

## A Study on Students Participation in Rural Entrepreneurship

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### Abstract

Rural entrepreneurship has emerged as a significant catalyst for socio-economic development, particularly in developing economies where rural areas possess abundant human and natural resources. This study examines the extent of students' participation in rural entrepreneurship and explores the factors influencing their engagement in entrepreneurial activities within rural contexts. The research focuses on understanding students' awareness, attitudes, motivations, and perceived challenges related to establishing or supporting entrepreneurial ventures in rural areas. Using a descriptive research design, data were collected from students through structured questionnaires and analyzed to identify patterns in entrepreneurial interest, skill readiness, and participation levels. The findings reveal that exposure to entrepreneurship education, access to training programs, and institutional support significantly influence students' willingness to participate in rural enterprise development. However, barriers such as limited financial resources, lack of mentorship, and insufficient infrastructure continue to hinder active participation. The study highlights the importance of integrating entrepreneurship education, skill development initiatives, and policy support to encourage youth-driven rural entrepreneurship.

**Keywords:** *Rural Entrepreneurship, Student Participation, Youth Entrepreneurship, Skill Development, Rural Development, Entrepreneurial Education*

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### 1. Introduction

Rural entrepreneurship has emerged as an important strategy for promoting inclusive economic growth and sustainable rural development in many developing countries. Rural areas often face challenges such as limited employment opportunities, migration of youth to urban centers, and inadequate industrial development (Upadhyay et al., 2023). In this context, entrepreneurship offers an alternative pathway for generating income, creating employment, and utilizing local resources effectively. Rural entrepreneurial activities not only contribute to economic diversification but also enhance social development by empowering local communities and improving living standards. Scholars emphasize that rural entrepreneurship helps stimulate innovation, encourage self-employment, and reduce regional economic disparities between urban and rural areas (de Guzman et al., 2020). In addition, entrepreneurship-driven initiatives in rural regions can strengthen local markets, promote value-added agricultural activities, and encourage the development of micro and small enterprises, thereby fostering sustainable economic ecosystems (Bouichou, 2024). The students represent a dynamic and innovative segment of society and play a critical role in promoting entrepreneurial initiatives in rural settings. Educational institutions increasingly recognize the importance of entrepreneurship education in nurturing entrepreneurial skills, creativity, and problem-solving abilities among students. Through entrepreneurship training, incubation

programs, and experiential learning opportunities, students gain exposure to real-world business challenges and opportunities. The structured training programs and institutional support systems help students develop the competencies required to transform innovative ideas into viable rural enterprises (Roberts, 2023).

The students are the fortune and growth engines to the nation and economy. They shape the future of society. Hence, they should be trained, skilled, valued in the ecosystem (Bhanot & Gaikwad, 2025). The growing recognition of rural entrepreneurship as a driver of development, students' participation in rural entrepreneurial activities remains relatively limited due to various structural and socio-economic barriers. Challenges such as inadequate access to finance, lack of entrepreneurial mentorship, insufficient infrastructure, and limited awareness about business opportunities often discourage students from pursuing rural enterprises (Lakshmana, 2017). The several studies indicate that if students don't get timely and proper guidance, it may lead to digital stress due to excessive use of social media (Gaikwad & Bhattacharya, 2024). In many rural regions, institutional support systems and entrepreneurial ecosystems are still underdeveloped, making it difficult for young individuals to translate entrepreneurial aspirations into practical ventures. Such initiatives are essential for transforming rural economies and harnessing the potential of youth as agents of economic and social change (Kamutuezu et al., 2021).

