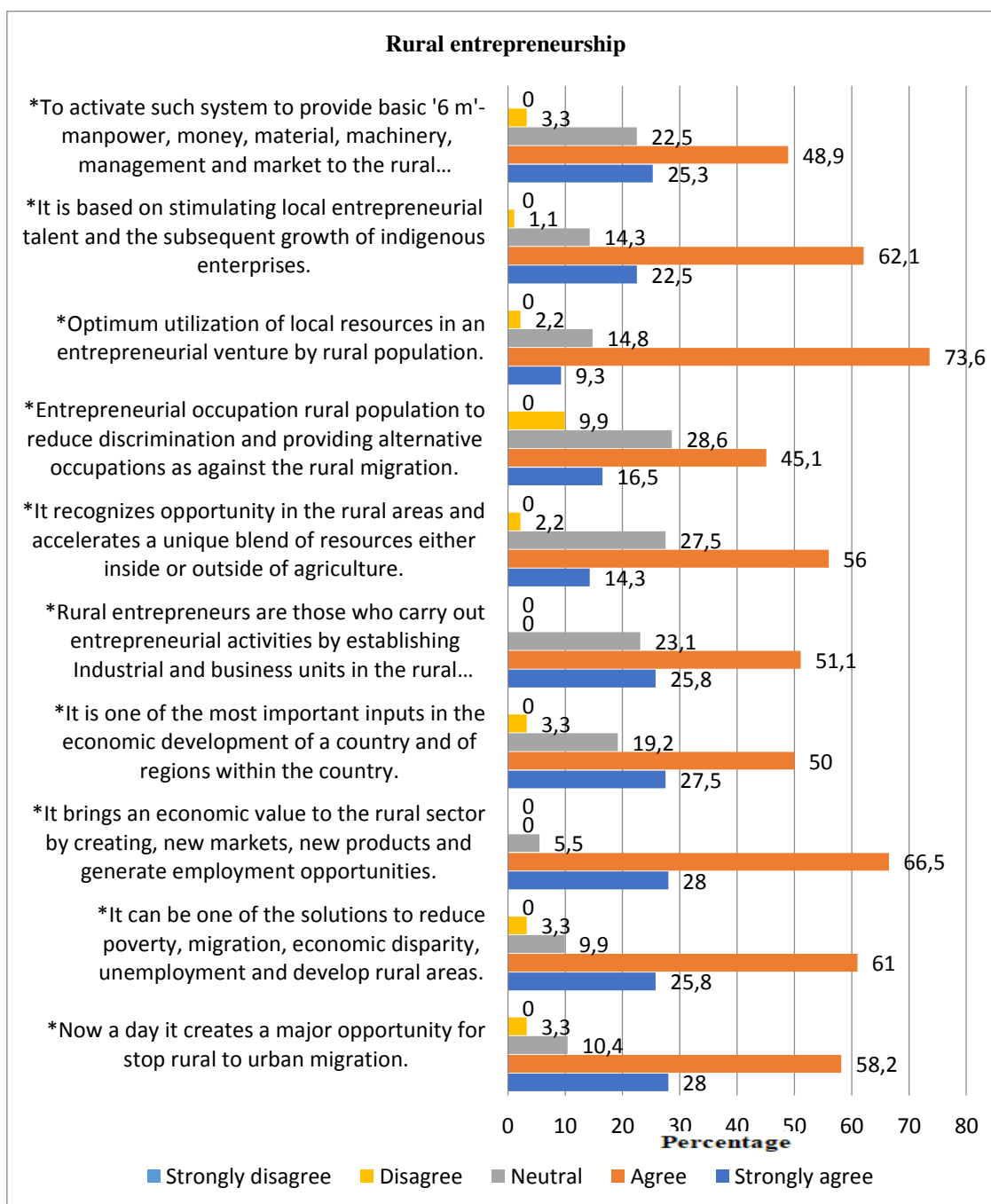
respondents strongly agreed, 105 (57.7%) agreed, 49 (26.7%)by (mean 4.10) (standard deviation0.62).

9. **Make availability of fund for education** -The most important one is organization for availability of funds for education, make college available and making it accessible for future entrepreneurship; (15.4%) respondents strongly agreed, (57.7%) agreed, (26.9%) were neutral by (mean 4.10) (standard deviation0.62).
10. **Initiatives taken by government will be helpful:** Initiatives taken by government will be helpful for rural entrepreneurship development with 19 (10.4%) strongly agreed, 84 (46.2%) agreed, 50 (27.5%) took a neutral strand, 29 (15.9) disagreed by (mean 3.51) (standard deviation0.88).

Data table in table number 29 and Figure 21 shows Economic development directly related to Job creation, SME development, and wealth creation. ( $x = 4.16$ ) was rated higher Government polices not focused the need of today's rural entrepreneurship ( $x = 3.51$ ) rated lower in government policies for rural entrepreneurship.

#### 4.16 Data presentation base on statements related to rural entrepreneurship in Hungary

The following table 30 and Figure 22 highlights various issues associated with rural entrepreneurship in Hungary.



**Figure 22. General opinion about rural entrepreneurship in Hungary**

Source: Field survey conducted in Hungary

**Table 30. General opinion about rural entrepreneurship in Hungary**

Sr. No	Statement	Mean	Standard deviation
	Rural entrepreneurship		
1	Now a day it creates a major opportunity for stop rural to urban migration.	4.10	0.71
2	It can be one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural areas.	4.09	0.69
3	It brings an economic value to the rural sector by creating, new markets, new products and generate employment opportunities.	4.22	0.53
4	It is one of the most important inputs in the economic development of a country and of regions within the country.	4.01	0.77
5	Rural entrepreneurs are those who carry out entrepreneurial activities by establishing Industrial and business units in the rural sector of the economy.	4.02	0.70
6	It recognizes opportunity in the rural areas and accelerates a unique blend of resources either inside or outside of agriculture.	3.82	0.69
7	Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration.	3.68	0.86
8	Optimum utilization of local resource sin an entrepreneurial venture by rural population.	3.90	0.56
9	It is based on stimulating local entrepreneurial talent and the subsequent growth of indigenous enterprises.	4.06	0.64
10	To activate such system to provide basic '6 m'-manpower, money, material, machinery, management and market to the rural population.	3.96	0.78

Source: Field survey conducted in Hungary

The maximum number of sustainable development specialist consent that, even though eco-efficiency generally certainly correlates with economies of scale, globalization lean to have a negative outcome on the state of the environment, as opposite to the positive impact of the

emergence of independent micro regions. From all types of micro-regions, rural areas are of extraordinary implication. According to the European Figure for Rural Areas, the term rural area stands for a stretch of inland or coastal countryside where the agricultural and non-agricultural parts – including small towns and villages – form entire both in economic and social conditions, where the concentration of population and that economic, social and cultural structures is considerably inferior than in urban areas and where the main area is used for agriculture, forestry, natural reserves and recreational purposes (Luda, 2011)

