

**AN EMPIRICAL STUDY ON RURAL ENTREPRENEURSHIP
DEVELOPMENT IN SERVICE SECTOR OF BANGLADESH WITH
SPECIAL REFERENCES TO PABNA DISTRICT**

BY

RAFIKA AKTER RANU



**DEPARTMENT OF MANAGEMENT AND FINANCE
SHER-E-BANGLA AGRICULTURAL UNIVERSITY
DHAKA-1207**

JUNE, 2020

**AN EMPIRICAL STUDY ON RURAL ENTREPRENEURSHIP
DEVELOPMENT IN SERVICE SECTOR OF BANGLADESH WITH
SPECIAL REFERENCES TO PABNA DISTRICT**

BY

RAFIKA AKTER RANU

Registration No.: 13-05673

A Thesis

*Submitted to the Department of Management and Finance
Faculty of Agribusiness Management,
Sher-e-Bangla Agricultural University, Dhaka
In partial fulfillment of the requirements for the degree of*

MASTERS OF BUSINESS ADMINISTRATION (MBA)

IN

MANAGEMENT

SEMESTER: JANUARY-JUNE, 2018

Approved by:

Abu Zafar Ahmed Mukul,
Assistant Professor, Department of
Management and Finance,
Supervisor

Dr. Md. Sadique Rahman,
Associate Professor & chairman
Department of Management and
Finance,
Co-supervisor

Dr. Md. Sadique Rahman,

Chairman, Examination Committee

Department of Management and Finance

Sher-e-Bangla Agricultural University, Dhaka-1207, Bangladesh.



DEPARTMENT OF MANAGEMENT AND FINANCE

Faculty of Agribusiness Management
Sher-e-Bangla Agricultural University
Dhaka-1207, Bangladesh.

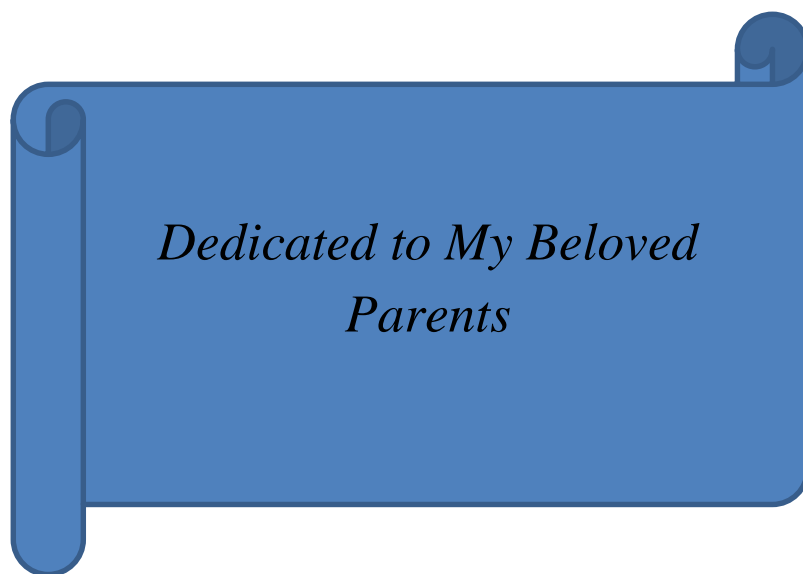
CERTIFICATE

This is to certify that the thesis entitled "AN EMPIRICAL STUDY ON RURAL ENTREPRENEURSHIP DEVELOPMENT IN SERVICE SECTOR OF BANGLADESH WITH SPECIAL REFERENCES TO PABNA DISTRICT" submitted to the Department of Management and Finance, Faculty of Agribusiness Management, Sher-e-Bangla Agricultural University, Dhaka in partial fulfillment of the requirements for the degree of MASTER OF BUSINESS ADMINISTRATION in MANAGEMENT, embodies the result of a piece of bonfire research work carried out by RAFIKA AKTER RANU, Registration no. 13-05673 under my supervision and guidance. No part of the REPORT has been submitted for any other degree or diploma.

I further certify that such help or source of information, as has been availed of during this investigation has duly been acknowledged.

*Dated: June 2020
Place: Dhaka, Bangladesh*

*Abu Zafar Ahmed Mukul
Assistant Professor, Supervisor
Department of Management and
Finance, Sher-e-Bangla Agricultural
University*



ACKNOWLEDGEMENT

All praises and thanks to almighty Allah, the supreme ruler of the universe who enabled the researcher to complete this study. Then, I would like to thank and heartfelt gratefulness to my honorable supervisor Mr. Md. Abu Zafar Ahmed Mukul, Assistant Professor, Department of Management and Finance, Sher-e-Bangla Agricultural University (SAU), Dhaka - for guiding and providing me all the necessary helps for the completion of this report. I would like to thank him for imparting his time, wisdom, support, and friendliness throughout the internship program. For his untiring and painstaking guidance, valuable suggestions, continuous supervision, and scholastic cooperation that have made it possible to complete this piece of research and reviewing the entire manuscript. The author deems it a proud privilege to express her heartfelt indebtedness, sincere appreciation, and highest gratitude to co-supervisor Dr. Md. Sadique Rahman, Associate Professor & Chairman, Department of Management and Finance, Sher-e-Bangla Agricultural University (SAU), Dhaka for his cordial inspiration, guidance, and continuous counseling during the tenure of conducting this study. Thereafter I would like to thank Md. Abdul Latif, Associate professor. Department of Agricultural Statistics, Sher-e-Bangla Agricultural University (SAU), Dhaka, who has given me his valuable time and energy in the preparation of this paper. I would also like to thank for his cooperation. The author expresses her gratitude and indebtedness to all the honorable course instructors of the Department of Management and Finance of SAU for their kind help and co-operation in various stages towards completion of this research work. The author desires to express his special gratitude to all the respondent rural entrepreneurs of the study area for their cordial co-operation during the data collection period.

Last but not least, the author expresses her heartfelt gratitude and indebtedness to her beloved father Md. Abdul Momin Molla(late) and mother Mrs. Asiya Begum(late), brothers, sisters, relatives, and friends for their inspiration, encouragement, and blessings that enabled him to complete this research work.

I also apologize heartily for any omitted name whose contribution was also complementary for any possible aspect. Lastly, I solemnly thank the Almighty again.

The Author

JUNE 2020

TABLE OF CONTENTS

Certificate.....	i
Acknowledgment.....	iii
Abstract.....	xi
1. CHAPTER ONE: INTRODUCTION.....	1-7
1.1. Introduction.....	1
1.2. The Rural Entrepreneurship Perspectives.....	3
1.3. Rural Entrepreneurship Development in Bangladesh.....	4
1.4. Rural Entrepreneurship Development Measures and Efforts.....	4
1.5. Objective of the Study.....	5
1.6. Justification of the Study.....	6
1.7. Conclusion.....	6
2. CHAPTER TWO: REVIEW OF LITERATURE.....	8-14
2.1: Introduction.....	9
2.2. Literature Review.....	9
2.3. Conclusion.....	13
3. CHAPTER THREE: METHODOLOGY.....	15-17
3.1. Introduction.....	16
3.2. Research Design.....	16
3.3. Research Instrument.....	16
3.4. Validation of Research Instrument.....	16
3.5. Population.....	17
3.6. Sample Design.....	17

3.7. Sampling Technique.....	17
3.8.Period of data collection.....	17
3.9 Sample Unit.....	17
3.9. Method of Data Analysis.....	17
4. CHAPTER FOUR: DESCRIPTION OF THE STUDY AREA.....	18-22
4.1. Introduction.....	19
4.2. Location of the Study Area.....	19
4.3.Pabna.....	19
4.8. Conclusion.....	22
5. CHAPTER FIVE: RESULT AND DISCUSSION.....	23-40
5.1: Socio-Demographic Status of rural entrepreneurship development in the service sector:	
5.1.1. Introduction.....	24
5.1.2. Name of Upazila	24
5.1.3. Type of business.....	25
5.1.4. Age Group.....	26
5.1.5. Educational Level.....	27
5.1.6. Family Structure.....	28
5.1.7. Marital Status.....	28
5.1.8. Total Number of Family Members.....	29
5.2: Identifies The Elements That Motivates Rural Entrepreneur For Starting Enterprise:	
5.2.1. Influencing Factors For Starting An Enterprise.....	30

5.2.2. Influencing Persons For Starting An Enterprise.....	31
5.2.3. Reason For Choosing The Present Line Of Activity.....	31
5.2.4. Motivating Factors For Selecting The Location.....	32
5.2.5. Sources of Initial Loan For Starting A Business.....	33
5.2.6. Role of Agency.....	34
5.3. Comparison of Initial and Latest Year Investment	
5.3.1. Initial Income.....	35
5.3.2. Latest Income.....	35
5.3.3. Taking Loan For Initial Investment.....	35
5.3.4. Repayment of Loan.....	36
5.3.5. Total Number of Employee.....	37
5.3.6. Providing Training To Employee.....	37
5.3.7. Time Taken For Earning Profit.....	37
5.3.8. Trend To Profit.....	38
5.3.9. Reinvestment.....	38
5.4. Major problems	
5.4.1. Introduction.....	39
5.4.2. Major Problems.....	39
5.4.3. Conclusion.....	40
6. CHAPTER SIX: SUMMARY, CONCLUSION, AND RECOMMENDATION	
.....	41-46
6.1.Introduction.....	42
6.2. Summary.....	42

6.3. Conclusion.....	44
6.4. Recommendation.....	45
6.4. Directions for Future Research	46
REFERENCES.....	47-49

LIST OF TABLES

1. Table-1: Name of Upazilla.....	19
2. Table-2: Name of Upazilla.....	25
3. Table-3: Type of Business.....	26
4. Table-4: Age Group.....	27
5. Table-5: Distribution of the Sample Respondent Following Education Group.....	27
6. Table-6: Family Structure.....	28
7. Table-7: Marital Status of rural entrepreneurs in the research area.....	29
8. Table-8: Total Number of Family Members.....	29
9. Table-9: Table for Influencing Factors of Starting Business.....	30
10. Table-10: Factors That Influenced the Idea of Starting Enterprise.....	31
11. Table-11: Reason for Choosing Present Line of Activity.....	32
12. Table-12: Selecting Location.....	33
13. Table-13: Sources of Initial Loan.....	34
14. Table-14: Role of Agency.....	34
15. Table-15: Initial Investment.....	35
16. Table-16: Latest Investment.....	35
17. Table-17: Taking Loan for Initial Investment.....	36
18. Table-18: Repayment of Loan.....	36
19. Table-19: Total Number of Employees.....	37
20. Table-20: Providing Training To Employee.....	37
21. Table-21: Time Taken For Earning Profit.....	38
22. Table-22: Trend to Profit.....	38
23. Table-23: Reinvestment.....	39
24. Table-24: Major Problems.....	40