## **2. Background of Study**

Rural regions across many developing economies continue to experience structural challenges such as limited industrialization, unemployment, and outward migration of youth toward urban centers in search of better economic opportunities. Historically, rural economies have relied heavily on agriculture and allied sectors, which often provide seasonal and unstable income (Sutter, Bruton, & Chen, 2019). In response to these challenges, policymakers and development scholars increasingly emphasize entrepreneurship as a viable strategy for stimulating rural economic growth and employment generation. Rural entrepreneurship enables individuals to utilize local resources, indigenous knowledge, and regional skills to create small and medium enterprises that contribute to local economic resilience. The promotion of entrepreneurial initiatives among young individuals, particularly students, has therefore become an important development priority. Research on rural economic transformation indicates that entrepreneurial activities in rural areas can generate diversified employment opportunities, enhance value-added production, and strengthen local supply chains, ultimately contributing to sustainable development (Pato & Teixeira, 2016). The growing interest in entrepreneurship education within higher education institutions has further strengthened the foundation for student participation in entrepreneurial activities. Universities and colleges increasingly incorporate entrepreneurship training, incubation programs, and skill-development initiatives to encourage students to explore self-employment opportunities. These educational interventions aim to develop entrepreneurial competencies such as creativity, risk-taking ability, leadership, and business planning skills. In the context of rural entrepreneurship, students who receive entrepreneurial training can play a crucial role in introducing innovative ideas and technology-based solutions to rural markets. Studies have shown that exposure to entrepreneurship education significantly influences students' entrepreneurial intentions and their willingness to establish ventures, particularly when educational institutions provide mentoring support, incubation facilities, and industry linkages (Bae et al., 2014). Similarly, experiential learning approaches, such as field-based training and rural internship programs, have been found to enhance students' understanding of rural business opportunities and community needs, thereby encouraging active participation in rural enterprise development (Fayolle & Gailly, 2015).

Despite these positive developments, students' involvement in rural entrepreneurship remains relatively limited due to various institutional, financial, and socio-cultural barriers. Many students perceive rural entrepreneurship as risky because of limited infrastructure, restricted access to credit, and uncertain market conditions. In addition, a lack of awareness about government support schemes and entrepreneurial support networks often discourages youth from initiating rural business ventures. Social perceptions also influence career preferences, as many educated students prefer stable salaried employment in urban areas rather than entrepreneurial activities in rural settings (OECD, 2020). Nevertheless, several government initiatives, start-up policies, and entrepreneurship promotion programs are being implemented to encourage youth participation in rural economic development. Initiatives such as skill development programs, start-up incubation centers, and financial assistance schemes aim to create a supportive entrepreneurial ecosystem that can motivate students to explore rural enterprise opportunities. Strengthening collaboration among educational institutions, government agencies, and local communities is therefore essential to enhance students' participation in rural entrepreneurship and ensure inclusive rural growth (Acs et al., 2018).

### **3. Scope and Significant of Study**

The study explores students' awareness of rural business opportunities, their entrepreneurial intentions, and the role of educational institutions in promoting entrepreneurship-related skills and training. It also considers the influence of entrepreneurship education, government initiatives, incubation programs, and skill development schemes in motivating students to pursue entrepreneurial ventures in rural areas. Previous research has highlighted that youth entrepreneurship in rural regions plays a crucial role in fostering local innovation and reducing rural–urban migration by creating employment opportunities within local communities (Nabi et al., 2017). Additionally, rural entrepreneurship supported by educational institutions and training programs can significantly enhance entrepreneurial competence and strengthen sustainable rural economies (Liguori & Winkler, 2020). The significance of the study lies in its contribution to understanding how students can become active agents of rural economic transformation through entrepreneurial initiatives. The students need to develop the communication skills, digital skills and develop business acumen to succeed in various domains (Gaikwad, 2021). Encouraging student participation in rural enterprises not only supports job creation but also promotes innovation, technological adoption, and sustainable use of local resources. Moreover, strengthening rural entrepreneurship ecosystems can contribute to balanced regional development and reduce economic disparities between rural and urban areas (Stam, 2015). Studies on entrepreneurial ecosystems suggest that supportive institutional frameworks, access to training, and collaborative networks are essential for nurturing entrepreneurial talent among youth and improving the long-term sustainability of rural enterprises (World Bank, 2021).