1. **Creates a major opportunity:** From this research it has been found that, 51 respondents (28%) strongly agree, 106 (58.2%) respondents were agreed, 19 (10.4%) neutral, and 6 (3.3%) respondents were disagreed with statement that nowadays rural entrepreneurship creates a major opportunity for stop rural to urban migration with mean 4.10 and standard deviation 0.71
2. **The solutions to reduce poverty:** The main advantages of rural entrepreneurship are firstly that it can be one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural areas with this statement 47 (25.8%) respondents strongly agreed, 111 (61%) agreed, 18 (9.9%) neutral, 6 (3.3%) and disagreed (mean 4.09) (standard deviation 0.69).
3. **It brings an economic value:** It is believed that rural entrepreneurs bring an economic value to the rural sector by creating, new markets, new products and generate employment opportunities with these 51 respondents (28%) strongly agreed, 121 (66.5%) agreed, 10 (5.5%) neutral, (mean 4.22) (standard deviation 0.53).
4. **It is one of the most important inputs in the economic development:** It is one of the most important inputs in the economic development of a country and of regions within the country with this opinion 50 (27.5%) respondents were strongly agreed, agreed 91 (50%), neutral 35 (19.2%), 6 (3.3%) disagreed with mean value 4.01 and standard deviation 0.77.
5. **Carry out entrepreneurial activities by establishing Industrial and business units:** There were 57 respondents (25.8%) strongly agreed, 93 (51.1%) agree, and 42 (23.1%) strongly disagreed with the statement rural entrepreneurs are those who carry out entrepreneurial activities by establishing Industrial and business units in the rural sector of the economy with mean value 4.02 and standard deviation 0.70.
6. **It recognizes opportunity:** Rural entrepreneurs tend to recognize opportunity in the rural areas and accelerates a unique blend of resources either inside or outside of agriculture with this statement by 26 respondents (14.3%) strongly agreed, 102 (56%) agreed, 50 (27.5%) neutral, 4 (2.2%) disagreed opinion with mean 3.82 and standard deviation 0.69.
7. **Reduce discrimination and providing alternative occupations:** The most benefit of rural entrepreneurship is stops mitigation of immigration; it is believed that Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration with this opinion 30 respondents

(16.5%) strongly agreed, 82 (45.1%) agreed, 42 (28.6%) neutral, and 18 respondents were (9.9%) disagreed with mean value 3.68 and standard deviation 0.86.

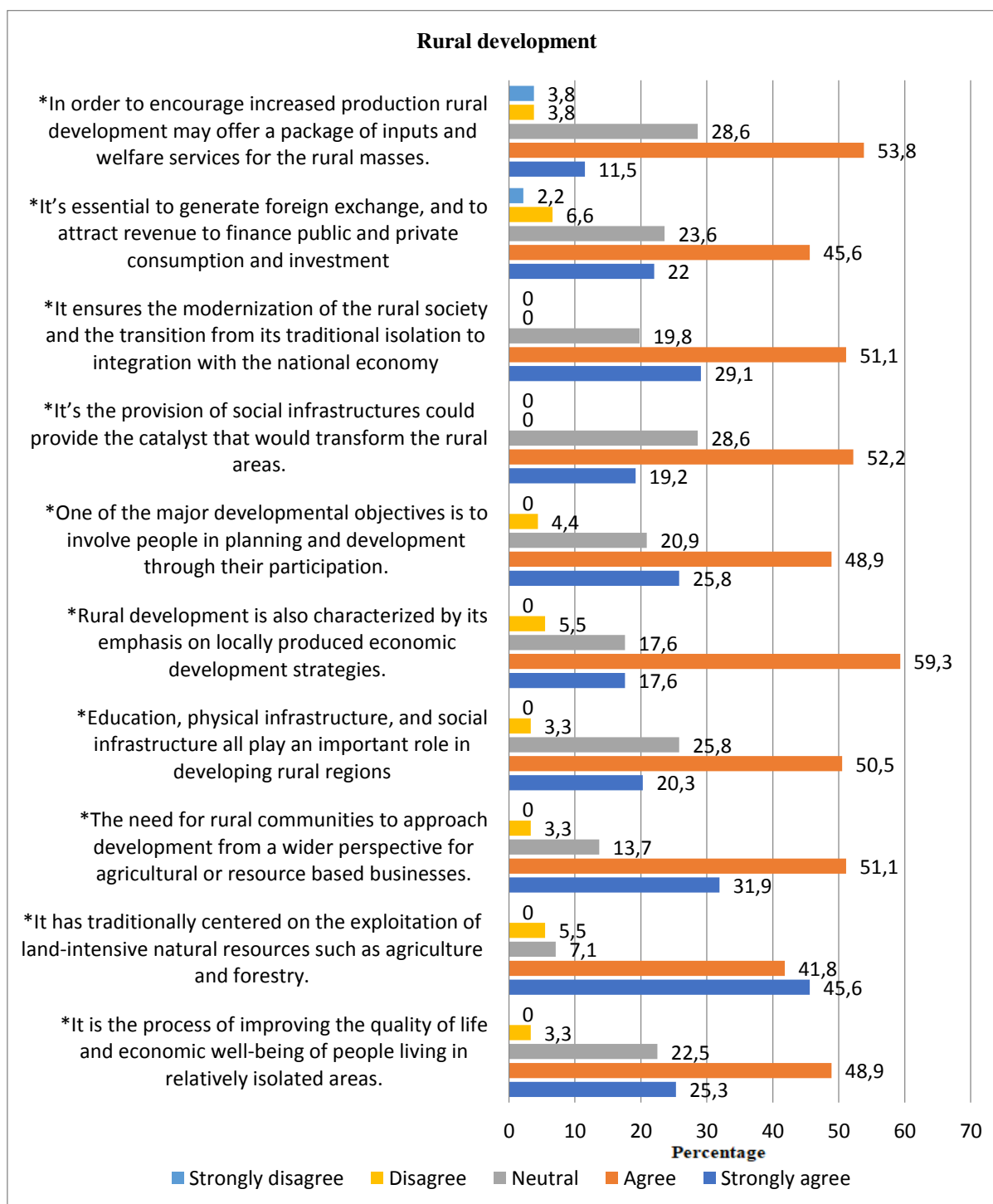
8. **Optimum utilization of local resources:** Total 17 respondents (9.3%) strongly agreed, 134(73.6%)agreed, 27 (14.8%)neutral and ,4 respondents were (2,2%) disagreed with statement that Optimum utilization of local resources in an entrepreneurial venture by rural population with mean 3.90 and standard deviation 0.56.
9. **Stimulating local entrepreneurial talent:** The main aim of rural entrepreneurship is to stimulate local entrepreneurial talent and the subsequent growth of indigenous enterprises there are 41 (22.5%)respondents were strongly agreed, 113 (62.1%) agree, 26 (14.3%) neutral, and 2 respondents were (1.1%) disagree by mean value 4.0 and standard deviation 0.64.
10. **To activate such system to provide basic '6 m':** To develop a system where the 6 m are provided i.e. to activate such system to provide basic '6 m'- manpower, money, material, machinery, management and market to the rural population with these 46 respondents (25.3%) strongly agreed, 89(48.9%) agreed, 41 (22,5%) neutral, and 6 (3.3%) respondents were disagreed with mean value 3.96 and standard deviation 0.78.