LIST OF FIGURES

1. Figure-1.....	21
2. Figure-2.....	22
3. Figure-3.....	22

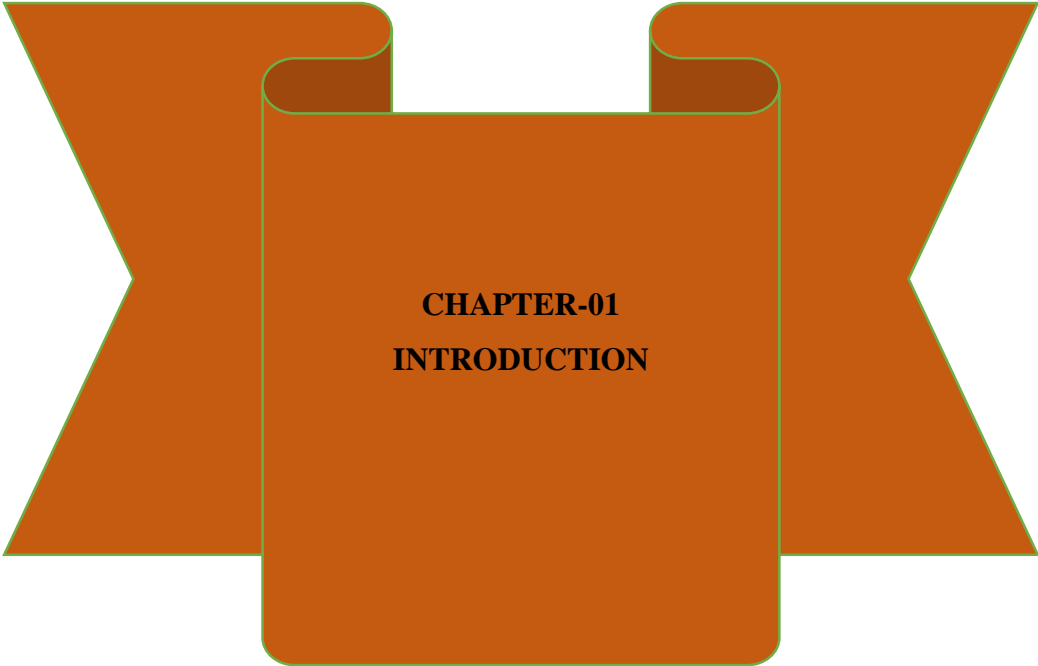
LIST OF APPENDIX

1. Appendix Interview Schedule for.....50-54

“An Empirical Study On Rural Entrepreneurship Development In-Service Sector Of
Bangladesh With Special References To Pabna District”

ABSTRACT

This study aims to identify the driving forces of rural entrepreneurship development in some selected areas of Pabna district, Bangladesh. By using a convenient sampling technique and a structured questionnaire a total of 120 rural entrepreneurs were surveyed to achieve the objectives. The field survey period of this study was February to April, 2020. The study mainly used descriptive statistics to present the findings. Data were analyzed by using SPSS version-23. The findings indicate that 42% of the respondents were in the age group of 36 to 45 years, the majority's 27.5% had a primary level of education. About 68% of the respondents have mentioned that self-employment is motivating elements for starting a business. Infrastructural facilities (84%), non-existence of similar units (82%), availability of raw materials (82%), and low-cost resource (41%), 30% availability of labor (30%) were among the factors contributing to the growth of rural entrepreneurship. The study found that 86.7% of rural entrepreneurs took loans for their initial investment. About 94% of rural entrepreneurs never defaulted on a loan for their investment. About 53% of rural entrepreneurs were providing training to their employees. About 91% earned money within one year. During the last three-year profit is showing an increasing trend. The study also identified a few problems, such as lack of power (22.5%) followed by infrastructural weakness (16.7%). The study also suggested some recommendations for utilizing the opportunities to overcome the problems for rural entrepreneurship development.



CHAPTER-01

INTRODUCTION

1.1. Introduction

Entrepreneurship has been considered the backbone of economic development. It has been well established that the level of economic growth of a region to a large extent, depends on the level of entrepreneurial activities in the region. The myth that entrepreneurs are born no more holds well, rather it is well recognized now that the entrepreneurs can be created and nurtured through appropriate interventions in the form of entrepreneurship development programs.

An entrepreneur is a person with the initiative to form a business with his dexterity of creative thinking. S/he is consistent to develop an enterprise being independent, self-motivated, and industrious. S/he retains all the factors of production and reassembles the thinking to produce something new in society. Being a risk-taker, an entrepreneur develops a business entity for the betterment of the country as a whole. According to Butt entrepreneur being the front line actor with his vigor, ability, and ingenuity makes for a modification in the socioeconomic order by the cognitive operation of industrial growth. Moreover, the International Labor Organization (ILO) identifies the entrepreneur with a set of characteristics, including risk-taking, leadership, originality, self-confidence, result-oriented, and future-oriented. On the other hand, entrepreneurship blends the capacity of innovation, investment, and expansion in productivity. Qualities of entrepreneur results in terms of entrepreneurship. Schumpeter (1955) defines that entrepreneurship consists of purposeful and systematic inventiveness. Again he added entrepreneurship as a creative activity that leads an entrepreneur to be innovated to introduce something new in society. This entrepreneurship is the act of self-motivation, originality, resourcefulness, imagination, ingenuity to setting up a new venture in a society with uncertainty Rahman and Habibur(1985).Entrepreneurship development is the process to integrate all the entrepreneurial qualities- confidence, commitment, hardworking, flexibility, persistence, independence, determination, initiative, versatility, perceptive, leadership, innovativeness, profit-oriented, foresightedness, creativity. Furthermore, Sharma(2012) narrated this development process depending on multiple factors, by the integrated package programs, including (i) Stimulatory programs, (ii) Supportive programs, and (iii) Sustaining programs.

The Rural Entrepreneurship and Rural Entrepreneurship Development (RED) as a distinct Paradigm and philosophy of rural development in the Bangladesh context, has not been a priority area as compared to the alleviation of poverty which has been a national objective of the government and developmental institutions all the time ever since Bangladesh gained independence (Sanjeev Kumar, 2005). Various developmental programs have been undertaken.

For increasing the level of employment and income of rural people (S. R. Maheshwari, 1994). Agriculture is the core enterprise engaging rural masses was given priority in the planning (Sharma, Shyam Sunder, 2004). The allied sectors have good potentials for additional income generation; hence, have been given attention by the policymakers, Rao (1984). The research on Rural Entrepreneurship and Rural Entrepreneurship Development (RED) in the Bangladesh context is scarce and there are few in-depth studies on this subject. Indian author Ravi, Shamika (2010) in a paper on “Entrepreneurship Development in the Micro Small and Medium Enterprise Sector in India” have looked at the growth of Bangladeshi Micro Small and Medium Enterprise Sector over the last fifteen years. We begin with an overview of this sector in Bangladesh and look at some recent trends which highlight the development and significance of this sector vis-à-vis the Indian economy. Over the last few years, there have been major policy changes at different districts and Upazila level aimed at consolidating and developing this sector. The main objectives of the programs were to transfer the productive assets to build up an enlarged resource base of the poorest of the poor families in the rural areas by building, developing, and sustaining. Because of the high hopes placed in the REDPs, the researcher at the state and national level have undertaken much systematic and detailed study to examine the level of unemployment, Income, consumption pattern, building micro-enterprises, and formation of assets of the impact of programs of developmental institutions and state-sponsored schemes for the rural development (Petrin & Gannon, 1997).

But no studies have so far been undertaken in the Pabna districts, to highlight the strong and weak points of various developmental interventions being implemented in the study area. Through a large number of studies had been undertaken on issues relating to the alleviation of poverty, integrated rural development, employment programs. A review of the literature indicates that to date, the role of developmental institutions and interventions in rural entrepreneurship has not received a great deal of attention in entrepreneurship research. Therefore, it seems useful and timely to further study their role and impact in rural entrepreneurship. Keeping the objective of the present study in view, the findings of the study of different researchers have been reviewed under the heads of awareness of the poorest of

poor rural people, households and community towards institutional network and various entrepreneurship development organizations fostering rural entrepreneurship specifically service sector, rural entrepreneurship development in Pabna and what are their programs, policies and schemes in this regard, credit & financial, management & technical assistance and infrastructural support provided by the development organizations to the prospective rural entrepreneurs, generating employment opportunities in rural areas and the real position of rural entrepreneurship development in the state and to what extent various government schemes, programmes and institutional support have performed and contributed to foster the rural entrepreneurship and promote, support and sustain rural entrepreneurs & micro and small village enterprises.

1.2. The Rural Entrepreneurship Perspectives

The concept of rural entrepreneurship does not dilute the definition of entrepreneurs in general. An entrepreneur is an individual who fails to conform to the traditional structured role given to him in society and finds an exit to venture on his own. In this context of his deviant pursuit, the societal frame of reference of a rural entrepreneur assumes operational significance. Rural entrepreneurship is currently at the focus of much theoretical, practical, and political interest. Rural entrepreneurship stands as a vehicle to improve the quality of life for individuals, families, and communities and to sustain a healthy economy and environment. It is known that development agencies see rural entrepreneurship as an enormous employment potential and political leaders see it as the key strategy to prevent rural unrest while farmers see it as an instrument for improving farm earnings. The driving motivation of rural entrepreneurship is to improve the productivity, value addition, and quality of products manufactured in service sectors by introducing new technologies and by providing quality assurance support. It also works towards facilitating eco-friendly products and methods. Rural entrepreneurship is, fundamentally, about using a market-driven business model to address key socio-economic issues of the rural economy under consideration. It is an emerging field with diverse and shifting interpretations. Entrepreneurship emerging in rural areas is called rural entrepreneurship. Rural entrepreneurship symbolizes rural industrialization and service sectors. Rural industrialization provides the best solution to tackle the twin problems of unemployment and poverty stalking the rural areas in the country. That is why the government of Bangladesh has been assigning increasing importance to the development of rural industrialization or entrepreneurship in her subsequent five-year plans. Like entrepreneurship, rural entrepreneurship also conjures different meanings to different

people. Without going into semantics, rural entrepreneurship can simply be defined as entrepreneurship in rural areas. In other words, establishing industrial units in rural areas refers to rural entrepreneurship. Or say, rural entrepreneurship implies rural industrialization and service sectors. Rural entrepreneurship represents a complex heterogeneous social structure with wide variability. Simply stated, rural entrepreneurship is the process of rural business opportunity recognition and implementation. It often begins with a vision or idea for a product or process coupled with a passion or zeal to make that idea a reality locally in the rural setting. Rural entrepreneurship specifically the service sector is fundamentally less about technical skills than about people and their passions in their rural context for self-employment.

1.3. Rural Entrepreneurship Development in Bangladesh

Rural entrepreneurship development is a vital program for the socio-economic development of rural areas of Bangladesh. The objectives are to trigger economic development and generate employment by providing necessary factor inputs and infrastructure for productive uses in agriculture and rural industries, service sectors, and improving the quality of life of the rural people by entrepreneurial empowerment. This also focuses on to help upgrade the skill, creativity & productivity of rural artisans and encourage value-addition and quality of their products. Its primary objective is developing and sustaining self-reliant villages in Pabna, Bangladesh. Self-reliant villages constitute the basic building blocks of a sustainable economy and a humane civilization. In such a model, “Gramodyog” or village industries are expected to be the main engine of economic development. The thrust on promoting rural industrialization has also become imperative for providing large scale employment in the rural sector. The present initiative in the form of rural entrepreneurship development schemes and programs and institutional network development for rural entrepreneurship development together with several “technical interfaces” in the major S&T institutions in different regions of the country is a significant step in the direction of creating a mechanism for developing and sustaining self-reliant villages in Pabna.