### **4. Objective of Study**

- To examine the level of awareness among students regarding rural entrepreneurship opportunities
- To analyze the extent of students' participation in entrepreneurial activities in rural areas
- To identify the factors influencing students' interest in rural entrepreneurship
- To assess the role of educational institutions and entrepreneurship education in promoting rural entrepreneurship among students
- To examine the challenges faced by students in initiating and managing rural entrepreneurial ventures

## **5. Reviews of Literature**

Rural entrepreneurship has increasingly been recognized as an important mechanism for promoting economic development, employment generation, and social transformation in rural areas. In regions where agricultural income alone is insufficient to sustain livelihoods, entrepreneurial activities provide opportunities for diversification of economic activities and utilization of local resources. Scholars emphasize that rural entrepreneurship plays a crucial role in stimulating local markets, strengthening small and medium enterprises, and reducing rural–urban migration. Entrepreneurial ventures established in rural areas often rely on indigenous knowledge, traditional skills, and locally available raw materials, which contribute to sustainable development and preservation of local culture. Encouraging entrepreneurial initiatives among students can therefore contribute to the development of resilient rural economic systems and promote inclusive growth in developing countries (Korsgaard, Müller, & Tanvig, 2015).

Entrepreneurship education has been widely acknowledged as a key factor influencing students' entrepreneurial intentions and participation in entrepreneurial activities. Educational institutions play an important role in nurturing entrepreneurial competencies such as creativity, problem-solving ability, leadership skills, and opportunity recognition (Gaikwad, 2016). Through structured programs such as entrepreneurship courses, business incubation centers, mentorship initiatives, and experiential learning activities, students gain exposure to the practical aspects of starting and managing enterprises. Studies indicate that entrepreneurship education not only improves students' knowledge about business planning and management but also strengthens their motivation to explore innovative ventures in both urban and rural environments. As a result, integrating entrepreneurship education into higher education curricula has become a critical strategy for promoting youth entrepreneurship and economic self-reliance among students (Fayolle & Gailly, 2015).

Youth participation in entrepreneurship is widely regarded as a vital component of sustainable economic development, particularly in rural regions where employment opportunities are limited. Young individuals possess greater adaptability, creativity, and technological awareness, which enable them to introduce innovative solutions to local economic challenges. However, research highlights that several barriers often discourage students from actively engaging in rural entrepreneurship. These barriers include limited access to financial resources, lack of entrepreneurial mentorship, inadequate infrastructure, and social perceptions that favor salaried employment over entrepreneurial ventures. Addressing these challenges requires supportive policy frameworks, financial assistance programs, and institutional mechanisms that encourage youth to explore entrepreneurial opportunities in rural contexts. Strengthening collaboration between educational institutions, government agencies, and community organizations can create a supportive ecosystem that enables students to transform innovative ideas into viable rural enterprises and contribute to sustainable rural development (Sutter, Bruton, & Chen, 2019).

## **6. Discussion and Analysis**

Research suggests that entrepreneurship education contributes to the development of personal entrepreneurial competencies including self-confidence, goal orientation, resilience, and persistence. Evidence from empirical studies shows that students who participate in entrepreneurship training programs demonstrate higher levels of entrepreneurial readiness and are more likely to engage in

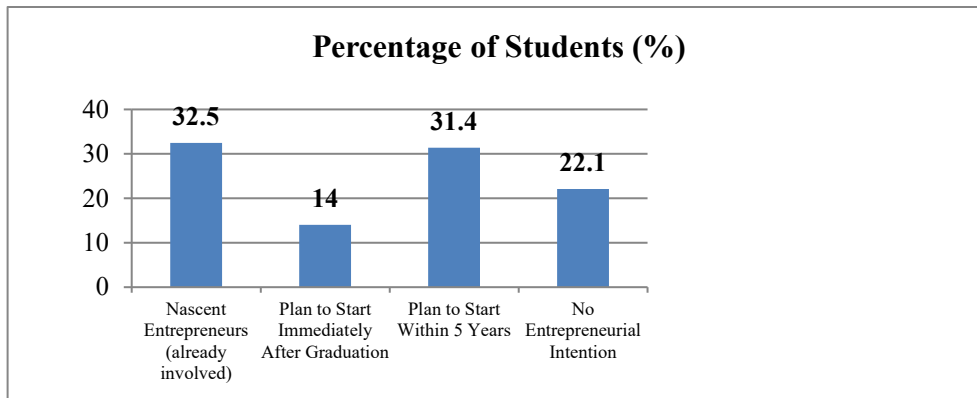
business creation activities compared to those without such exposure. Therefore, integrating entrepreneurship education into academic curricula can play a transformative role in preparing rural students to become active contributors to local economic development (Fayolle & Liñán, 2014). Students' attitudes toward entrepreneurship significantly influence their willingness to engage in entrepreneurial activities. Large-scale international surveys such as the Global University Entrepreneurial Spirit Students' Survey (GUESSS) highlight that a considerable proportion of university students across the world demonstrate entrepreneurial aspirations during their academic years. In the Indian context, survey findings indicate that approximately one-third of students express entrepreneurial intentions while pursuing their studies and a substantial percentage plan to start their own ventures within a few years after graduation. These trends indicate a growing shift in career preferences among students toward entrepreneurship and innovation-driven employment opportunities (Sieger, Fueglistaller, & Zellweger, 2021).