Data table in table number 30 and Figure 22it brings an economic value to the rural sector by creating, new markets, new products and generate employment opportunities ( $x = 4.22$ ) was rated higher while Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration ( $x=3.68$ ) rated lower in entrepreneurship.



#### 4.17 Data presentation base on statements related to rural development in Hungary

The following table 31 and Figure 23 highlights various issues associated with rural development in Hungary.



**Figure 23. General opinion about rural development in Hungary**

Source: Field survey conducted in Hungary

**Table 31. General opinion about rural development in Hungary**

Sr. No	Statement	Mean	Standard deviation
	Rural Development		
1	It is the process of improving the quality of life and economic well-being of people living in relatively isolated areas.	4.2747	0.82188
2	It has traditionally centered on the exploitation of land-intensive natural resources such as agriculture and forestry.	4.1154	0.76011
3	The need for rural communities to approach development from a wider perspective for agricultural or resource-based businesses.	3.8791	0.76288
4	Education, physical infrastructure, and social infrastructure all play an important role in developing rural regions	3.8901	0.74996
5	Rural development is also characterized by its emphasis on locally produced economic development strategies.	3.8297	0.78564
6	One of the major developmental objectives is to involve people in planning and development through their participation.	3.9615	0.80307
7	It's the provision of social infrastructures could provide the catalyst that would transform the rural areas.	3.9066	0.68694
8	It ensures the modernization of the rural society and the transition from its traditional isolation to integration with the national economy	4.0934	0.69494
9	It's essential to generate foreign exchange, and to attract revenue to finance public and private consumption and investment	3.7857	0.93621
10	In order to encourage increased production rural development may offer a package of inputs and welfare services for the rural masses.	3.6868	0.81134

Source: Field survey conducted in Hungary

Hungary's EU accession and the continuing overture of the EU acquis improved the role of rural development policy and its terms in Hungary's scientific and political areas. It is extremely essential that both in the European Union and Hungary rural development policy, rural employment problems and the increased agricultural population. To overcome this problem rural development policy follows different patterns in the European Union and in Hungary. In the EU the revolution of the information technology – the second industrial revolution – made possible to avoid considering rural development brings changes only for alternative of local communities. The problems related to agricultural surplus shows that some profit orientation of production will produce waste, environmental pollution. In the European Union rural development policy derive from a new belief of sustainable development and the resistance of globalization. In Hungary rural development policy is connected with the backwardness of rural economy Hungarian rural development experts should convey their opinion on rural policy to the public but so far, they have not done it. In Hungary three research groups study rural development. These three are sociologists, agricultural researchers and the experts of SAPARD (Special Accession Program for Agricultural Rural Development) Programme. (Kovacs, 2001) They study various aspects of rural development.

From the results it has been found that

1. **It is the process of improving the quality of life:** 46 (25.3. %) respondents were strongly agreed, agreed by 89 (48.9%), neutral 41 (22.5%), disagreed 6 (3.3%) (1%) with statement It is the process of improving the quality of life and economic well-being of people living in relatively isolated areas. (mean 4.27), (standard deviation 0.82)
2. **It has traditionally centered on the exploitation of land-intensive natural resources:** There were 83 (45.6%) respondents were strongly agreed, agreed by 76 (41.8%), neutral 13 (7.1%), disagreed 10 (5.5%) with statement that It has traditionally centred on the exploitation of land-intensive natural resources such as agriculture and forestry. (mean 4.11) (standard deviation 0.76)
3. **The need for rural communities to approach development:** The need for rural communities to approach development from a wider perspective for agricultural or re Source: based businesses. with this opinion 58 (31.9%) respondents were strongly agreed, agreed 93 (51.1%), 25 neutral (13.7%), disagreed 6 (3.3%) by (mean 3.87), (standard deviation 0.76).
4. **Education, physical infrastructure, and social infrastructure all play a key role in developing rural region:** There were 37 (20.3%) respondents strongly agreed, agreed by 92 (50.5%), neutral 47 (25.8%), disagreed by 6 (3.3%) (mean 3.89) (standard deviation 0.74). with statement education, physical infrastructure, and social infrastructure all play an important role in developing rural
5. **It ensures the modernization:** There were 32 (17.6%) respondents strongly agreed, agreed by 108 (59.3%) neutral 32 (17.6%), disagreed by 10 (5.5%) (mean 3.82) (standard

deviation 0.78). with statement Rural development is also characterized by its emphasis on locally produced economic development strategiesregions.

6. **One of the major developmental objective is to involve people in planning and development:** (25.8%)7 respondents were strongly agreed, agreed 89 (48.9%)neutral 38 (20.9%), disagreed 8 (4.4%) (mean 3.96) (standard deviation 0.80)
7. **Provide the catalyst:** with statement that one of the major developmental objective is to involve people in planning and development through their participation.35 (19.2%) respondents were strongly agreed, agreed 95(52.2%), neutral 52 (28.6%) (mean 3.90), (standard deviation 0.68) with statement that It's the provision of social infrastructures could provide the catalyst that would transform the rural areas.
8. **It ensures the modernization:** Rural development leads to modernization via modernization of the rural society and the transition from its traditional isolation to integration with the national economy strongly with this 53 (29.1%) respondents were strongly agreed, 93 (51.1%)agreed, 36 (19.8%) neutral, (mean 4.09) (standard deviation0.69).
9. **Encourage increased production rural development:** It's essential to generate foreign exchange, and to attract revenue to finance public and private consumption and investment this opinion strongly agreed by 40(22%)respondents, agreed 83 (45.6%), neutral 43(23.6%), disagree 12 (6.6%)and strongly disagreed by 4 (2.2%), (mean3.78) (standard deviation 0.93).
10. **Encourage increased production rural development:** In order to encourage increased production rural development may offer a package of inputs and welfare services for the rural masses. with this opinion strongly agreed by 21 (11,5%)respondents, agreed 98(53.8%), neutral 52 (28.6%), disagree 7 (3.8%)and strongly disagreed by 7 (3.8%) (mean 3.68), (Standard deviation 0.81).

Data table 31 and figure 23 shows the process of improving the quality of life and economic well-being of people living in relatively isolated areas. ( $x = 4.27$ ) was rated higher while in order to encourage increased production rural development may offer a package of inputs and welfare services for the rural masses ( $x = 3.68$ ) rated lower in rural Development.