1.4. Rural Entrepreneurship Development Measures and Efforts

Rural entrepreneurship specifically the service sector is relatively a new concept in Pabna, Bangladesh. The concern to develop rural entrepreneurs emerges from the fact that the rural economy represents the larger part of the Bangladeshi economy. Rural Entrepreneurship Development (RED) in Bangladesh has received much attention during the last few years.

Several policies, programs, schemes, procedures, and institutions have been formulated and set up to support the development of entrepreneurship among the rural people in overall Bangladesh. Such developmental and promotional measures can be categorized as follows-

1. Policy framework supporting rural entrepreneurship and entrepreneurs.
2. Programs supporting rural entrepreneurship and entrepreneurs.
3. Institutional support to rural entrepreneurship and entrepreneurs.

The rural population earns its livelihood from agriculture and income from other miscellaneous services to the community. The incomes of rural people are very low except for landlords. The urban population on the other hand earns more income due to the entrepreneurial spirit. Entrepreneurship development is lacking amid the rural population. Unemployment is the main problem in rural Bangladesh. So it is necessary to become familiar with the multidimensional aspects of rural entrepreneurship. The entrepreneur can perceive the latest economic opportunities and devise innovative strategies to increase the demand for their goods. The promotion of rural entrepreneurship is vital in the context of generating gainful employment and minimizing the widening of disparities between rural and urban populations. For reducing poverty and overcoming low productivity in the farm sector rural entrepreneurship is necessary. The local politicians, the village administrators, and the senior persons in rural villages who want things to improve only can implement the innovative rural development programs on target groups.

1.5. Objective of the Study

The ruling focus of this study identifies the pros and cons (*pro et contra*) of rural entrepreneurship development in the service sector in Bangladesh, specifically the Pabna district.

There are two sectors of entrepreneurship: 1. Manufacturing based (both industry and agriculture), and 2. Service-based. This research is running based only on the service sectors of rural entrepreneurship. The targeted respondents of the study are mentioning the following:

1. Grocery store,
2. Retailing,
3. Digital transactions,
4. Fish trading,
5. Repair shop,
6. Laundry,
7. Tailors,
8. Tea stall,
9. Pharmacy
10. Others (beauty parlour).

Precisely the study attempts to attain the following objectives

The ruling focal point of this learn about identifies rural entrepreneurship in Bangladesh. Precisely the learn about tries to obtain the following objectives:

A. General Objective

To discover driving forces on rural entrepreneurship development in the service sector of Pabna, Bangladesh.

B. Specific Objectives

1. To examine the socio-economic characteristics of rural entrepreneurs in the service sector of Bangladesh;
2. To identify the elements that motivate rural entrepreneurs;
3. To confirm the elements that contribute to the growth of rural entrepreneurship;and
4. To find out problems on rural entrepreneurship improvement in the service zone of Bangladesh.

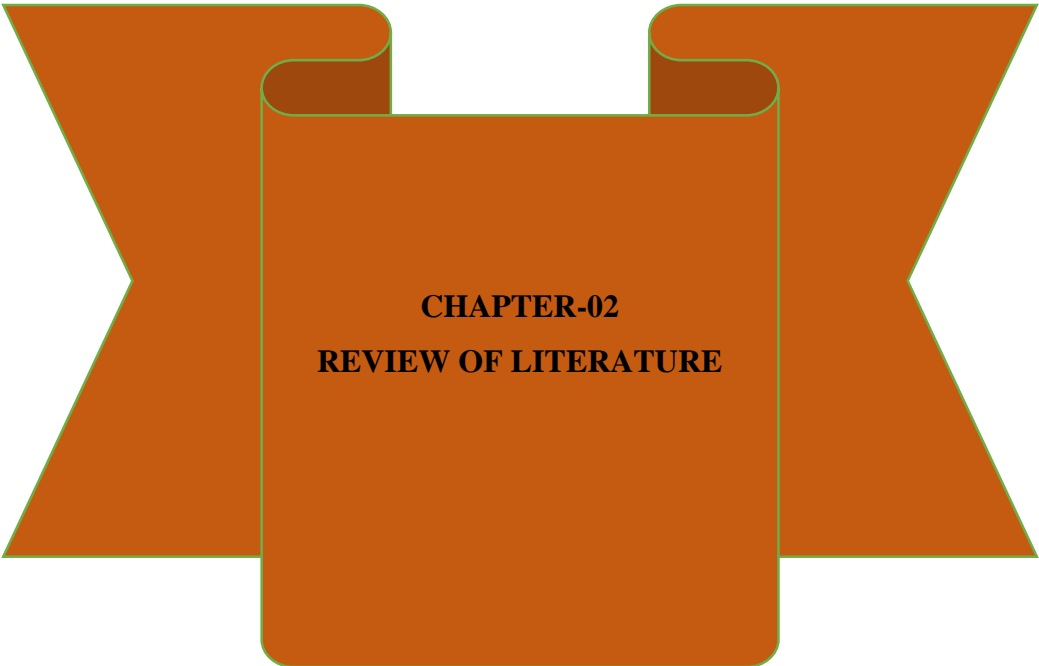
1.6. Justification of the Study

This study leads to optimize the available opportunities along with the recovery of problems and constraints by achieving the following advantages of rural entrepreneurship development in Bangladesh, special references to Pabna district. Our country is spilling over with numerous unemployed people with potentiality in the periphery. By certifying rural entrepreneurship development in Bangladesh we can ensure industrialization, capital formation, market formation, innovation, balancing wealth distribution with marginal development, innovative product, and services, Gross domestic product (GDP) growth, balance inflation, the balance of trade, the balance of payment, increasing the living standard and certainly maximum utilization of natural resources using technology.

1.7. Conclusion

The movement of entrepreneurship promotion and development in the past few decades has gone a long way in Bangladesh, particularly in the Pabna district. Both governments and various industrial promotion and support institutions are making considerable efforts to facilitate the process of emergence of new entrepreneurs for setting up enterprises in small scale sector. These efforts involved making attractive schemes for the availability of finance and various other assistance including technical know-how, training, sales, purchases, etc. It is believed that these efforts have made a favorable impact on the growth of these micro and

small village enterprises in the Pabna as well as in the region. The success of rural entrepreneurship depends solely on the well-established institutional set-up and hence to meet the requirements of the rapidly expanding entrepreneurship in rural small scale industries and the emergence of micro-enterprises at village level and cottage industries in the country, the Government gave adequate institutional support and may well claim to have achieved some success in this sphere. The role of various institutions set up specially to promote the growth of entrepreneurship in rural areas and Upazilla is unique. We further conclude that Pabna, Bangladesh can generate additional economic growth by fostering entrepreneurial activities within its rural borders, particularly within its burgeoning rural middle class. Not only has entrepreneurship been found to yield significant economic benefits in a wide variety of nations, but Bangladesh specifically has reached a point in its development where it can achieve similar results through entrepreneurial efforts. To pursue further the entrepreneurial approach to economic growth, Bangladesh must now provide opportunities for (1) To examine the socio-economic characteristics of rural entrepreneurs in the service sector of Bangladesh; (2) To identify the elements that motivate rural entrepreneurs; (3) To confirm the elements that contribute to the growth of rural entrepreneurship; and 4. To find out driving forces on rural entrepreneurship improvement in the service zone of Bangladesh. The government can play a substantial role in helping to provide these types of opportunities.



CHAPTER-02

REVIEW OF LITERATURE

2.1. Introduction

This chapter deals with the review of past researches related to this investigation. The reviews are conveniently presented based on the major objectives of the study. Despite the sincere effort, adequate numbers of directly related literature were not readily available for this study. However, the literature of available studies has been briefly discussed in this chapter. Some studies on rural entrepreneurship development-related were carried out focusing on a single country, while others on a panel of countries. Many studies have shown the solution to the problem and prospect of rural entrepreneurship in Bangladesh. The outcome of the research depends on different times and situations. Some previous research studies are presented below to make this study more meaningful.

2.2. Literature Review

A solid number of written reports on entrepreneurship have been conducted at home and overseas. A brief recap of some subjects is given below: Several studies were done to identify the characteristics or profiles of Bangladeshi entrepreneurs.

Rahman (1989) found that Bangladeshi entrepreneurs possess some characteristics that are similar to the characteristics of entrepreneurs in other countries. He did an extensive survey on 5 living Bangladeshi entrepreneurs and found that they are hard workers, truthful, religious, simple living, honest, sincere, good leaders, task-oriented, and could influence others. The highest educational degree they achieved was the Bachelor's degree. Most of them started their businesses after the age of 35. All of them came from non-business family backgrounds. They had previous job experience that helped them to acquire practical knowledge in the decision-making process, managing workers, handling accounts, and dealing with the bureaucracy. They were moderate risk takers and innovative. They diversified their risks in different types of industries, trade, building houses, etc. after gaining the initial success. The entrepreneurs studied in this survey had the sense of perceiving opportunities around them and utilized them gainfully. It was seen that once an entrepreneur commits himself to a job or task, he absorbs himself fully in performing this task. These people have willpower, self-confidence, creativity adaptability, etc.

Rahman (1981) researched the problems and prospects of entrepreneurial development in Bangladesh. In this research, he has identified several problems (like the absence of clear-cut policy decisions, lack of financial support, unawareness of facilities and incentives among small entrepreneurs, lack of training facilities and institutional arrangement for providing training, etc.) of entrepreneurial development. He found that entrepreneurial spirit/initiative is available among the people of Bangladesh. He emphasized that Bangladesh needs entrepreneurs in number, and also in quality and in time.

Rahman (1993) did a small scale case study on a small scale enterprise situated in Dhaka city. It was seen in this study that entrepreneurship can be successful, despite the limitations of socio-economic and institutional exposure. He also found that concerning the technological aspects, capital-intensive technology is not the only way for a successful industrial unit. Entrepreneurs using some conventional or orthodox technology were also very successful in their ventures. He concluded that the role of several helping institutions should be more like advisory and supportive activities, instead of, being involved directly. The entrepreneur, in the Schumpeterian model, is an innovative entrepreneur, who depends on assertive social and economic overheads.

The economic and social expenses are really poor in a backward area, which results in the low supply of entrepreneurs Schumpeter(1955).

McClelland(1969) took a sketch of achieving social and found that initiators could be entrepreneurs as they bear a high demand for accomplishment. McClelland hypothesizes that a community with a generally high degree of achievement motivation will create more rapid economic growth. The inner need of the individual to do something novel, something antic in a specific field has been set up to be a significant component. It consists of entrepreneurial motivation, efficiency, and capacity. Achievement inspiration and power motivation are as imperative for entrepreneurship McClelland and Winter(1969).

Marris and Somerset(1971) expressed that an increase in the range of interaction is needed and the barriers to interaction must be going down if entrepreneurship is to come.

According to Hossain(1963), the entrepreneurs in Bangladesh own sufficient intelligence and ingenuity to take advantage of feasible business opportunities.