The increasing entrepreneurial orientation among students can be attributed to several factors, including the expansion of start-up ecosystems, government initiatives supporting youth entrepreneurship, and the growing availability of digital technologies that reduce barriers to business creation. Strengthening these support systems can help transform students' entrepreneurial aspirations into practical ventures that contribute to rural economic development and employment generation (OECD, 2020). One of the primary ways students contribute is by establishing new enterprises in sectors such as agriculture, agro-processing, rural tourism, digital services, and sustainable technologies. With increasing access to digital platforms, students are able to connect rural markets with wider consumer bases, thereby expanding business opportunities beyond local boundaries. Student-led start-ups can introduce modern management practices, technological innovation, and creative business models that enhance productivity and competitiveness in rural economies (Ratten, 2020). Another important contribution of students lies in applying academic knowledge to real-world rural contexts. Such initiatives strengthen the link between academic knowledge and community development, thereby promoting socially responsible entrepreneurship among students (Liguori & Winkler, 2020). Entrepreneurship education plays a crucial role in shaping the entrepreneurial mindset and capabilities of students, particularly those from rural backgrounds. Academic institutions increasingly recognize that structured entrepreneurship programs can equip students with essential competencies such as opportunity recognition, innovation, risk management, and business planning (Nabi et al., 2017). By promoting innovation, productivity improvements, and entrepreneurial thinking within organizations, students can play a vital role in strengthening rural entrepreneurial ecosystems and supporting sustainable rural development (Stam, 2015).

**Table 1: Student Entrepreneurial Intent (India – College Students)**

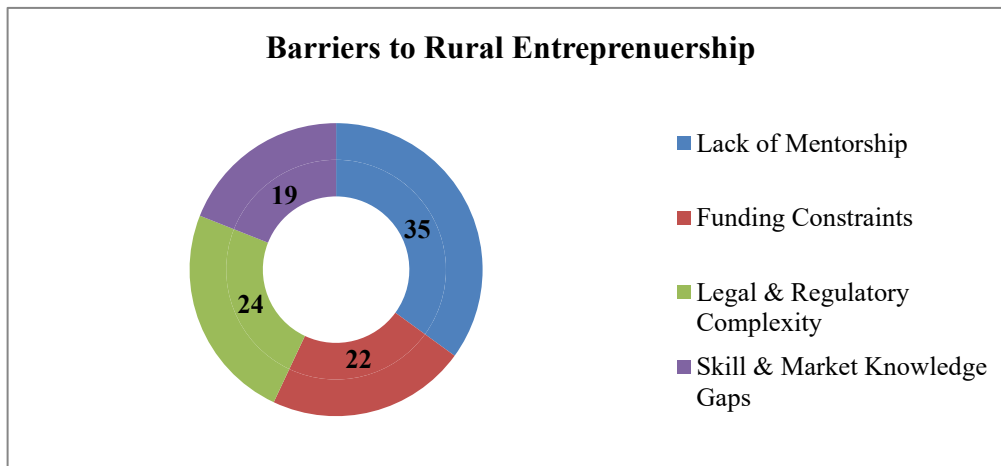
<b>Entrepreneurial Stage</b>	<b>(%)</b>
Nascent Entrepreneurs (already involved)	32.5
Plan to Start Immediately After Graduation	14.0
Plan to Start Within 5 Years	31.4
No Entrepreneurial Intention	22.1