#### 4.18 Hypotheses test analysis for Hungarian data

For the purpose of verifying the hypotheses of the research in determining the effect our proposed factors, the one-sample t-test has used, which is based on the comparison of the calculated average with the modified average. The null hypothesis is accepted if the Sig level is greater than the value of 5%, the results are presented in below table as following

**H1: There is a significant relationship between challenges of Hungarian rural entrepreneurship ventures and performance rural entrepreneurship.**

**Table 32. Description about one-sample test for hypothesis 1**

Test Value = 0					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
121.209	181	.000	38.32967	37.7057	38.9536

Source: SPSS analysis

The result of testing the hypothesis is summarized in table 4.20. As it can be seen, the hypothesis is supported. Because the  $p < 0.05$  and T-value is 121.20. Therefore, it can claim that there is a significant relationship between challenges of Hungarian rural entrepreneurship ventures and performance rural Entrepreneurship.

**H2: There is a significant relationship between entrepreneurship motivation and entrepreneurial opportunities in the rural areas of Hungary to encourage development of enterprises initiatives.**

**Table 33. Description about one-sample test for hypothesis 2**

Test Value = 0					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
108.845	181	.000	57.88462	56.8353	58.9340

(Source: SPSS analysis)

The result of testing the hypothesis is summarized in table 4.21. As it can be seen, the hypothesis is supported. Because the  $p < 0.05$  and T-value is 108.84. Therefore, it can claim there is a meaningful relationship between entrepreneurship motivation and entrepreneurial opportunities in the rural areas of Hungary to encourage development of enterprises initiatives.

**H3: There is significant relationship between negative perception of rural peoples about entrepreneurship and entrepreneurship development.**

**Table 34. Description about one-sample test for hypothesis 3**

Test Value = 0					
t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
143.481	181	0.8	43.22527	42.6308	43.8197

(Source: SPSS analysis)

The result of testing the hypothesis is summarized in table 4.22 there is no evidence to support the hypothesis is a non-significant relationship between negative perception of rural peoples about entrepreneurship and entrepreneurship development and this hypothesis is rejected. Because the corresponding T Value is 143.48 and  $P=0.8$ .

**H4: There is significant effect of the entrepreneurial values and attitude in support to the success of rural entrepreneurs.**

**Table 35. Description about one-sample test for hypothesis 4**

Test Value = 0					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
115.030	181	.000	23.82967	23.4209	24.2384

(Source: SPSS analysis)

The result of testing the hypothesis is summarized in table 4.23 As it can be seen, the hypothesis is supported. Because the  $p < 0.05$  and T-value is 115.03. Therefore, it can claim there is significant effect of the entrepreneurial values and attitude in support to the success of rural entrepreneurs.

#### 4.19 New and Novel Scientific Achievements

The contribution of this study investigates some findings which are mention below.

1. In my scientific study it has been prove that major challenges and problems of entrepreneurs face in Indian rural areas were categorized under various statements, from the analysis of results it has been found that scarcity of resources and procurement of raw materials rated higher challenge, while major competition from large sized businesses and urban entrepreneurs rated lower in challenges and problems faced by rural entrepreneurs, on the other side challenges of entrepreneurs face in Hungarian rural areas were discussed under different statements, From the analysis of results it has been found that risk taking and failure is inherent in entrepreneurship rated most important challenge while running a business, while family members were not supportive with decision to be an entrepreneur in challenges and problems faced by rural entrepreneurs were rated lowest.
2. In my empirical research it has been found that the most key factor behind entrepreneurship is motivation factors or reasons behind to choose entrepreneurial carrier in India were discussed in this research, results shows that to achieve profit or money was rated higher motivational factor while having innovative idea rated lower in motivation factor or reasons behind to choose entrepreneurial carrier. Whereas Hungarian research results shows that to achieve profit and money was rated higher while want to utilize free time rated lower in motivation factor or reasons behind to choose entrepreneurial carrier.
3. Another most important finding of my work was concluded that in government Policies for rural entrepreneurship in India which was mention in that to make availability of fund for education; keep college affordable, for encouraging youth to become future entrepreneurs was rated higher while take initiative for rural entrepreneurship development programmed(EDP) by government and NGO stated lower in rural government policies for entrepreneurship whereas Hungarian results demonstrated that economic development directly related to job creation, entrepreneurship development, and wealth creation was rated higher while government polices not focused the need of today's rural entrepreneurship rated lower in government policies for rural entrepreneurship
4. My results confirm that that the importance of entrepreneurship is slowly being recognized. Moreover, study illustrates that people living in rural area in India were becoming more and more enthusiastic and interested about entrepreneurship. These entrepreneurs are going to be a vital force in bringing about the much-needed progress and change, especially in economic frontiers, in the country. This research stated that to activate entrepreneurship process system it is important to provide basic manpower, money, material, machinery, management and market to the rural population this response was rated higher while it can be one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural this response rated lower in entrepreneurship. On the contrary in Hungary study illustrates that rural

entrepreneurship brings an economic value to the rural sector by creating, new markets, new products and generate employment opportunities was rated higher while Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration rated lower in rural entrepreneurship development.



## 5. CONCLUSION AND RECOMMENDATION

The main objective of this study is to investigate major challenges and problems faced by rural entrepreneurs in India and Hungary also find the impact of these problems on the working efficiency, as well as this research also emphasized on the rural entrepreneurship perspectives, from their occupational performance values and the motivations behind business startup.

This chapter addresses answers to the research questions and conclusions were drawn from the findings of this study, and recommendations are put forward accordingly.

This research indicated that rural entrepreneurship development initiatives were lacking in Indian and Hungarian rural area. Similarly, rural entrepreneurship development services were also deficient in the city. Rural entrepreneurs in India and Hungary are devoid of business development services such as entrepreneurship education and training, finance and infrastructure etc. According to results my opinion was major challenges and problems faced by rural entrepreneurs in India and Hungary make impact on the working efficiency of entrepreneurs. This study found that the principal issues related to general statement of people perception for entrepreneurship, challenges of entrepreneurs, motivation factors or reasons to be an entrepreneur, entrepreneurial values, government policies for rural entrepreneurship, rural entrepreneurship, rural development, business and operational information and demographic profile of respondents were discussed in research questionnaire (Appendix II). While various Factors affecting entry to entrepreneurship were discussed in Figure 7.

There are numerous of factors that can force an individual to become an entrepreneur .There are push factors (Insecurity in job, Unemployment, Disagreement, No other alternative option )and pull factors (Recognition ,Competence, Independence, Individual development, Personnel wealth)which affects entry of entrepreneurship .According to conceptual framework of rural entrepreneurship development which mention in (Figure 8),this framework explains the correlation between the independent variables and dependent variables influence the proper use of the rural entrepreneurship development.

Major challenges entrepreneurs face in rural areas are mention in Figure 6. such as lack of education, shortage of finance and raw material, insufficient technical knowledge, conceptual time consuming legal processes, infrastructural problems (water/electricity/gas/transportation etc.), scarcity of resources, limited market and low skilled workforce etc. All the respondents from different firms agreed on some main challenges their businesses face in rural areas.