Habibul Rahman, et al.(1979) critically evaluated the impact of different programs and policies relating to entrepreneurship and small enterprises. The determinants of

entrepreneurship development are constructed along with the socioeconomic conditions of a state. Nevertheless, foreign students who ever studied the socioeconomic and ethnic context of Bangladesh appear to think that Bangladesh has youths with the potential to be trained as entrepreneurs according to the research.

Habibullah(1985) conducted another research on entrepreneurship training and development and revealed that training is an efficient tool for entrepreneurship development in Bangladesh.

A. M. Chowdhury(1980) carried a survey on the emergence and increase of entrepreneurs in some developing states and found that over the last several years, some developing countries recorded spectacular growth and success of small entrepreneurs.

Davies(1991) focused the urge for achievement as the cause that inspires people to be entrepreneurs and venture into advanced and productive initiatives enhancing economic development.

Chowdhury and Nuruddin's(1992) opinions that it is rightful that a congenial environment is essential to prepare and develop effective entrepreneurs in the state.

Rahman(1993) noted that the poor economy of Bangladesh can hardly afford entrepreneurship development other than in small-scale ventures. Balanced development of the economic organization is largely contingent upon small-scale enterprises for a good many reasons like huge unemployment, technological backwardness, poor infrastructural framework, and scarcity of capital.

Aktaruddin(1999) observed that personal attributes are a key factor for entrepreneurial success or failure while Aktaruddin reported on the socio-economic background of the entrepreneurs.

Salman(2000) indicated some external and internal factors or barriers to develop the SME sector, as information, knowledge, political, economic, legal organization, government publications, engineering, natural weather, which can be classified as external elements and machinery, structure people, or materials and process as internal components. He also carried research on impediments to Small and Medium Enterprise (SME) development and found that still there is a gap of awareness about a new era and e-commerce.

Hasan and Rahman(2001) identified that approach to finance is the most important problem for SME as commercial institutions typically ignore the fiscal demands of the s initially due to their weakness in providing a fixed asset as collateral Hasan and Rahman.

Islam and Aktaruzzaman found that 76.3 % of the rural entrepreneurs had no education at all, of which nearly 17 % could neither say nor write and another 59.3 % were only able to invest in their signature. Costly time taking the regulatory system with licensing and permitting has been planted as a roadblock for the SME growth development by the SME department's country mapping research and study.

George and David(1953) surveyed providing a lower expensive IT approach to rural areas in developing countries and revealed that weak data structure, just like weak transportation infrastructure, can reduce the attractiveness of merchandise business with particular countries.

Roni(2003) reported that the availability of capital is not enough in Bangladesh due to the precarious financial environment and per capita income is low as US Dollar 220. The interest rate is high that the lead cost of bowing also high. The wage rate is the most important determinant of entrepreneurial decisions. Besides this Roni stated that his entrepreneurship in the political division of Bangladesh is not adequately supported. He also revealed that in the long run socio-cultural environment plays a far-reaching effect on the entrepreneurs. The survey also claimed that entrepreneurs can engage from socially marginal class, like ethnic, religious culture, or migrant minority.

Mittal and Batra(2004) ran a study on the factors bearing on the growth of entrepreneurship development in small scale industries in Panjab and Haryana and noted that with globalization, the small-range entrepreneurs are facing an intense competitor.

Rahman and Das(2005) carried research on the evolution of SME in Bangladesh and vowed that unfair use of political power is liable for the imperfect market.

Ahmed (1982) discussed the situation in Bangladesh on entrepreneurship training efforts. He identified that training facilities are provided to the entrepreneurs in Bangladesh and several training programs entitling as 'entrepreneurship development' or others are organized. He mentioned the 'Entrepreneurship Development Training Program (EDTP)' that was organized by Bangladesh Management Development Center. But he was doubtful about the method of efficiency measurement of such programs. He suggested that without training on

motivational and attitudinal changes a proper behavior cannot be expected from the entrepreneurs.

Rahman (1988) in his article attempted to discuss how entrepreneurship education can be used in motivating the youth towards self-employment activities as a career. He suggested that entrepreneurship education should form a part of the education curriculum in Bangladesh and it should be introduced at various levels in the education system. Motivated students should be supported to become successful. Also, training of the trainers of entrepreneurship education, effective cooperation from the promotional agencies involved in entrepreneurship education, and self-employment would play important roles.

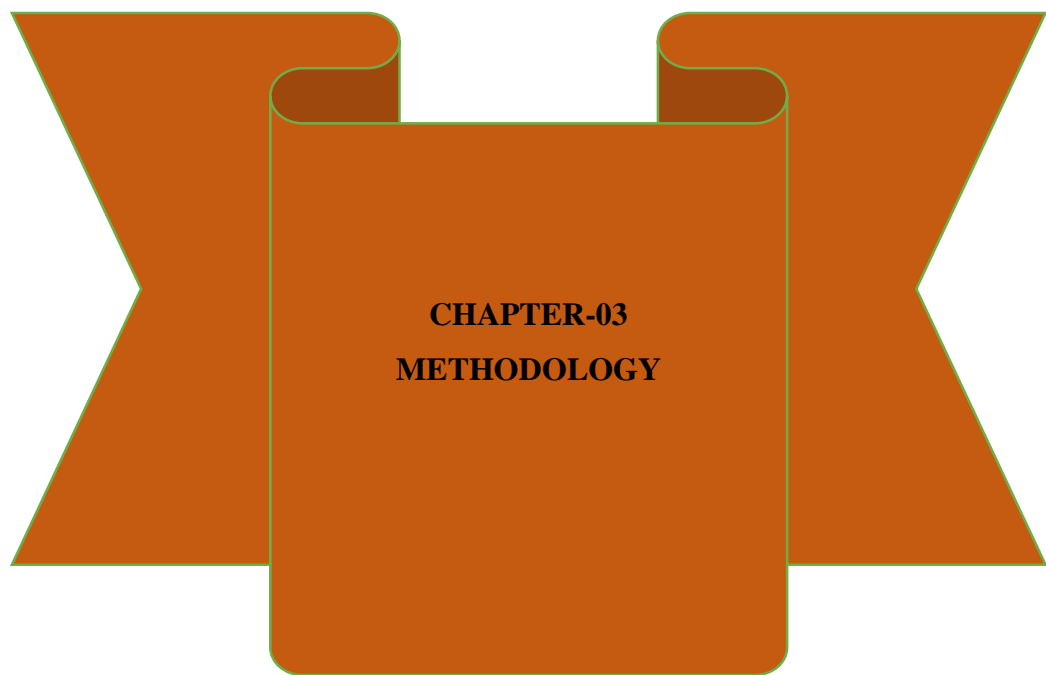
Begum (1992) studied entrepreneurship development through business education in Bangladesh. She concluded that though in our country business education for entrepreneurial training is very poor if entrepreneurship courses are included in business education, the business students will indeed be interested to know what the opportunities available are for an entrepreneur, his basic needs and the problems to be faced if he wants to be an entrepreneur. Lack of entrepreneurial education is the cause of the absence of entrepreneurial skills in the majority of entrepreneurs.

This connotes that rural entrepreneurship development will reverse the migration to urban areas, ever-increasing slums in urban areas will be reduced, the country will save a huge sum of money in form of fuel, a large amount of agriculture, horticulture, and animal husbandry related produce going waste will be gainfully utilized, public Investment in rural infrastructure will give higher returns and it will encourage private investment, it will unlock the potential of cores of underemployed people and increase the GDP of the nation and use of non-conventional sources of energy will be encouraged as the vast potential for use of biogas, solar energy, wind, and water energy exist in rural areas.

2.3 Conclusion:

The debate and analysis referred to above show that the majority of studies covered social status, motivational factors, growth factors, problems, and barriers to rural entrepreneurship development. Some research also evaluates women entrepreneurship. Most studies looked more than a decade ago at parameters that affect development. The validity of the variables to be tested again during this time changes. Very few integrated productivity and resource efficiency studies have been conducted in Bangladesh entrepreneurship development. This

analysis is therefore supposed to take these considerations into account. To address the shortcomings in previous studies the study of literature was useful to redefine methodological aspects. The researcher felt that rural entrepreneurship development in the service sector in Bangladesh with special references to Pabna district needed corrective action to help policymakers. Again, they should implement effective programs that develop the rural entrepreneurs in the service sector for commercial purposes and improve the livelihood of rural Bangladeshi residents.



CHAPTER-03

METHODOLOGY

3.1. Introduction

The technique used is discussed in this chapter. In large measure, the reliability of scientific study depends on the required research methodology. Research typically requires primary data collection from working respondents from the research area. However, the approach for collecting data depends on the purposes of the research and its goals. The methodology focuses on topics such as research preparation, preparation of samples, scheduling of the interviews, data collection, tabulation, and analysis, and data interpretation. The following definitions are described in the sequence of the methods used for this study.

3.2. Research design

The study was descriptive-cum-exploratory in nature and based on the survey questionnaire. A descriptive research design is adopted for the present study. Sampling procedure consisting of purposive sampling and simple random sampling technique was adopted in selecting a total of one hundred and twenty (120) rural entrepreneurs that are engaging in 1. Grocery store, 2. Retailing, 3. Digital transactions, 4. Fish trading, 5. Repair shop, 6. Laundry, 7. Tailors, 8. Tea stall, 9. Pharmacy, and 10. Others in all thirty-three local governments and area of Pabna districts, Bangladesh.

3.3. Research instrument

Structured questionnaires and personal interviews were used to collect data for the study.

3.4. Validation of research instrument

The research questionnaire was drafted by the researchers and validity was addressed through a rigorous review by a group of academics to ensure the items reflected the intended variables. To establish the highest degree of reliability, the jury-validated instruments were pretested on a small sample of (n = 120) of randomly selected rural entrepreneurs specifically the service sector of Pabna district, Bangladesh.

3.5. Population

Rural entrepreneurs specifically service sectors in the Pabna districts, Bangladesh constituted the population of the study.

3.6. Sample design

The sample was selected from Rural entrepreneurs specifically service sectors in the Pabna district, Bangladesh, who were categorized according to business type. Data were collected from 120 respondents.

3.7. Sampling technique

A sample of 120 respondents is selected through non-probability convenient sampling techniques from rural entrepreneurs specifically service sectors in the Pabna districts, Bangladesh, who are categorized based on their age group, residential status, marital status, income group, educational status, the scale of business, and nature of business.

