



Constraints Faced by Rural Youth for Opting Entrepreneurship as Career: A Case Study of Haryana

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HIGHLIGHTS

- Persona like gender discrimination and social like underestimation of the ability of concerned youth constraints play a vital role behind the entrepreneurial mind-set.
- A strong connection between the gender and limited mobility was shown by the Linear-by-Linear connection test (10.784, $p = .001$).

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ABSTRACT

The study was carried out to examine the constraints faced by rural youth for starting their own ventures during 2023. Multi-stage sampling was used for data collection. The data were collected from 396 respondents from three districts of Haryana through a well-structured questionnaire. The relationship of gender was checked with the eight statements of social factors. The data were analysed using Weighted Average Mean (WAM) and constraint faced by rural youth were ranked accordingly. The constraints were categorised in five categories i.e. personal, social, market, financial and government support and subsidy. The major constraints faced by the rural youth were caste biasness, underestimation of individual ability by society, delayed payment of bills, inadequate savings, non-availability of skilled/trained manpower and complexity in availing schemes/subsidies from the government agencies. The relation of gender was found significant with two statements, i.e. lack of family support and limited mobility.

INTRODUCTION

Entrepreneurship is the skill of establishing and managing a business in a way that ensures profitability and long-term sustainability. Entrepreneurs, more than innovativeness, play an essential role in the growth of developing nations. It is regarded as a potent way to boost productivity, competition, market efficiency as well as generating employment, poverty eradication, wealth and regional creation in a country. Businesses significantly contribute by generating employment opportunities and shaping new work environments. Additionally, they are often viewed as a key factor

in enhancing the socio-economic progress of a nation's economy (Meinam et al., 2023; Nain et al., 2013).

India's economy has been greatly impacted by the new businesses, which has a lot of different sector entrepreneurs from rural areas. New venture creation is not only an essential part of economic development, but it also plays a significant role in improving the socioeconomic standing and income of rural youngsters by creating jobs for them (Yadav & Kashyap, 2017). Many R&D organisations have recommended the improved management strategies; however, youth encounter a number of obstacles when implementing these recommendations (Meena et al.,

2015). It is possible to infer constraints from this to describe the issues and challenges which the youth is encountering while starting their own ventures (Maske et al., 2020). Attracting and retaining youth in agriculture (ARYA) program highlights entrepreneurship opportunities across various agribusinesses, showing that locally viable enterprises and entrepreneurial skills are crucial to sustaining and engaging rural youth in agriculture (Gowda et al., 2023).

Nearly all recent graduates search for white-collar work, ideally in the public sector. The number of job openings in the public sector is declining more quickly than the number of graduates leaving schools. An estimate ICAR, (2012) states that 23 per cent of postgraduates (M.Sc.) and 43 per cent of graduates have trouble finding meaningful employment where promotion of entrepreneurship might show up as a workable and realistic answer to this issue.

Considering the aforementioned concepts, it is evident that entrepreneurship can positively affect the labour market by creating much-needed jobs and business prospects. The rural sector has immense untapped potential and presents great business prospects for young entrepreneurs. Active assistance from government policies and programmes makes rural entrepreneurship far more profitable. Thus, the previously mentioned sector may offer a way to address the problem of unemployment. But in order for young people to perceive entrepreneurship as a viable path to self-employment, it is imperative that their perceptions of it be changed. Furthermore, the employment situation over the last few years suggests that a comparatively small proportion of young people are choose entrepreneurship as a career route. The goal of the present study is to explore the different constraints faced by young people of rural areas while starting their own venture. Similar study was conducted by Singh et al., (2021) which shows the entrepreneurial behaviour of skilled youth.