## 5. 1 Indian analysis

In this research, first phase of study conducted in India. As well as this research employed small medium entrepreneurship activities for development of rural areas of India, the researchers chose Vidarbha region as a research area.

These main issues were discussed according general opinion about rural entrepreneurship in India in Table 12(question no. 4), Main findings were indicated that respondents who's participated in this study their perception was entrepreneurship development provides new job opportunities as the most significant opinion about rural entrepreneurship Furthermore, according to the respondents who participated in this study, as per their opinion that doing business in rural is good career option were rated lowest.

In this research researcher concluded that major challenges and problems of entrepreneur's face in Indian rural areas were discussed in Table 13 (question no.5) Categorized under various statements, From the analysis of results it has been found that scarcity of resources and procurement of raw materials rated higher challenge, while major competition from large sized businesses and urban entrepreneurs rated lower in challenges and problems faced by rural entrepreneurs. The most important factor behind entrepreneurship is motivation factors or reasons behind to choose entrepreneurial carrier were discussed in Table 14 (question no.6) shows that to achieve profit or money was rated higher motivational factor while having innovative idea rated lower in motivation factor or reasons behind to choose entrepreneurial carrier. Some entrepreneurial values such as, determination, opportunity, capability, risk failure was discussed in table 15 (question no.7). The respondent's perception of this research stated that i am an opportunist person was rated higher while failures are common phenomena in business recorded lower in entrepreneur value. Another finding of this research was concluded in government Policies for rural entrepreneurship in India which was mention in Table 16 (question no.8). Shows that to make availability of fund for education; keep college affordable, for encouraging youth to become future entrepreneurs was rated higher while take initiative for rural entrepreneurship development programmed (EDP) by government and NGO stated lower in rural government policies for entrepreneurship. The importance of entrepreneurship is slowly being recognized. Moreover, Table 17 (question no.9) illustrates that people living in rural area in India were becoming more and more enthusiastic and interested about entrepreneurship. These entrepreneurs are going to be a vital force in bringing about the much-needed progress and change, especially in economic frontiers, in the country. This indicates a growing interest in rural entrepreneurship, the issue of sustaining and promoting their interest should be the attention of all prospects. This research stated that to activate entrepreneurship process system it is important to provide basic manpower, money, material, machinery, management and market to the rural population this response was rated higher while it can be one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural this response rated lower in entrepreneurship.

Interestingly, despite having so many challenges found by this study in the course of establishing and running entrepreneurial ventures in the rural area, some good prospect also emerged about rural development prospect in India Table 18 (question no.10) shows that education, physical

infrastructure, and social infrastructure all play an important role in developing rural regions was received higher responses from respondents while rural development is also characterized by its emphasis on locally produced economic development strategies received lower responses .

## **5.2 Hungarian analysis**

The second part of research was conducted in Hungary. As well as this research employed small medium entrepreneurship activities for development of rural areas of Hungary,

These main issues were discussed according general opinion about rural entrepreneurship in Hungary in Table 25 (question no. 4), Main findings were indicated that respondents who's participated in this study their perception was rural entrepreneurship brings an economic value to the rural sector as the most significant opinion about rural entrepreneurship furthermore, according to the respondents study that participated in this study, Due to lack of education, majority of rural people are unaware of technological development, marketing were rated lowest. Major challenges and problems of entrepreneur's face in Hungarian rural areas were discussed in Table 26 (question no.5) Categorized under various statements, From the analysis of results it has been found that risk taking, and failure is inherent in entrepreneurship rated most important challenge while running a business, while family members were not supportive with decision to be an entrepreneur in challenges and problems faced by rural entrepreneurs were rated lowest. The most important factor behind entrepreneurship is motivation factors or reasons behind to choose entrepreneurial carrier were discussed in Table 27 (question no.6) shows that to achieve profit and money was rated higher while want to utilize free time rated lower in motivation factor or reasons behind to choose entrepreneurial carrier. Some entrepreneurial values such as, determination, opportunity, capability, risk failure was discussed in Table 28 (question no.7). The respondent's perception of this research stated that I believe on my capabilities was rated higher while i am an opportunist person rated lower in entrepreneur value.

Another finding of this research was concluded in government Policies for rural entrepreneurship in Hungary which was mention in Table 29 (question no.8). Shows that economic development directly related to job creation, entrepreneurship development, and wealth creation was rated higher while government polices not focused the need of today's rural entrepreneurship rated lower in government policies for rural entrepreneurship. The importance of entrepreneurship is slowly being recognized. Moreover, Table 30 (question no.9) illustrates that rural entrepreneurship brings an economic value to the rural sector by creating, new markets, new products and generate employment opportunities was rated higher while Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration rated lower in rural entrepreneurship development. The rural development process has various problems which found by this study which shows in Table 31 (question no.10) the process of improving the quality of life and economic well-being of people living in relatively isolated areas was rated higher while in order to encourage increased production rural development may offer a package of inputs and welfare services for the rural masses rated lower in rural development. The above challenges, motivations and values will

influence rural entrepreneurship in many ways. Indeed, businesses encounter a variety of opportunities and challenges every year, which rise for diverse solutions. For instance, what was successful last year might not be the best approach today. However, discover and recognize of all the problems and benefits for enterprises in rural areas common conclusions can be drawn which is necessary for organization growth and achievement. In fact, an entrepreneur would find it helpful to know which obstacles to confront and which profit to confiscate in a given rural area. Despite of the size and the location of the company, effective business idea is the most important which is responsible to creates sustainable future.

In conclusion, rural entrepreneurship Field is highly relevant and expanding in today's business research. There is, however, a limited amount of studies focusing on rural entrepreneurship from entrepreneur's perspective. The contribution of this research is to find out the challenges and problems face by rural entrepreneurs in India and Hungary. Furthermore, the study yielded a framework suitable for similar analysis of various rural areas. The current study discovered that most significant problem that rural entrepreneurs from India and Hungary come across during formation of new business venture, and consequently running their enterprise consist of; lack of support structures, ineffective programs of Indian and Hungarian government to sustain entrepreneurial development in the region, lack of business funding and start-up capital, high cost involvement and unclear business registration process, lack of business management skills, lack of business resources. Though, people's enthusiasm to involve in entrepreneurial activities was also encouraging. Overall on the basis of challenges and prospects discovered, recommendations to get better the current situation was made. Thus, the findings and recommendations abide far attainment implication for all entrepreneurs who's concerned about developing rural entrepreneurship in this community.