3.8. Period of data collection

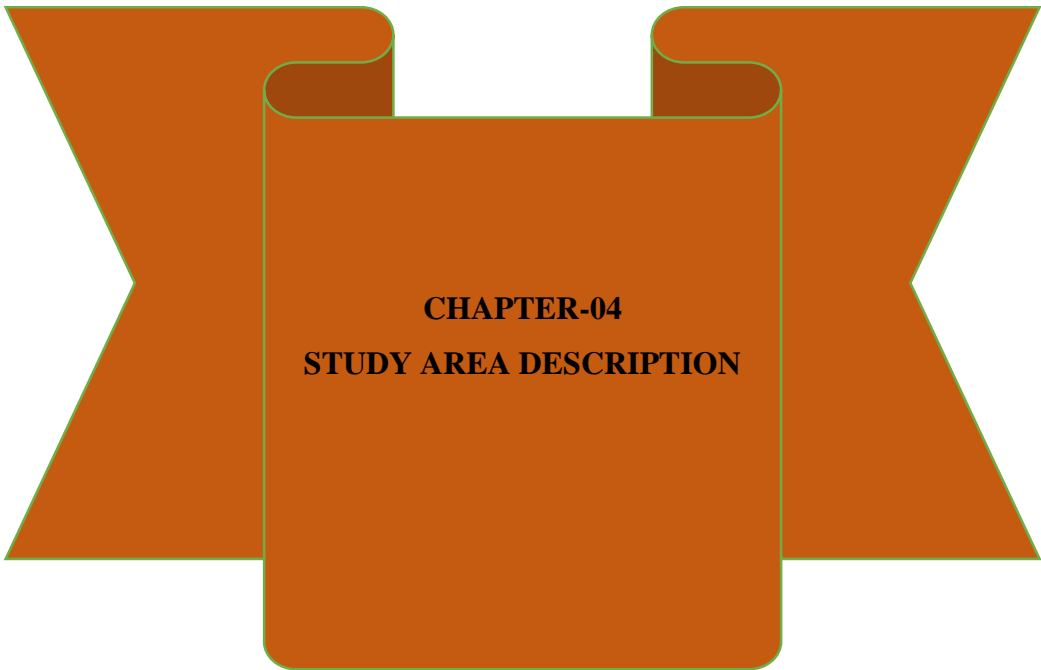
The field survey period of this study was three months February to April, 2020.

3.9. Sample unit

Rural entrepreneurs specifically service sectors in the Pabna district, Bangladesh, were taken as the sample unit.

3.10. Method of data analysis

Statistical techniques in the present study, the Crosstab technique, and frequency analysis were used to examine the data. Data was also analyzed, interpreted, and evaluated with required statistical tools like tabulation, graphic presentation, and percentage etc. were used to analyze the data with the aids of SPSS version 23.



CHAPTER-04

STUDY AREA DESCRIPTION

4.1 Introduction

This chapter focuses on a concise overview of the area of research in which the samples of rural entrepreneurs in the service sector are based. It was necessary to know about the study areas selected to be able to understand respondent's activity, attitudes, the potential for development, and potentials, as well as their limitations. The study **“An empirical study on rural entrepreneurship development in the service sector of Bangladesh with special references to Pabna district”**. The main features of the study were the current entrepreneur's status and the support services available in the study area.

4.2 Location of the study area

The selection of the study area is an important step. To achieve the objectives of the present study, a preliminary survey was conducted in 9 Upazilas under the Pabna district. Based on preliminary information, 9 Upazilas, namely:

Table-1: Name of Upazila (Selected Study Area)

District	Name of Upazilas
Pabna	1.Atghariya
	2.Bera
	3.Bhangura
	4.Chatmohar
	5.Faridpur
	6.Ishwardi
	7.Pabna Sadar
	8.Santhia
	9.Sujanagar
Source: Primary Field Survey,2020.	

4.3 Pabna

In an industrial center, Pabna has mills for jute, cotton, rice, flour, oil, paper, and sugar. It also produces pharmaceuticals. Hosiery and hand-loomed products are important cottage

industries. Historical remains include the 19th-century Hindu temple of Jor Bangla and the Pabna Jubilee tank (a water reservoir excavated in 1887). Pabna was incorporated as a municipality in 1876; it has several general and specialized hospitals, including a mental hospital, Pabna University of Science and Technology, Pabna Medical College, Pabna Textile University, renowned Edward College, and numerous government and private colleges.

The surrounding area lies within the triangular region formed by the confluence of the Padma and Jamuna (the name of the Brahmaputra River in Bangladesh) rivers. A wide alluvial plain is intersected by a network of streams, and many villages are accessible only by boat during the rainy season. The soil, enriched by flood deposits, supports rice, jute, wheat, sugarcane, and pulses.



Figure-1: Position of Pabna Districts.



Figure-2: Upazila map of Pabna districts.

Bangladesh urban-rural (2018)

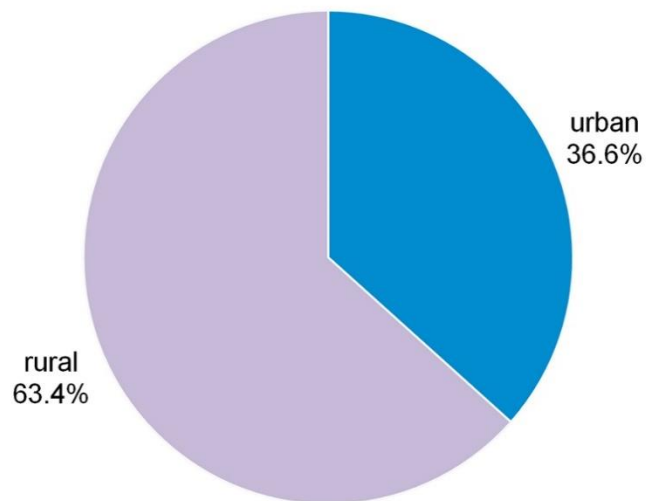
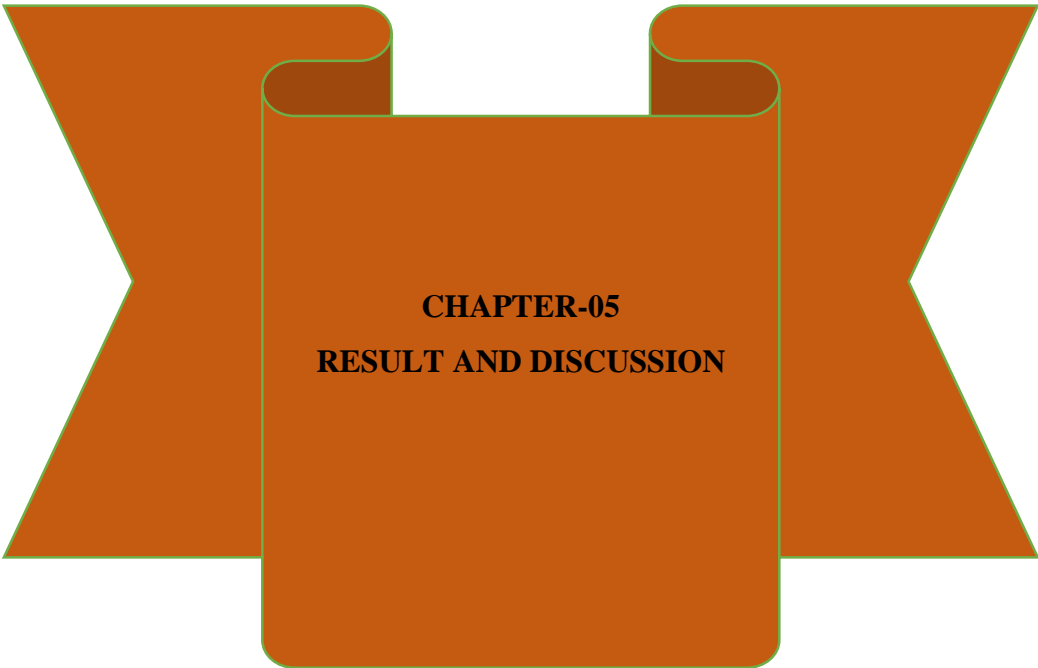


Figure-3: Urban-rural Population percentage of Bangladesh.

4.4 Conclusion

The short description stated above provides an overview of the Pabna district and the nine Upazilas under it. It has the potentiality to contribute to the national economy through rural entrepreneurship development in the service sector of Bangladesh.



CHAPTER-05
RESULT AND DISCUSSION

CHAPTER-05

RESULT AND DISCUSSION

5.1.Socio-demographic Status of Rural Entrepreneurship Development in The Service Sector

5.1.1. Introduction

To discover riding forces on rural entrepreneurship development in the service sector of Bangladesh, the socioeconomic features of rural entrepreneurship development in the service sector are significant. In several ways, an individual differs from each other. An individual's behavior is primarily influenced by its features. The entrepreneur's socio-economic features affect their decision-making in their enterprise. Several socioeconomic problems have been investigated for sample households. These include age distribution, family composition, education level, jobs, and dependence ratio, as well as the agricultural size and pattern of land ownership.

5.1.2. Name of Upazila

The selection of the study area is an important step. To achieve the objectives of the present study, a preliminary survey was conducted in 9 Upazilas under the Pabna district. Based on preliminary information under nine Upazilas, namely with several respondents were given Atghariya=13, Bera=14, Bhangura=13, Chatmahar=13, Faridpur=13, Ishwardi=13, Pabna=13, Shanthia=14, Sujanagar=14 from a total of 120 which was randomly selected respondents.

Table- 2. Name of Upazila with the number of respondents

Name of Upazila	Frequency	Percentage
Bera	14	11.7
Atghariya	13	10.8
Bhangura	13	10.8
Chatmohar	13	10.8
Faridpur	13	10.8
Ishwardi	13	10.8
Pabna sadar	13	10.8
Shanthia	14	11.7
Sujanagar	14	11.7
Total	120	100.0

Source: Primary Field Survey,2020.

5.1.3. Type of Business

Between them, the ten portfolio entrepreneurs interviewed represented 120 enterprises. The definition of a Small and Medium Enterprise (SME), according to the European Commission (2016), is as follows; a ‘Micro Business’ has fewer than 10 employees and a turnover under £2 million; a ‘Small Business’ has fewer than 50 employees and a turnover under £10 million and; a ‘Medium Business’ has fewer than 250 employees with a turnover under £50 million.

It is difficult, with these huge parameters, to pinpoint exactly where a business lies in this type of definition. Rural entrepreneurship in the service sector of Pabna is a vital part of the Bangladeshi economy and a vital part of growing the economy. This author was trying to survey the frequency of the type of business in nine Upazilas of Pabna district with SPSS software frequency analysis. The findings of authors are Retailing shop is 15.8%, Grocery shop is 11.7%, Fish trading 10.8%, Repairing shop is 10%, Pharmacy 10%, tailors 9.2%, tea stall 8.3%, digital transaction 8.3%, and others like beauty salon 8.3%, laundry 7.5% within 120 sample.

Table-3: Type of business

Type of business	Frequency	Percentage
Grocery shop	14	11.7
Others	10	8.3
Retailing	19	15.8
Digital transaction	10	8.3
Fish trading	13	10.8
Repair shop	12	10.0
Laundry	9	7.5
Tailors	11	9.2
Tea stall	10	8.3
Pharmacy	12	10.0
Total	120	100.0

Source: Primary Field Survey,2020.

5.1.4. Age group

Table 5.1 classified all rural entrepreneurs groups in the study region of various ages. The age classes were bellow to 35 years, 36 to 45 years, 46 to 55 years, 56 and above, as can be seen from Table 5.1. Table 5.1 shows that out of the total entrepreneurs 37.5% were less than 35 years, 42% had a plurality of 36 to 45 years, 15.8% had age 46 to 55 years, and 2.5% were between 56-100 years. Table 5.1 reveals that the majority of rural entrepreneurs had aged 42% had 36-45 years which is indicated the involvement of the young generation.