METHODOLOGY

The study was carried out in Haryana in the last quarter of 2023. Multi-stage sampling was used for the purpose of data collection. Three districts of Haryana namely Mahendragarh, Mewat and Fatehabad district were chosen based on highest proportion of rural youth as per the population census, 2011 (Directorate of Census Operations Haryana, 2011). From each of the selected district, three blocks were chosen with the highest proportion of rural youth and from each of the selected block, four villages were chosen with the highest rural population. Further, from each of the selected block, 11 respondents in between the age of 15-29 were chosen randomly resulting in a total sample size of 396 respondents. Descriptive research design was used for conducting the study. The study was carried out to explore the constraints faced by rural youth in opting entrepreneurship as a career option. In this study, the respondents communicated certain limitations that were classified into five distinct categories, viz., personal constraints, social constraints, market constraints, financial constraints, and constraints related to government support & subsidies.

Primary data were collected by using a pre-tested structured questionnaire. The responses on the constraints faced by the rural youth for starting their own business were collected on likert scale with five continuums viz, SA (Strongly agree), A (Agree), N

(Neutral), DA (Disagree) and SDA (Strongly disagree). The scale was developed by Karnsomdee & Phongkaew (2023); Glod (2015); Bagheri & Harrison (2020). Following the proper documentation of their assessments, the statements were evaluated for analysis by computing their weighted mean scores (WMS) (Lal, 2023).

$$\text{Weighted Average Mean} = \frac{\text{Actual scores obtained for the statement}}{\text{Maximum possible score obtained for the statement}}$$

For each statement, the weighted average mean score was calculated, and ranks were given accordingly. The collected data was analysed with help of suitable statistical tests on the basis of mean weighted scores and ranking. Chi-square test was used to check the relationship between gender of respondents and lack of family support, limited mobility.

RESULTS

The constraints for starting new ventures were measured in terms of personal, social, market, financial and constraints related to government support and subsidy. Ranks were given to each of the statement through Weighted Average Mean and discussed below in detail.

Table 1 showed two categories of constraints i.e., personal constraints and social constraints faced by rural youth for opting entrepreneurship as a career option. In personal constraints, the major constraint faced by rural youth was gender discrimination which ranked first followed by the problem of caste biasness ranked as second, lack of awareness about different avenues ranked third and lack of basic business skills, which is considered important for the success of the enterprise ranked fourth. Similar findings were also reported by Sharma et al., (2021) & Kumar et al., (2017). In social constraints, the major constraint faced by the rural youth was underestimation of the ability of concerned youth which ranked on first position. Difficulty in balancing the responsibilities between family and business was ranked second followed by health issues of family members on third rank.

Table 2 depicts three categories of constraints viz., market constraints, financial constraints and constraints related to government support & subsidies faced by rural youth for opting entrepreneurship as a career option. In market constraints, non-availability of skilled/trained manpower was the main constraint as it ranked first. Lack of knowledge about target market, costly labour and lack of knowledge about target population ranked second, third and fourth, respectively. Similar results were obtained in the study of Prasad & Naveena (2021). From financial constraints, it was clear from the data that maximum respondents were facing the problem of delayed payment of the bills followed by inadequate saving both ranked first and second. However, high interest rate of banks and lack of requisite machinery due to financial problem were ranked third and fourth. However, the constraints presented in the table were also reported by Sharma et al., (2021); Surliya & Meena (2024); Shivacharan et al., (2017). From the constraints related to government support and subsidies, the main constraint faced by respondents was difficulties in availing schemes/subsidies from the government agencies. The prevalence of malpractices in the offices and delay tactics followed by concerned officials; non-existence of institutions arranging workshops, hand-on training programs and