**Table 36. Verification of the hypotheses**

The following hypotheses developed on the onset of the research were found in India and Hungary

Number	Hypothesis	Testing results India	Testing results Hungary
H1	Factors such as poor financing, inadequate social infrastructures, lack of managerial technical skills creates a major challenge in the performance of Indian rural enterprises.	Accepted	Accepted
H2	Motivation plays important role while starting a business in the rural areas of India.	Accepted	Accepted
H3	Rural peoples have negative perception towards the entrepreneurship	Accepted	Rejected
H4	Entrepreneurial values and attitude these factors which support the success of rural entrepreneurs.	Rejected	Accepted

### 5.3 Recommendation

Arising from the findings of this research, it is recommended that to take following steps to address the major challenges of rural entrepreneurs of India and Hungary.

1. Paucity of financial fund create major constraints confronting rural entrepreneurs, Indian and Hungarian government should make easy and less time-consuming banking procedures and loans should be sanctioned very less duration of time as well, the government should support in all stages of business development, including helping in expansion capital. More consideration should be given to make easy access with regard to business funding for rural entrepreneurs, who have convincing business plan but short of start-up capital to materialize the ventures.
2. Respective country's government should improve the legal procedures by reducing the cost of business registration for people, as well as speed of business registration process. Regarding business regulation, registration requirements and permits should be clearly defined and tax exemption of those ventures that are less than one year old should be

considered as that money generated from tax amnesty could play a big role in promotion of their business ventures

3. The program of study must be modify and teachers trained in teaching entrepreneurial skills, so children can realize their potential and become motivated in entrepreneurship early in life. Also, universities and schools should include business incubators and mentors to promote aspiring as well as other entrepreneurs within the academic environment and offer entrepreneurship courses in their program of study.
4. Government of respective countries should focus on infrastructural problems (water/electricity/gas/transportation etc.) to make smoother the entrepreneurship development activity.
5. The purposed government rural entrepreneurship support structure should coordinate with private entrepreneurship promoting organizations in a campaign that teaches and train all the school learners and university graduates with an idea that entrepreneurship as a best option for economic participation.
6. The country's government should make favorable upbringing for business development. Business support services must be accessible to young people. This would strengthen the enthusiasm amongst entrepreneurs as well as aspiring entrepreneurs in entrepreneurial activities.
7. Private institutions such as banks and other micro finance institutions should introduce youth entrepreneurship funding as a part of their services. And they should not take advantage by imposing high cost of capital in their offerings
8. Private organizations should welcome learners who need exposures and experience in their businesses by providing services such as internships, in-service training, leadership development and other voluntary participation for skill enhancement and experience.
9. It is highly advisable that those parents and grand- parents, who have been running business for years, should expose/place their children in their businesses. This will ensure that continuation of entrepreneurial culture will carry one to the next generation

#### **5.4 Limitation of the study and the area of recommendations for future researchers**

1. Although the research strived to produce a reliable investigation with various implications, there are limits and drawbacks, which it tried to minimize in both countries with specific region.
2. The major limitation of this study is that it was only conducted among regional entrepreneurs Therefore, generalization of this study regarding challenges and prospects of rural entrepreneurship to the larger section of society in India and Hungary may not be applicable.
3. The concept of entrepreneurship in both countries can provide supportive idea for future exploration in rural entrepreneurship. The study also recommends that future study in other region, which seem to have identical characteristics should be conducted, to explore better understanding of their special needs and motivation and problems.

4. This thesis sets out to find opportunities and challenges to rural entrepreneurship in case of small entrepreneur. But since the focus is region on both country and the empirical findings are rather focused, conclusions cannot be made for wider rural areas, bigger firms and other types of businesses than those researched.
5. Among the concepts adopted, most recent theories are related to economic development of the region. There is limited number of articles focusing on rural entrepreneurship in both countries.

## 6. SUMMARY

This chapter describes the study on assessment of rural entrepreneurship in selected rural areas of India and Hungary. This chapter addresses answers to the objectives, research questions, and conclusions were drawn from the findings of this study, and recommendations are put forward accordingly. The main objective of this study is to investigate major challenges and problems faced by rural entrepreneurs in India and Hungary also find the impact of these problems on the working efficiency, as well as this research also emphasized on the rural entrepreneurship perspectives, from their occupational performance values and the motivations behind business startup.

Entrepreneurship focuses on economic growth, economic competitiveness, job creation, as well as improvement of social welfare in any country. Unemployment is key global challenge. Entrepreneurship is the key owing high level of unemployment in rural area. Entrepreneurship has gain more importance in recent year in many developing countries as a way of fostering employment opportunities, boosting economic competitiveness and providing regional and local development and entrepreneurship create job opportunities and also help in development of economic growth. despite advantages of entrepreneurship in India and Hungary, peoples. Reluctant in perusing carrier in entrepreneurship. The objective of this study to investigate the obstacles that rural entrepreneurs encounter when setting of their ventures, current problems that prevent the expansion of their entrepreneurship as well as lack of motivation prospect for rural entrepreneurship in the rural community.

In this research, first phase of study conducted in India. as well as this research employed small medium entrepreneurship activities for development of rural areas of India, the researcher chose Vidarbha region as a research area.

The intensive research design employed here consist of administering structures questionnaires through personnel interviews from entrepreneurs who comes under small and medium size enterprises registered with this District Industries Centre, as well as this research employed small medium entrepreneurship activities for development of rural areas of India, the researchers chose Vidarbha region as a research area.

In this research, owing to the time constrain, the whole population could not be studied. A random sample of 340 participants from small and medium size enterprises registered with this district /industries center where selected (Vidarbha region) India. on simple random sampling basis; but out of that 297 entrepreneur's response was evaluated while sample of 226 participants from small and medium size enterprises registered in seven regions of Hungary on simple random sampling basis; but out of that 182 entrepreneur's response was evaluated. The researcher believes that 479 respondents sample size from India and Hungary was large enough to represent entire population of this study, the larger the sample, the more the population of the study is represented. It means the larger sample is likely to lower the error of generalizing to the population of the study.



In the context of this research, half study was conducted in India; therefore, the researcher has some advantage regarding data collection since it is his home country. As already stated, population denotes to the entire group of individuals, events or things of interest that a researcher wants to study. It is practically not possible to comprise the whole population in the research. Out of the entire population a sample of 297 subjects of rural entrepreneurs are taken into consideration. In context of the population studied the sample included different SME's, income groups and both sexes. According to the Report of MSME, Government of India (2012), there were 11866 small and medium size units registered with the DICs namely: Chanadrapur, Gondia, Akola, Wardha, Jalgaon and Bhandara. These entrepreneurs running their business at Wrora, Tiroda, Khamgaon, Pulgaon, Asod and Lakhani blocks. The reason behind for choosing these entrepreneurs from taluka/block-wise for survey because these blocks are the centers of various business activities.

Second phase of research was conducted in Hungary. Geographically Hungary is divided in 7 regions namely northern Hungary, Northern great plain, Southern great plain, Central Hungary, Central Transdanubia, Western Transdanubia, and Southern Transdanubia. Researcher collected 182 respondents sample size from rural areas of above mention 7 Hungarian regions. According to the Eurostat (2017), there were 519648 small and medium size units registered in Hungary.