Table-4: Age group

Age group	Frequency	Percentage
Bellow-35	47	39.2
36-45	51	42.5
46-55	19	15.8
56 and above	3	2.5
Total	120	100.0

Source: Primary Field Survey,2020.

5.1.5. Educational Level

All categories of rural entrepreneurs in the study area were grouped into different education levels. In our finding, rural entrepreneurs were in most of the case illiterate and less educated. Among the total rural entrepreneurs, 15.8% response that they were completely illiterate; 27.5% were included in the PEC level; 18.3% were included in the JSC level; 25% were included in SSC level; 13% were included education level up to higher secondary and above higher secondary.

Table-5: Distribution of the Sample Farmers following Education Group

Educational level	Frequency	Percentage
Illiterate=-1-0	19	15.8
PEC=1-5	33	27.5
JSC=6-8	22	18.3
SSC=9-0	30	25.0
HSC and Above=11-16+	16	13.3
Total	120	100.0

Source: Primary Field Survey,2020.

5.1.6. Family Structure

All categories of rural entrepreneurs of the study area were categorized into two based on family structure joint, nuclear. In our finding, family structure rural entrepreneurs were in most nuclear. Among the total rural entrepreneurs, 41.7% responded that they were joint family; 58.3% were nuclear families into nine Upazila of pabna.

Table-6: Family Structure

Family structure	Frequency	Percentage
Joint	50	41.7
Nuclear	70	58.3
Total	120	100.0

Source: Primary Field Survey,2020.

5.1.7. Marital Status

All categories of rural entrepreneurs of the study area were categorized into two based on marital status into married, unmarried, divorced, widow, separated. In the author finds, rural entrepreneurs were in most of the case married. Among the total rural entrepreneurs, 85.8% repondent that they were married, 10% were unmarried, 1.7% divorced, 1,7% widow, and 0.8% seperated into nine Upazilas of Pabna.

Table-7: Martial Status of rural entrepreneurs in the research area

Marital status	Frequency	Percentage
Married	103	85.8
Unmarried	12	10.0
Divorced	2	1.7
Widow	2	1.7
Separated	1	.8
Total	120	100.0

Source: Primary Field Survey,2020.

5.1.8. Total Number Of Family Members

All categories of rural entrepreneurs in the study area were grouped based on the total number of family members on a different level. In our findings, rural entrepreneurs were in most of the total family members 6-10. Among the total rural entrepreneurs, 45% respondent that they had 1-5 members; 45.8% were included in 6-10 members; 7.5% were included in 11-15; 1.7% were included in 16-20 members into nine Upazila of pabna.

Table-8: Total Number Of Family Members

Total number of a family member	Frequency	Percentage
1-5 persons	54	45.0
6-10 persons	55	45.8
11-15 persons	9	7.5
16-20 persons	2	1.7
Total	120	100.0

Source: Primary Field Survey,2020.

5.2: Identifies The Elements That Motivates Rural Entrepreneur For Starting Enterprise

In this part of this paper, the respondent could choose multiple options for some questions of the survey's interview.

5.2.1: Influencing factors for starting an enterprise

In this part of this chapter, the author tried to identify the influencing factors for starting an enterprise of rural entrepreneurs. Self-employment is identified as the high percentage of motivating elements for starting a business and the percentage value was 67.50%. The second most important factor was the need for independence with 66.66%, the continuous family business was 55.83%, Gain social prestige was 55%, the eagerness to make money 50 %, the dissatisfaction of present job was 43.33%, make use of technical and professional skill 18.33%, success stories of others influenced 11.66%. Other factors influenced 5%.

Table-9. Table for Influencing Factors of Starting Business

Serial number	Influencing factors	Frequency	Percentage
1	Self-employment	81	67.50
2	Continuous family Business	67	55.83
3	Dissatisfaction with the present job	52	43.33
4	Eagerness to make money	60	50.00
5	Gain social prestige	66	55.00
6	Make use of technical and professional skill	22	18.33
7	Need for independence	80	66.66
8	Success stories of other entrepreneurs	14	11.66
9	any other factors	6	5.00

Source: Primary Field Survey,2020.

5.2.2: Influencing persons for starting an enterprise

In this part of this chapter, the author tried to identify the influencing person who influenced starting an enterprise of rural entrepreneurs. 78.3% of rural entrepreneurs influenced by his/herself, 10.8 % influenced by Family members, 5.8% influenced by a spouse, 4.2 % influenced by friends and 0.8% influenced by relatives. The highest percentage of self influencing created great change in rural entrepreneurship development in Bangladesh.

Table-10. Factors That Influenced the Idea of Starting Enterprise

Persons who influenced to start an enterprise	Frequency	Percentage
Self	94	78.3
Spouse	7	5.8
Friends	5	4.2
Relatives	1	.8
Family members	13	10.8
Total	120	100.0

Source: Primary Field Survey, 2020.

5.2.3: Reason for choosing a present line of activity

There are many reasons for choosing the present line of activity of the rural entrepreneurs of Pabna district. The percentage value for choosing reason of the present line of activity was given followingly 95.83% other reason, 84.17% easy marketability, 74.17% previous experience, 55.83% High profitability, 45.00% less competition, 20.83% ease to start the business.

Table-11. Reason for Choosing Present Line of Activity.

Serial number	Reason for choosing the present line of activity	Frequency	Percentage
1	Ease to start a business	25	20.83
2	High profitability	67	55.83
3	less competition	54	45.00
4	previous experience	89	74.17
5	easy marketability	101	84.17
6	others reason	115	95.83

Source: Primary Field Survey,2020.

5.2.4: Motivating factors for selecting the location

Selecting a location is very important for rural entrepreneurs. The profitability and earnings vary from place to place, that is why place value is important for a business. 84.17% Infrastructural facilities, 82.50% the non-existence of similar unit, 81.67% Availability of raw materials, 40.83% Low-cost resource, 30.00% Availability of labor, 23.33% birthplace. Infrastructural facilities had the highest percentage in this study for selecting a location.

Table-12. Selecting Location

Serial number	Motivating factors for selecting the location	Frequency	Percentage
1	Birthplace	28	23.33
2	Low-cost resource	49	40.83
3	Availability of raw materials	98	81.67
4	Availability of labor	36	30.00
5	Infrastructural facilities	101	84.17
6	the non-existence of similar unit	99	82.50
7	others	0	0.00

Source: Primary Field Survey,2020.

5.2.5: Sources Of Initial Loan for starting a business

To start a business entrepreneurs need some minimum capital and liquid money. The loan can be an initial source of capital if he/she has no own money, The initial source of loans for rural entrepreneurs can be family members, NGOs, banks, money lenders, Govt agency. From the frequency, analysis the author found the initial sources of the loan in a percentage value. Initial sources of loan Flowingly included 27.5% of family members, 27.5% of banks, 24.2% of NGOs, 13.3% of money lenders, 4.4% don't take any loan, 0.8% of Government loan is taken by the respondent of the research area's respondent.

Table-13. Sources of Initial Loan

Sl number	Sources Of Initial Loan	Frequency	Percentage
1	Family members	33	27.5
2	Government	1	.8
3	Moneylenders	16	13.3
4	Banks	33	27.5
5	NGOs	29	24.2
6	No	8	6.7
7	Total	120	100.0

Source: Primary Field Survey,2020.

5.2.6: Role of Agency

Good support of relevant agencies can create a great impact on rural entrepreneur's developments in service sectors. The author found that 50% role of supporting agency was good, 18.3% was very good.30.8% agency was not supported at all in this paper.

Table-14: Role of Agency

Role of supporting agencies	Frequency	Percentage
Very good	22	18.3
Good	61	50.8
Not at all	37	30.8
Total	120	100.0

Source: Primary Field Survey,2020.

5.3. Comparison of Initial And Latest Year Investment

5.3.1. Initial income

Most of the rural entrepreneurs said their initial investment was in the range (87.5%) 1000-200000 BDT. On the other hand, the next major (7.5%) category was 200000-400000, the next major (5%) category was 400000-above.

Table-15: Initial investment

Initial investment	Frequency	Percentage
1000-200000	105	87.5
200000-400000	9	7.5
400000-above	6	5.0
Total	120	100.0

Source: Primary Field Survey,2020.

5.3.2: Latest income:

Most of the rural entrepreneurs said their Latest investment was in the range (87.5%) 1000-200000 BDT. On the other hand, the next major (7.5%) category was 200000-400000, the next major (5%) category was 400000-above.

Table-16: Latest investment

Latest investment	Frequency	Percentage
1000-200000	105	87.5
200000-400000	9	7.5
400000-above	6	5.0
Total	120	100.0

Source: Primary Field Survey,2020.

5.3.3: Taking Loan for Initial Investment:

In this study, 86.7% of rural entrepreneurs took loans for their initial investment and only 13.3% of respondents started their enterprise without a loan.

Table-17: Taking Loan for Initial Investment

Taking a loan for the initial investment	Frequency	Percentage
Yes	104	86.7
No	16	13.3
Total	120	100.0

Source: Primary Field Survey,2020.

5.3.4. Repayment of loan:

In this study, 94.2% of rural entrepreneurs never defaulted on a loan for their investment. And only 5.8% of respondents defaulted.

Table-18: Repayment of loan

Repayment of loan	Frequency	Percentage
Never defaulted	113	94.2
Sometimes defaulted	7	5.8
Total	120	100.0

Source: Primary Field Survey,2020.

5.3.5: Total Number of Employee

Most of the rural entrepreneurs said their number of employed people was in the range (72.5%) 0-4. On the other hand, the next major (26.7%) category was 5-8, the next major (0.8%) category was 9-10 and above.

Table-19: Total Number of Employees.

Total number of employee	Frequency	Percentage
0-4	87	72.5
5-8	32	26.7
9-10	1	.8
Total	120	100.0
Source: Primary Field Survey,2020.		

5.3.6: Providing Training to Employee

In this study, 53.3% of rural entrepreneurs were providing training to their employees and only 46.7% of respondents were being out of training.

Table-20: Providing Training To Employee

Providing training to employees	Frequency	Percentage
Yes	64	53.3
No	56	46.7
Total	120	100.0
Source: Primary Field Survey,2020.		

5.3.7: Time Taken For Earning Profit

In this study the findings of the author about taking time to earn by the rural entrepreneurs were 90.8% earned money within one year, 7.5% earned within in two years and only 1.7% earned within three years.

Table-21: Time Taken For Earning Profit

Time is taken to earn money	Frequency	Percentage
Within one year	109	90.8
Within two years	9	7.5
Within three years	2	1.7
Total	120	100.0

Source: Primary Field Survey,2020.

5.3.8: Trend to Profit

In this study, the trend to profits last three years 80.8% were increasing, 11.7% were decreasing, and only 7.5% was no change.

Table-22: The trend to profit

The trend in profits last three years	Frequency	Percentage
Increase	97	80.8
Decrease	14	11.7
No change	9	7.5
Total	120	100.0

Source: Primary Field Survey,2020.

5.3.9: Reinvestment

In this study, 79.2% of rural entrepreneurs were reinvesting within the last three years and only 20.8% of respondents were being out of reinvesting within the last three years.