Table 1. Personal and social constraints faced by rural youth

S.No.	Statement	SA	A	N	D	SD	WAM	Rank
Personal Constraints								
1	Lack of basic business skills	01	203	161	31	00	3.44	IV
2	Lack of awareness about the different business avenues	03	192	178	23	00	3.44	III
3	Lack of self-confidence	05	139	213	39	00	3.24	VI
4	Low level of operational proficiency with regard to plans and strategies for future growth	08	129	202	57	00	3.22	VII
5	Lack of adequate education and guidance to start a business	19	128	170	79	00	3.22	VIII
6	Gender discrimination	217	77	56	46	00	4.17	I
7	Caste biasness	198	79	65	54	00	4.06	II
8	Low risk bearing ability	37	87	237	35	00	3.32	V
9	Low convincing power	15	81	262	38	00	3.18	IX
Social Constraints								
1	Lack of acceptance by society (Friends/Peer/Family/Group)	08	87	266	35	00	3.17	VIII
2	Lack of family support	07	129	224	35	01	3.27	VI
3	Underestimation of my ability by society	17	203	155	21	00	3.55	I
4	Health issue of family members	23	166	155	52	00	3.40	III
5	Cultural and social taboos	29	137	184	46	00	3.38	IV
6	Difficulty in balancing the responsibilities between family and business	25	154	182	35	00	3.43	II
7	Limited mobility	16	146	195	37	02	3.35	V
8	Lack of entrepreneurial environment	07	116	249	24	00	3.27	VII

(SA=5, A=4, N=3, D=2, SD=1, WAM=Weighted Average Mean)

Table 2. Market, financial and government support related constraints faced by rural youth

S.No.	Statement	SA	A	N	D	SD	WAM	Rank
Market Constraints								
1	High competition in the market	02	126	256	12	00	3.30	V
2	Lack of knowledge about target market	02	155	228	11	00	3.37	II
3	Lack of knowledge about target population	04	144	224	24	00	3.32	IV
4	Costly labour	05	142	235	14	00	3.35	III
5	Non-availability of skilled/trained manpower	06	203	159	28	00	3.47	I
6	Irregular supply of raw material	08	136	185	67	00	3.21	VI
7	Lack of raw material	06	110	182	98	00	3.06	IX
8	High service charge for water & electricity	05	125	180	86	00	3.12	VII
9	Inappropriate distribution channel for finished goods	07	99	225	65	00	3.12	VIII
Financial Constraints								
1	Poor economic status	07	107	236	46	00	3.19	VIII
2	High interest rate of banks	04	135	233	24	00	3.30	III
3	Delayed payment of bills	09	180	181	26	00	3.43	I
4	Lack of requisite machinery due to financial problem	11	155	159	71	00	3.27	IV
5	Costly raw material	09	144	178	65	00	3.24	VII
6	Inadequate assets for collateral security	11	148	172	65	00	3.27	V
7	Inadequate savings	14	141	194	47	00	3.31	II
8	Inadequate capital to start a business	12	120	223	41	00	3.26	VI
Constraints related to Govt. support & Subsidies								
1	Inadequate support from government	00	77	271	48	00	3.07	VI
2	Lack of awareness about government schemes/subsidies	02	104	261	29	00	3.20	IV
3	Complexity in availing schemes/subsidies from the government agencies	04	227	138	27	00	3.53	I
4	Cumbersome and time-consuming process for applying loans from financial institutions/government agencies	07	113	189	87	00	3.10	V
5	Non-existence of institutions arranging workshops, hand-on training programmes and campaigns to improve the entrepreneurial skills locally	06	122	214	54	00	3.20	III
6	The prevalence of malpractices in the offices and delay tactics followed by concerned officials	06	185	177	28	00	3.43	II

Table 3. Chi-Square test (Gender and lack of family support)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.694 ^a	4	.013
Likelihood Ratio	12.526	4	.014
Linear-by-Linear Association	1.574	1	.210
N of Valid Cases	396		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .33.

Chi-Square test (Gender and limited mobility)

Pearson Chi-Square	13.738 ^a	4	.008
Likelihood Ratio	15.985	4	.003
Linear-by-Linear Association	10.784	1	.001
N of Valid Cases	396		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .67.

campaigns to improve the entrepreneurial skills locally were ranked as second and third major constraint by the respondents respectively. Similar findings were also reported earlier by Sharma et al., (2021) & Patel et al., (2015).