**Table 37. Summary about results**

Hypothesis		New scientific findings	Result India	Result Hungary
<b>H1</b>	There is a significant relationship between challenges of Indian and Hungarian rural entrepreneurship ventures and performance rural Entrepreneurship.	In my scientific study it has been prove that major challenges and problems of entrepreneurs face in Indian rural areas were categorized under various statements, from the analysis of results it has been found that scarcity of resources and procurement of raw materials rated higher challenge, while major competition from large sized businesses and urban entrepreneurs rated lower in challenges and problems faced by rural entrepreneurs, on the other side challenges of entrepreneurs face in Hungarian rural areas were discussed under different statements, From the analysis of results it has been found that risk taking and failure is inherent in entrepreneurship rated most important challenge while running a business, while family members were not supportive with decision to be an entrepreneur in challenges and problems faced by rural entrepreneurs were rated lowest.	<b>Accepted</b>	<b>Accepted</b>
<b>H2</b>	There is a significant relationship between entrepreneurship motivation and entrepreneurial opportunities in the rural areas of India and Hungary to encourage development of enterprises initiatives.	In my empirical research it has been found that the most important factor behind entrepreneurship is motivation factors or reasons behind to choose entrepreneurial carrier in India were discussed in this research, results shows that to achieve profit or money was rated higher motivational factor while having innovative idea rated lower in motivation factor or reasons behind to choose entrepreneurial carrier. Whereas Hungarian research results shows that to achieve profit and money was rated higher while want to utilize free time rated lower in motivation factor or reasons behind to choose entrepreneurial carrier.	<b>Accepted</b>	<b>Accepted</b>
<b>H3</b>	There is a significant relationship between negative perception of rural peoples about entrepreneurship and entrepreneurship development.	In the results of research, I found that on basis of the analysis, the following new scientific results were explored. General opinion about rural entrepreneurship in India mainly depends on several factors out of this entrepreneurship development provide new job opportunity are most important criteria. While doing business in rural is good career option were rated lowest criteria. Meanwhile in Hungary perception in rural entrepreneurship brings an economic value to the rural sector as the most significant opinion about rural entrepreneurship furthermore, results reveal that due to lack of education, majority of rural people are unaware of technological development, marketing were rated lowest.	<b>Accepted</b>	<b>Rejected</b>
<b>H4</b>	There is significant effect of the entrepreneurial values and attitude in support to the success of rural entrepreneurs.	My results demonstrated that this empirical research Indian rural entrepreneurship study, entrepreneurial values such as, determination, opportunity, capability, risk failure shows as per perception of respondents stated that I am an opportunist person was rated higher while failures are common phenomena in business recorded lower in entrepreneur value. while Hungarian analysis results states that that I believe on my capabilities was rated higher while i am a opportunist person rated lower in entrepreneur value.	<b>Rejected</b>	<b>Accepted</b>

The hypothesis was tested and described, the purpose of verifying the hypotheses of the research in determining the effect of our proposed factors, the one-sample t-test was used, which is based on the comparison of the calculated average with the modified average. In three hypotheses the null hypothesis is accepted and in one hypothesis the null hypothesis is in the situation of both India and Hungary.

In conclusion, rural entrepreneurship is highly relevant and expanding in today's business research. There is, however, a limited amount of studies focusing on rural entrepreneurship from an entrepreneur's perspective. The contribution of this research is to find out the challenges and problems faced by rural entrepreneurs in India and Hungary. Furthermore, the study yielded a framework suitable for similar analysis of various rural areas. The current study discovered that the most significant problem that rural entrepreneurs from India and Hungary come across during the formation of new business ventures, and consequently running their enterprises consist of; lack of support structures, ineffective programs of Indian and Hungarian government to sustain entrepreneurial development in the region, lack of business funding and start-up capital, high cost involvement and unclear business registration process, lack of business management skills, lack of business resources. Though, people's enthusiasm to involve in entrepreneurial activities was also encouraging. Overall based on challenges and prospects discovered, recommendations to get better the current situation were made. Thus, the findings and recommendations have far-reaching implications for all entrepreneurs who are concerned about developing rural entrepreneurship in this community.

## APPENDIX I

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## APPENDIX II

### RESEARCH QUESTIONNAIRE

#### PhD Dissertation; Questionnaire for Respondent (Final Study)

**Dear Respondent,**

The present questionnaire is a part of PhD research on **Rural Entrepreneurship. Challenges and Problems-Indian and Hungarian prospective**. The study involves response to a structured questionnaire from various respondents. There is no right or wrong response. Please provide your free, frank, and true opinion. Secrecy of your response is assured.  
(DhnashreeKatekhaye- Szent Istvan University- Hungary)

Q 1. Do you have your own business?

Yes       No

Q 2. How long are you running your own business?

1-2 Year     2-3 Year     3-4 Year     More than 4 Years

Q 3. Do you think family perception affect the growth of rural entrepreneurship?

Yes       No

Q4 Answer (✓) the following questions basis on the perception of development of rural area through entrepreneurship. Each of the following statement, please tick the box that corresponds with your agreement.

1= Strongly Disagree, 2= Disagree, 3= Undecided, 4= Agree, 5= Strongly Agree

	Statement	5	4	3	2	1
<b>1</b>	Doing business in rural is good career option.					
<b>2</b>	Due to lack of education, majority of rural people are unaware of technological development, marketing.					
<b>3</b>	Rural entrepreneurship brings an economic value to the rural sector.					



4	Running a business in rural area is more challenging than an urban.					
5	Entrepreneurship development provides new job opportunities.					
6	Social, economic, political and ecological problems in rural areas results increasing migration towards cities.					
7	There is strong relationship between entrepreneurship and poverty.					
8	Despite all the inadequacies in rural areas one should assess their strengths and build on them to make rural areas places of opportunities.					
9	Entrepreneurship development Contributes to social wealth by greeting new market.					
10	There is a relationship between Occupational background and level of entrepreneurial skills of entrepreneurs.					

Answer (√) the following questions basis on the perception of development of rural area through entrepreneurship. Each of the following statement, please tick the box that corresponds with your agreement.

1= Strongly Disagree, 2= Disagree, 3= Undecided, 4= Agree, 5= Strongly Agree

	Statement	5	4	3	2	1
	<b>Challenges of Entrepreneurs</b>					
1	Family members were not supportive with decision to be an entrepreneur.					
2	Poor financing creates a major challenge in the performance of entrepreneurs.					
3	Risk taking and failure is inherent in entrepreneurship.					
4	Scarcity of resources and availability of raw materials and supplies.					
5	Time consuming and lengthy legal laws and formalities/procedures.					
6	Required education and training/course facilities are not available.					
7	Non-availability of skilled labor force (management/ marketing etc.) to run the business.					
8	Political influences hamper my/our entrepreneurial activity.					
9	Suppliers are not very co-operative/supportive.					
10	Procurement of raw materials is very challenging task.					
11	Infrastructural problems (water/electricity/gas/transportation etc.) creates difficulties to run the business					

12	Inadequate technological knowledge creates obstacles in our way to do business.					
13	Distribution channel depend on the basis of size of market					
14	Information gap is one of most common challenge for new entrepreneurs especially in rural area.					
15	Major competition from large sized businesses and urban entrepreneurs					
16	Middlemen exploit rural entrepreneurs by pocket a large amount of profit.					