Table-23: Reinvestment

Reinvesting within last three years	Frequency	Percentage
Yes	95	79.2
No	25	20.8
Total	120	100.0

Source: Primary Field Survey,2020.

5.4 Major Problems

5.4.1. Introduction

The multifarious problems faced by rural micro and small entrepreneurs are universal and are interlinked with one another. The researcher has attempted to throw light on the various operational problems based on empirical studies. Six major problems were identified, i.e., raw material, marketing, labor, finance, technical & managerial & other problems

5.4.2. Major problems

22.5% of respondent said that power is the major problem, 16.7% of respondent said that infrastructural sickness is the major problem, 15.8% of respondent said that raw material is the major problem, 11.7% respondent said that problem of finance is the major problem, 9.2% said about marketing problem, 8.3% Problem of labor, 8.3% Technical and managerial problem, 4.2% human resource problem, 2.5% said about others problem.

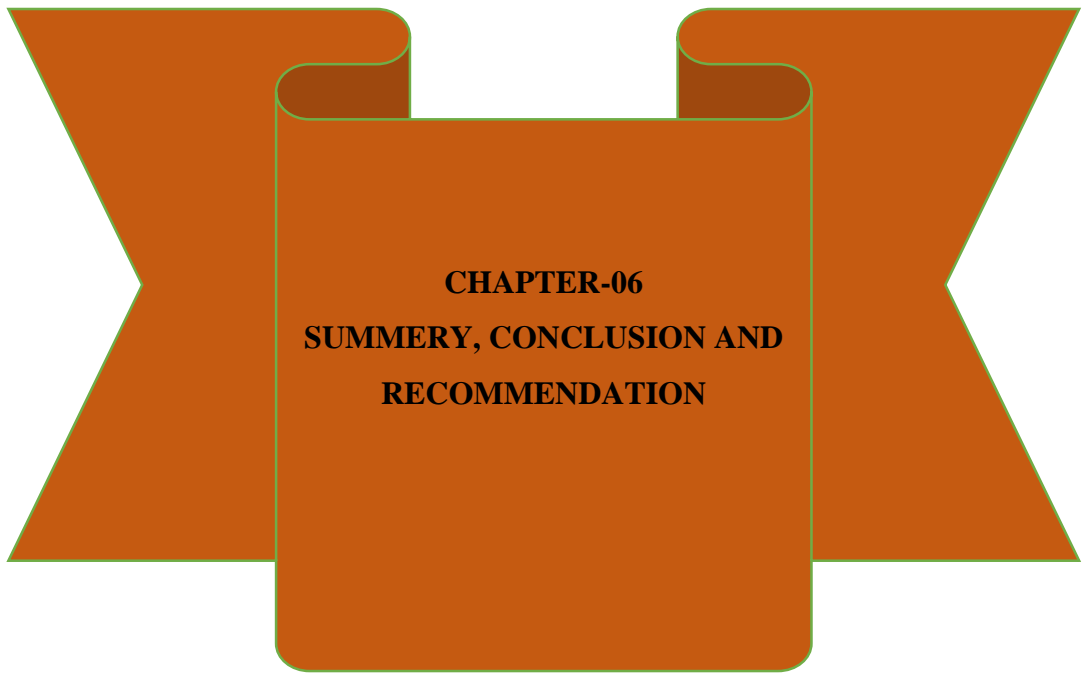
Table-24: Major problems

Major problems are faced by rural entrepreneurship	Frequency	Percentage
The problem of raw materials	19	15.8
Problem of Marketing	12	10
Problem of power	27	22.5
Problem of labor	10	8.3
The problem of finance	14	11.7
Technical and managerial problem	10	8.3
Infrastructural problem	20	16.7
Human resource problem	5	4.2
Other problem	3	2.5
Total	120	100.0

Source: Primary Field Survey,2020.

5.4.5. Conclusion

The analysis of the different problems encountered by rural entrepreneurs reveals that almost all the rural entrepreneurs of the study area have problems of different magnitude in the areas of raw material, marketing, power, labor, finance, technical and managerial, etc.



CHAPTER-06
SUMMERY, CONCLUSION AND
RECOMMENDATION

CHAPTER-06

SUMMARY, CONCLUSION, AND RECOMMENDATION

6.1 Introduction

The author tried to find out the objectives of this paper and summarize the outcomes with concluding remarks. Based on the above findings, some suggestions have been put forward which may help formulate an appropriate strategy for the growth and development of rural entrepreneurship in the service sector of the backward region like Pabna district.

6.2. Summary

The economy of Pabna is in the process of transition from a predominantly agrarian economy to an industrial and service economy. It has been constantly facing several socio-economic bottlenecks like undeveloped infrastructure, poverty, poor per capita income, etc. The share of agriculture has increasingly declined in recent years resulting in continuous migration from the rural to urban areas in search of better employment opportunities and living standards. Thinking about the sustainable development of this part of the region is still a far cry. This is mainly due to the absence of poor entrepreneurial activity, integrated and comprehensive development strategy, and lack of sufficient funds to organize business and inefficiency. Thus, there is a need to strengthen employment opportunities in rural areas by promoting rural entrepreneurship. This observation is more relevant in the context of rural micro and small scale entrepreneurship in the district of Pabna, whose exact place of importance in the overall economic system and the direction of growth are not properly assessed. Pabna district is a backward region and needs a special study for the policy formulation that will enable the state to grow industrially. The relevance of rural micro and small scale entrepreneurship to the economic development of the district cannot be overemphasized. But there is a huge potential for the development of rural entrepreneurship in the service sector in terms of the availability of natural and human resources which may be tapped for sustainable development in rural areas in the Pabna District of Bangladesh. The Pabna district of Bangladesh is characterized by an agrarian economy with approximately 80% of the population depend on agriculture. As per the 2018 census, the population of the district is 19, 25,975 of which rural population accounts for 17, 54,835 (63.4%), and urban (36.6%) population. The average literacy rate of Pabna according to the 2018 census was 69.96% (measure: percent; source:

The World Bank). It has been observed from the preliminary investigation that entrepreneurial activities in Pabna district are poor. Traditional dependence on agriculture is one of the reasons for the lack of entrepreneurship among the educated rural youth. The traditional economy provides a big source of income for their livelihood. The condition is bleaker when it is observed that in the year 2018-20 only 48 number of entrepreneurs registered their units under District Industries and Commerce Centre, Pabna for self-employment against 72,663 numbers job seekers in that particular year according to SME foundation. Given this poor state of affairs and the importance of rural entrepreneurship in the service sector the development process, a study about the nature and cause of entrepreneurship, development trends in terms of several units, employment and investment, incentives, and assistance, besides financial, maybe meaningful and purposive. The overall objectives of the study will be to determine To discover driving forces on rural entrepreneurship development in the service sector of Bangladesh and to point out the socioeconomic characteristics of rural entrepreneurship in the study area. The specific objectives are stated below:

1. To examine the socio-economic characteristics of rural entrepreneurs in the service sector of Bangladesh.
2. To identify the elements that motivate rural entrepreneurs.
3. To confirm the elements that contribute to the growth of rural entrepreneurship.
4. To find out problems on rural entrepreneurship improvement in the service zone of Bangladesh

The findings of authors were to examine the socio-economic characteristics the age of respondents 42% had a plurality of 36 to 45 years, the majority's 27.5% education of respondents were included in the PEC level, 41.7% responded that they were joint family; 85.8% respondent that they were married. To identify the elements that motivate rural entrepreneurs: 67.50% was identified that Self-employment as motivating elements for starting a business and for Starting 78.3% of rural entrepreneurs influenced by his/herSelf, The percentage value for choosing a reason for the present line of activity was given followingly 95.83% other reason, 84.17% easy marketability, 74.17% previous experience. To confirm the elements that contribute to the growth of rural entrepreneurship were 84.17% Infrastructural facilities, 82.50% the non-existence of similar units, 81.67% Availability of raw materials, 40.83% Low-cost resource, 30.00% Availability of labor, 23.33% Birthplace.

5.83% High profitability, 45.00% less competition, 20.83% Ease to start the business, Initial sources of loan Flowingly included 27.5% of family members. The author found that 50% role of supporting agency was good, 86.7% of rural entrepreneurs took loans for their initial investment. 94.2% of rural entrepreneurs never defaulted on a loan for their investment. 53.3% of rural entrepreneurs were providing training to their employees which was increased the number of employed persons, were 90.8% earned money within one year, profits last three years 80.8% were increasing, 79.2% of rural entrepreneurs were reinvesting within the last three years. The author found out major problems on rural entrepreneurship improvement in the service zone of Bangladesh 22.5% of respondents said that power is the major problem, 16.7% of respondents said that infrastructural sickness is the major problem. The study also refers to some recommendations for utilizing the opportunities to overcome those constraints for rural entrepreneurship development in the service sector of Bangladesh.

6.3. Conclusion

This study will be to determine to discover driving forces on rural entrepreneurship development in the service sector of Bangladesh and to point out the socioeconomic characteristics of rural entrepreneurship in the study area. From the results of the current study, it may be concluded that there are ample scopes which need to be taken into account to examine the socio-economic characteristics of rural entrepreneurs in the service sector of Bangladesh, to identify the elements that motivate rural entrepreneurs, to confirm the elements that contribute to the growth of rural entrepreneurship, to find out problems on rural entrepreneurship improvement in the service zone of Bangladesh. Rural areas across most of the developing world face a formidable employment challenge. The study also refers to some recommendations for utilizing the opportunities to overcome those constraints for rural entrepreneurship development in the service sector of Bangladesh. Rural entrepreneurship is expected to bring about the development of the rural economy in general. It can also reduce instability and social tension among the unemployed rural youths. A policy of promoting indigenous entrepreneurship has to be implemented through the evolution of newer organizational forms with simple, low capital using technologies to augment such needs. Also, combined efforts of the government, family members, NGOs, academic institutions, development agencies, and total involvement of the people at the grassroots level will go a long way in bringing about the planned development of rural micro and small enterprises.

6.4. Recommendations

Bangladesh with the immense prospect for entrepreneurship development can flourish the scope across the national boundary line by recovering the constraints faced by rural entrepreneurs. At that place are some following recommendations to tradeoff the problems with opportunities. The government should acquire a practical and implacable policy for rural entrepreneurship development, focusing on decentralization, rural development in the service sector, and protect domestic entrepreneurs. In the long run, it will result in social benefit with a huge increase in national entrepreneurs. General recommendation-

1. Improving infrastructural facilities ,removing political unstabiliy,removing corruption which acts as a major hindrance for availing of the loan and other facilities from the supportive agencies.

2. Immediately increase the storage facilities, opening raw material hub to resolve the problem of scarcity of raw materials and its high prices which is a major concern for rural entrepreneurs.

3. The rural entrepreneurs cannot provide sufficient security for availing loans from banks. Banks and other financial institutions have to be more pragmatic about it by providing loans after considering the feasibility and profitability of their business. It is also necessary to liberalize loan application and loan processing formalities for rural entrepreneurs by eliminating unnecessary documentation. To attract further a large number of rural people into entrepreneurial careers, a tax holiday for five years should be given to the enterprises promoted by rural entrepreneurs.