Relationship between gender and lack of family support, limited mobility

The relationship of gender with the social factors was assessed using Chi-square test. The relation of gender was found significant with two statements, i.e., lack of family support and limited mobility (Table 3).

The significant findings about the relationship between the variables under examination were revealed by the chi-square test of association (Table 2). At the 0.05 significance level, there was a statistically significant connection between the variables according to the Pearson Chi-Square statistic (12.694, df = 4, $p = .013$) and the Likelihood Ratio Chi-Square statistic (12.526, df = 4, $p = .014$). This implied that the gender and lack of family support were having statistically significant relationship with one another. Similar findings were observed in the study of Surliya & Meena (2024). The chi-square test findings showed a substantial correlation between the variables under investigation (Table 2). At the 0.05 significance level, statistically significant relationships were revealed by both the Pearson Chi-Square (13.738, df = 4, $p = .008$) and the Likelihood Ratio Chi-Square (15.985, df = 4, $p = .003$) tests, suggesting a meaningful relationship between the variables. It implied that there was a significant relation between gender and limited mobility. Additionally, a strong linear trend in the connection between the variables was shown by the Linear-by-Linear connection test (10.784, df = 1, $p = .001$), indicating a regular pattern in their interaction.

DISCUSSION

Rural youth were facing problems due to different reasons. Due to orthodox thinking by society, youth were still facing problems like gender discrimination, caste bias, etc. Because of this, a large number of youths did not have proper knowledge about different sectors that could support them for independence. Another

constraint faced by the rural youth was that society underestimated the power of concerned youth in handling business activities. As a result of this, the youth found it difficult to balance the responsibilities between family and business, followed by health issues of family members because society, as well as family, was not supporting them to work for their business. The study by Sharma et al., (2021) found that rural youth face key constraints like fear of failure, lack of family support, awareness, education, financial aid, limited management knowledge, and theft risks in livestock enterprises. The study of Gupta et al., (2014); Baliwada et al., (2017) & Kumar et al., (2017) reported comparable findings.

Furthermore, skilled and trained manpower was not available in the study area, and because of this, the hiring charges for available manpower were too costly. Starting a new business requires higher investments in the initial stage, and the youth usually do not have sufficient funds to start their own venture. Hence, they have to depend on financial institutions for loans due to inadequate assets for collateral security, and they might be facing a lot of difficulties in getting financial assistance. In the study of Shivacharan et al., (2017). Labor shortages and price fluctuations were the key challenges faced by seed, rice mill, and vegetable commission entrepreneurs. However, other constraints were a lack of awareness about government schemes /subsidies, a cumbersome and time-consuming process for applying for loans from financial institutions/ government agencies, and inadequate government support. It revealed that respondents were in getting bank loan facilities through different schemes because of the complex processes. Therefore, it is essential to offer frequent training programs to younger people living in rural areas so they may educate themselves on banking procedures. These findings were supported by the study of Sharma et al., (2021) & Patel et al., (2015). The chi-square analysis revealed significant relationships between gender and both lack of family support and limited mobility, highlighting gender's influence on these social constraints. A linear trend further indicated a consistent interaction between gender and restricted mobility. In their study, Surliya & Meena (2024) also observed these types of relationships.

CONCLUSION

Entrepreneurship provides plenty of opportunities for supporting rural livelihood. The present study analysed various limitations i.e. personal, social, market, financial and constraints related to government support and subsidies. Among all the factors, caste biasness, underestimation of ability by society, delayed payment of bills, inadequate saving, non-availability of skilled/ trained manpower and complexity in availing schemes/subsidies from the government agencies were found to be most crucial constraints which were responsible behind a short number of new ventures. To overcome these constraints, the government should provide better schemes and credit facilities. The government and policy makers should frame youth friendly policies to minimize these constrictions and encourage value-addition. Further, valuable and practical trainings must be provided to the rural youth to avoid the above said constraints while starting a new venture. Moreover, the relation of gender was found significant with two statements, i.e. lack of family support and limited mobility.

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