**Source:** GUESSS India Survey, Careers360



**Table 2: Barriers Faced by Students in Rural Entrepreneurship**

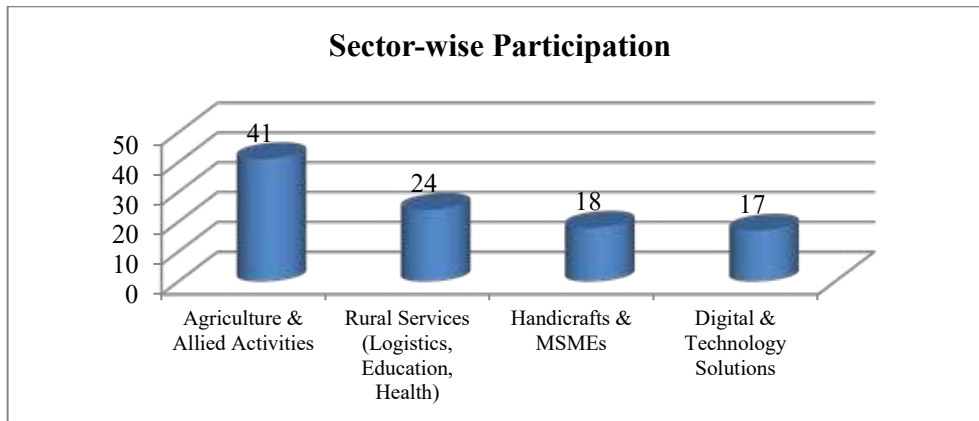
Barrier	(%)
Lack of Mentorship	35
Funding Constraints	22
Legal & Regulatory Complexity	24
Skill & Market Knowledge Gaps	19



Source: BMU Student Entrepreneurship Report, Amar Ujala

**Table 3: Sector-Wise Student Participation in Rural Enterprises**

Sector	(%)
Agriculture & Allied Activities	41
Rural Services (Logistics, Education, Health)	24
Handicrafts & MSMEs	18
Digital & Technology Solutions	17



### Achieving Sustainable Development Goals (SDGs)

- **SDG 4:** Quality education through training and capacity building.
- **SDG 5:** Gender equality via women-led student enterprises.
- **SDG 8:** Decent work and economic growth.
- **SDG 9:** Innovation and infrastructure development within rural contexts.

### 7. Finding of Study

- The findings of the study indicate that students demonstrate a growing awareness of rural entrepreneurship as a potential career option, particularly due to increasing exposure to entrepreneurship education and skill development initiatives in educational institutions.
- These educational initiatives encourage students to consider entrepreneurship not only as a means of employment but also as a pathway for contributing to rural economic development and social transformation.
- The study also reveals that students' participation in rural entrepreneurship is strongly influenced by factors such as access to entrepreneurial education, mentorship support, and exposure to practical learning experiences.
- Students who participate in field-based learning activities, business competitions, and start-up incubation programs demonstrate higher levels of entrepreneurial confidence and readiness to establish rural enterprises. Institutional support therefore plays a critical role in developing entrepreneurial competencies and motivating students to engage in entrepreneurial activities within rural communities.
- Another significant finding of the study is that students generally exhibit positive attitudes and intentions toward entrepreneurship; however, their actual participation in rural business ventures remains relatively limited. Several barriers were identified, including limited access to financial resources, inadequate infrastructure, lack of market information, and insufficient awareness of government support schemes.

### 8. Conclusion

The study concludes that students have significant potential to contribute to rural entrepreneurship and rural economic development when provided with appropriate educational support, training, and

institutional encouragement. Entrepreneurship education and experiential learning opportunities play a crucial role in shaping students' entrepreneurial attitudes, skills, and confidence to explore business opportunities in rural areas. The findings indicate that although many students demonstrate positive intentions toward entrepreneurship, their actual participation in rural entrepreneurial ventures is influenced by factors such as access to finance, mentorship, infrastructure, and awareness of government support programs. Strengthening collaboration between educational institutions, policymakers, and industry stakeholders can help create a supportive entrepreneurial ecosystem that motivates students to initiate and sustain rural enterprises. Promoting student-driven rural entrepreneurship can therefore contribute to employment generation, innovation, and sustainable development in rural communities while reducing the gap between rural and urban economic opportunities.

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