4. Formation of Rural Entrepreneurship Development Bank of Bangladesh, on the line of other commercial banks, is essential to promote entrepreneurship in the rural areas. Its role would be to make available finance, knowledge, technical expertise, managerial advice, help in marketing, string, etc. it has to take a case from beginning to end. Even its role would be to come up with plans.

5. Documentation-cum information Centre may be established at the district level to provide information to the entrepreneurs at the same place.

6.5. Directions for Future Research

While doing the research, the researcher observed some areas, which need to be researched. The results of this research study encourage several directions for further research. A scope for further research in the following areas has been suggested.

1. The scope for growth and development of rural entrepreneurship is as wide as discussed in the study. This growth may vary depending upon the nature of the enterprise and the type of industry. A further study is suggested to examine the impact of the nature of the industry and the growth and development of rural entrepreneurship.
2. Since the majority of the rural enterprise is micro and very few found in the category of small. A broad study may be conducted on the role of micro-enterprises in the promotion of rural entrepreneurship in Pabna.
3. An in-depth study on problems of a rural enterprise and the type of government interventions could be an interesting area for future research.
4. Study on the performance of micro and small enterprises in a rural area may be undertaken to understand the status of rural entrepreneurs.
5. The impact of the village industry Board on the development of rural entrepreneurship is another dimension where further study may be undertaken.
6. An impact assessment of the Prime minister Employment guarantee program (PMEGP) on the development of rural entrepreneurs is suggested. Future research on these suggested topics could be initiated on a regional basis or across the country. It is expected that future studies in such important areas would contribute significantly to the growth and development of rural micro and small enterprises. The ultimate objective would be to achieve sustainable growth and development of rural entrepreneurship.

REFERENCES

- A. J. Schumpeter (1939), in the thesis of an entrepreneur. Harvard: Harvard University Press.
- A. J. Schumpeter (1955), Economic theory and entrepreneurial development history in Aiken, edited by H.G.T. Ed). Cambridge: Harvard University Press.
- A. Rahman and H. M. Habibur (1985), Entrepreneurship and small enterprise development in Bangladesh, edited by Abdul Mannan, entrepreneurship and management in Bangladesh. Chittagong: Chittagong University: Bureau of Business Research.
- A. F. A. Hossain (1963), Pakistan in the role of saving and wealth in Southern Asia and the West, Edited by Richard D., Lambert and Hoselitz. Paris: UNESCO.
- A. H. M. Habibul Rahman, A. M. Muhammad, B. Durgadas, and R. K. Azizur (1979), Entrepreneurship and small enterprise development in Bangladesh. Dhaka: the University of Dhaka, Bureau of Business Research.
- A. M. Chowdhury (1980), "The emergence and growth of entrepreneurs in some developing countries," Dhaka University Studies, vol. 9.
- A. Chowdhury and J. M. Nuruddin(1992), Problems of DFI- financed entrepreneurs in Bangladesh,K.A. Nabi (ed.), Development Financing Institutions (DFI) of Bangladesh: Policy, Performance, Problems, and Prospects. Dhaka: Goeth- Institute.
- A. Salman (2000), "Impediment to SME development: Eliminating the root cause," Observer Magazine, vol. 11, pp. 3. View at Google Scholar
- A. J. Schumpeter (1954), in the theory of economic development. Harvard: Harvard University Press.
- C. George and C. David (2003), "Providing low-cost information technology access to rural areas in developing countries." OECD Development Centre OECD Working Paper, N. 229.
- D. C. McClelland (1961), the achieving society vol. 23. Princeton, NJ: Van Nostrand.
- D. C. McClelland and D. G. Winter (1969), Motivating economic achievement. New York: The Free Press.

- K. C. Mittal and G. S. Batra (2004), "Factors affecting the growth of entrepreneurship in small-scale industries in Panjab and Haryana," *Business Review*, vol. 11, pp. 98-104. View at Google Scholar.
- K. A. Butt (1998), *Small entrepreneurial education: Approach and methodology* vol. 17. New Delhi: Abhigyan, Fore School of Management.
- M. Habibullah (1985), *Entrepreneurship training and development*. Chittagong: Bureau of Business Research, Chittagong University.
- M. Habibullah (1987), *Entrepreneurship training and development*. Chittagong: Chittagong University, Faculty of Commerce, Bureau of Business Research.
- M. M. Rahman (1993), "Entrepreneurship in all small-scale industries: A case study," *Dhaka University Journal of Business Studies*, vol. 14, pp. 159-168.
- M. Aktaruddin (1999), "A case study of some successful and unsuccessful entrepreneur in Bangladesh," *Journal of Business Administration*, vol. 22, pp. 89-126.
- M. Aktaruddin (2000), "Socio-economic profile of industrial entrepreneurs: A study on North Region of Bangladesh," *A Journal of Banking and Finance*, vol. 25, pp. 39-53. View at Google Scholar
- M. Hasan and T. Rahman (2001), "Problem of managing the small and medium enterprise in Bangladesh," *Journal of Banking and Finance*, vol. 26, pp. 5-23.
- N. N. Roni (2003), "Environmental issues of entrepreneurship development: Bangladesh Scenario," *Dhaka University Journal of Marketing*, vol. 6, pp. 159-177. View at Google Scholar
- P. Marris and A. Somerset (1971), *African businessmen: A study of entrepreneurship and development in Kenya*, edited by. London: Routledge and Kegan Paul.
- S. V. S. Sharma (1979), *Small entrepreneurial development in some Asian countries: A comparative study*. New Delhi: Light and Life Publications.
- S. P. Davies (1991), "The entrepreneurial search for capital: A behavioral science perspective entrepreneurship and rural development," *Journal of Applied Behavior Science*, vol. 3, pp. 237-252. View at Google Scholar .

S. M. Islam and M. Aktaruzzaman (2001), "The problem of rural women entrepreneurs in Bangladesh: A case study of Jhenaidah District," *Islamic University Studies*, vol. 4, pp. 19-32.

S. A. Rahman and D. K. Das (2005), "The development of small and medium enterprises in Bangladesh," *Stamford Journal of Business Studies*, vol. 1, pp. 108-124.

APPENDIX INTERVIEW SCHEDULE FOR

**AN EMPIRICAL STUDY ON RURAL ENTREPRENEURSHIP DEVELOPMENT IN
SERVICE SECTOR OF BANGLADESH WITH SPECIAL REFERENCES TO
PABNA DISTRICT**



INTERVIEW SCHEDULE

Department of Management and Finance

Sher-e-Bangla Agricultural University, Dhaka

**An Empirical Study on Rural Entrepreneurship Development in the service sector of
Bangladesh with Special Reference to Pabna District**

Here is a request for you to help us in a research project in the field of rural entrepreneurs in the Pabna district of Bangladesh. Kindly fill in the questionnaire and write down your comment where necessary reflecting your feelings. We assure you that we shall exercise every care to keep the information confidential. The findings of the study could be shared with you if necessary.

Rafika Akter Ranu

MBA Student,

Department of Management and Finance

Sher-e-Bangla Agricultural University, Dhaka

There are two sectors of entrepreneurship:

1. Manufacturing based(both industry and agriculture)
2. Service-based.

This research is running based only on the service sectors of entrepreneurship. The targeted respondents of my study are mentioning the following

1. Grocery store
2. Retailing
3. Digital transactions
4. Fish trading
5. Repair shop
6. Laundry
7. Tailors
8. Tea stall
9. Pharmacy
10. Others

Kindly fill in the blanks where applicable or just tick () at the relevant box. Your judgment is final in answering the queries.

PART-A

Entrepreneurs' profile and Socio-economic Status

1. Name: 2.Upazilla:

3. Age group (in years).....

4. Gender:

1. Male
2. Female
3. Third gender

5. Educational qualification (years of educations):

6. Marital status:

1. Married.
2. Unmarried
- 3.Divorced
- 4.Widow
5. Separated.

7. Nature of family structure:
 1. Joint 2. Nuclear
8. Total number of family members.....
9. Numbers of earning person of the family.....
10. Religion:
 1. Islam 2.Hindu 3.Others (Please, mentioned).....
11. Type of business /enterprise
12. Form of ownership:
 1. Sole proprietorship 2.Partnership
13. Annual Income of the respondent (mentioning in digit).....
14. Annual Income of the Entrepreneur's fathers' :(Please mentioning in digit).....
15. Educational Qualifications of the entrepreneur's Father
 1. Illiterate 2.Below SSC 3.SSC 4.Higher secondary 5.Graduate 6.Above graduate
16. Occupational background of the entrepreneur's father
 1. Agriculture. Business/industry 3.Service/Employment 4.Professional
17. Size of landholding
 1. Agriculture 2.Non-agriculture
18. Household condition and others:
 1. Pucca House 2.Semi pucca 3.kachha House 4.hut
19. Household equipment
 1. Electricity 2.Mobile 3.TV/Radio 4.Freeze 5.Computer 6.Vehicles
20. Feeling of insecurity.1. Yes, 2. No

PART-B

Motivational Factors

(Multiple answers should be allowed).....

1. Factors that influenced the idea of starting the enterprise

1. Self-employment
2. Continue the same family business
3. Dissatisfaction with the present job
4. Eagerness to make money
5. Gain social prestige
6. Make use of technical and professional skill
7. Need for independence
8. Success stories of other entrepreneur's
9. any other factors

2. Persons who influenced to start the enterprise

1. Self
2. Spouse
3. Friends
4. Relatives
5. Family members

3. Reasons for choosing the present line of activity

1. Ease to start business
2. High Profitability
3. less competition
4. previous experience
5. Easy Marketability
6. Others Reasons

4. Factors that motivated in the selection of the location of the enterprise

1. Birth Place
2. Low-cost resources
3. Availability of raw materials
4. Availability of Labor
5. Infrastructural facilities
6. The non-existence of similar unit
7. Others

5. Initial sources of Loan to start the business

1. Family members
2. Government agency
3. Moneylenders
4. Banks
5. NGOs
6. Others

7. Role of supporting agencies in the sustenance of your enterprise

1. Very Good
2. Good
3. Not at all

PART-C

Growth factors

1. Comparison of investment between the initial and latest year.

A: Initial investment in the enterprise: (mentioned in amount year of establishment).....

B: Latest investment in the enterprise (mentioned in amount).....

2. A loan is taken for initial investment 1. Yes, 2. No
3. Repayment of loan
 1. Never defaulted 2.Sometimes defaulted 3. Usually defaulted
4. a Total number of persons are employed...
5. Do you provide training to employees? 1. Yes, 2. No
6. Time is taken to earn profits
 1. within one year 2.within two years 3.within three years 4.within four year
7. The trend in profit (last three years)
 1. Increase 2.Decrease 3.No change
8. Do you reinvest your profit in business (last three years) 1. Yes, 2. No

Part-D

Major Problems

Raw materials, Marketing, Power, Labor, Finance, Technical and Managerial

1. Major problems are faced by rural entrepreneurship in Bangladesh:
 1. The problem of Raw materials
 2. Problem of marketing
 3. Problem of Power
 4. Problem of Labor
 5. The problem of Finance:
 6. Technical and Managerial Problem:
 7. Infrastructure Sickness:
 8. Human Resources Problems:
 9. Other problems