Answer (√) the following questions basis on the perception of development of rural area through entrepreneurship. Each of the following statement, please tick the box that corresponds with your agreement.

1= Strongly Disagree, 2= Disagree, 3= Undecided, 4= Agree, 5= Strongly Agree

	Statement	5	4	3	2	1
	<b>Motivation factor/ Reasons to being an Entrepreneur</b>					
1	To achieve profit					
2	Become Independent					
3	Have previous experience in business					
4	Have innovative idea					
5	Family business /Family tradition					
6	Desire to utilize available resources					
7	Desire to provide security and a good future for the family					
8	There is not sufficient opportunities in Govt jobs					
9	Want to utilize free time					
10	Being employer provide job opportunism to other peoples					
11	To upgrade social status					

	<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
	<b>Entrepreneurial values</b>					
<b>1</b>	Failures don't defy me from my goal					
<b>2</b>	I never give up easily I am always determined.					
<b>3</b>	I am a opportunist person					
<b>4</b>	I believe on my capabilities					
<b>5</b>	Failures are common phenomena in business					
<b>6</b>	I am always ready for any risks					

Answer (✓) the following questions basis on the perception of development of rural area through entrepreneurship. Each of the following statement, please tick the box that corresponds with your agreement.

1= Strongly Disagree, 2= Disagree, 3= Undecided, 4= Agree, 5= Strongly Agree

	<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
	<b>Government Polices for Rural entrepreneurship</b>					
<b>1</b>	Government polices not focused the need of today's rural entrepreneurship					
<b>2</b>	Government should think about more supportive government policies, implementation of design policies, and government funding.					
<b>3</b>	Economic development directly related to Job creation, SME development, wealth creation.					
<b>4</b>	Take initiative for rural Entrepreneurship development programmes(EDP) by government and NGOs					
<b>5</b>	Indian government should plan for launching schemes for agriculture and Rural development.					
<b>6</b>	To develop policy that address the needs of both the rural business and its management.					
<b>7</b>	Entrepreneurship policies should pay more attention towards Skill based training studies and programmes .					
<b>8</b>	Government must be focused on establishment of micro or household industries in rural areas can break the cycle of poverty.					

9	Make availability of fund for education, keep college affordable, for encouraging youth to become future entrepreneurs.					
10	Initiatives taken by government will be helpful for rural entrepreneurship development.					

Answer (√) the following questions basis on the perception of development of rural area through entrepreneurship. Each of the following statement, please tick the box that corresponds with your agreement.

1= Strongly Disagree, 2= Disagree, 3= Undecided, 4= Agree, 5= Strongly Agree

	Statement	5	4	3	2	1
	<b>Rural entrepreneurship</b>					
1	Now a day it creates a major opportunity for stop rural to urban migration.					
2	It can be one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural areas.					
3	It brings an economic value to the rural sector by creating, new markets, new products and generate employment opportunities.					
4	It is one of the most important inputs in the economic development of a country and of regions within the country.					
5	Rural entrepreneurs are those who carry out entrepreneurial activities by establishing Industrial and business units in the rural sector of the economy.					
6	It recognizes opportunity in the rural areas and accelerates a unique blend of resources either inside or outside of agriculture.					
7	Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration.					
8	Optimum utilization of local resources in an entrepreneurial venture by rural population.					
9	It is based on stimulating local entrepreneurial talent and the subsequent growth of indigenous enterprises.					
10	To activate such system to provide basic '6 m'- manpower, money, material, machinery, management and market to the rural population.					

Answer (√) the following questions basis on the perception of development of rural area through entrepreneurship. Each of the following statement, please tick the box that corresponds with your agreement.

1= Strongly Disagree, 2= Disagree, 3= Undecided, 4= Agree, 5= Strongly Agree

	Statement	5	4	3	2	1
	<b>Rural Development</b>					
1	It is the process of improving the quality of life and economic well-being of people living in relatively isolated areas.					
2	It has traditionally centred on the exploitation of land-intensive natural resources such as agriculture and forestry.					
3	The need for rural communities to approach development from a wider perspective for agricultural or resource based businesses.					
4	Education, physical infrastructure, and social infrastructure all play an important role in developing rural regions					
5	Rural development is also characterized by its emphasis on locally produced economic development strategies.					
6	One of the major developmental objective is to involve people in planning and development through their participation.					
7	It's the provision of social infrastructures could provide the catalyst that would transform the rural areas.					
8	It ensures the modernization of the rural society and the transition from its traditional isolation to integration with the national economy					
9	It's essential to generate foreign exchange, and to attract revenue to finance public and private consumption and investment					
10	In order to encourage increased production rural development may offer a package of inputs and welfare services for the rural masses.					

### Demographic Profile of Respondent:

- Please record your gender:  
Male  Female
- How many members in your family?  
Two  Four  Six  More than 6
- Which age group do you belong to? **(Please tick one choice only)**  
Above 18 years and up to 25 year  Above 25 years and up to 30 years   
Above 30 years and up to 45 year  Above 45
- Please mark your highest qualification: **(Please tick one choice only)**  
Below Graduation  Graduation  Postgraduate and above
- What is the size of your Enterprise? **(Please tick one choice only)**  
Micro enterprise  Small enterprise  Medium enterprise
- Your enterprise belongs to which Business domain?  
Agriculture/Agro industry  Manufacturing  Service

Handicraft  Other (please specify)

7. Which ownership form of business enterprises you belong to? **(Please tick one choice only)**

Sole proprietorship  Partnership  Cooperative Society  Private Limited Company

8. What was the source of your start-up capital

Own fund  Finance from family  Loan from commercial bank

Loan from financial institutions  Both own fund and finance from family

9. Where do you live? **(Please tick one choice only)**

Same city where your business belongs to  Your hometown  Nearby Urban area

10. Please tick the right option regarding your annual income level. **(Please tick one choice only)**

Less than 1 Lac  1 Lac to 3 Lac  3 Lac to 6 Lac  6 Lac to 10 Lac

More than 10 Lac

**(Note: 1 Euro=72 Rs.)**

11. Marital Status: **(Please tick one choice only)**

Married  Unmarried  Divorced

**Thank you for your valuable time**

**Thank you,** for devoting your valuable time in helping to conduct this research. This study In case, you are interested to know about the result of this research please write down my e-mail address. **E-mail: dhanashree25389@gmail.com**

APPENDIX III



## ACKNOWLEDGMENTS

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