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THE INFLUENCE OF SOCIO-ECONOMIC FACTORS ON RURAL ENTREPRENEURSHIP AND LIVELIHOOD IMPROVEMENT

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RESEARCH ARTICLE

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Abstract

This study examines the influence of socio-economic factors on rural entrepreneurship and its role in improving livelihoods. Focusing on rural entrepreneurs across various sectors, the research explores how factors such as education, income, social participation, access to credit, and family support affect entrepreneurial activities. The study also investigates the contribution of rural enterprises to enhancing the standard of living, employment generation, and financial stability. Findings reveal that socio-economic factors significantly shape entrepreneurial success, while active engagement in business positively impacts household income and quality of life. The study provides insights for policymakers to support sustainable rural entrepreneurship and socio-economic development.

Keywords: *Business Sector, Business Category, Economic wellbeing, Rural Entrepreneurship, Socio economic well-being*

Introduction

Entrepreneurship plays a pivotal role in the growth and sustainability of Standard Life by driving innovation, strategic expansion, and adaptability within the highly competitive financial services sector. Through its entrepreneurial initiatives—such as the acquisition of technology firms to enhance service delivery and the proactive adjustment to market dynamics—Standard Life continuously evolves its product offerings to meet changing customer needs and regulatory environments. This entrepreneurial mindset not only fosters business resilience and profitability but also contributes to broader economic development by creating employment opportunities, generating wealth, and supporting community well-being. Thus, entrepreneurship is integral to Standard Life's ability to maintain its market position and deliver long-term value to stakeholders. Entrepreneurship plays a crucial role in the success and evolution of Standard Life by fostering innovation, strategic growth, and adaptability in a dynamic financial services industry. Through entrepreneurial initiatives such as technological investments, strategic acquisitions, and proactive responses to market challenges, Standard Life has been able to enhance its product offerings and improve customer experience. This entrepreneurial approach not only strengthens the company's competitive advantage but also contributes to economic development by creating jobs, generating wealth, and supporting community progress. Therefore, entrepreneurship is fundamental to Standard Life's sustained growth and its ability to deliver long-term value to clients and stakeholders.

Significance of the study

The significance of this study on the role of entrepreneurship at Standard Life lies in its potential to illuminate how entrepreneurial practices drive innovation, strategic growth, and competitive advantage within a leading financial services firm. By exploring Standard Life's entrepreneurial initiatives, including technological adoption, market adaptability, and service diversification, the study offers valuable insights into how established companies can leverage entrepreneurship to respond effectively to changing market dynamics. Additionally, understanding Standard Life's entrepreneurial role contributes to broader knowledge on fostering economic development, job creation, and sustainable business growth within the financial sector. This research not only benefits academics and industry practitioners but also provides practical guidance for financial institutions aiming to enhance their entrepreneurial capabilities in an increasingly competitive environment.

Review of Literature

Desi Rahmawati (2023) explores how entrepreneurship and innovation drive economic performance and sustainable growth at the community level. The study emphasizes that entrepreneurial activities promote resource mobilization, creativity, and economic diversification, while innovation enhances competitiveness and adaptability in dynamic markets.

Amar Jyoti Borah and *Amalesh Bhowal* (2023) discuss how entrepreneurship stimulates economic growth, job creation, and innovation. The paper highlights the significance of effective policy measures, such as tax incentives and access to financing, in creating a conducive environment for entrepreneurial activities

Syeda Zain Fatima Shamsi, *Muhammad Ali*, *Syed Zaman Haider*, and *Dr. Intizar Javed* (2023) present a systematic literature review on microfinance's role in supporting entrepreneurship and fostering economic growth. The study identifies key research trends and influential contributions, emphasizing the importance of microfinance in enabling entrepreneurial ventures.

Rita Sugiarti and *Elmiwati Elmiwati* (2023) examine the role of entrepreneurial innovation in supporting sustainable economic growth. The research indicates that innovation contributes to improving the financial performance of SMEs and serves as a driving force for economic growth through job creation and productivity enhancement

Muhtar, *Dahri M. I.*, and *Amory J. D. S.* (2024) discuss how education and human resource development interact with entrepreneurship to enhance economic development. The paper suggests that a holistic approach involving education, human resource development, and appropriate policy support is needed to enhance the role of entrepreneurship in economic development.

Statements of the Problem

Despite the growing recognition of entrepreneurship as a key driver of innovation and growth in the financial services sector, there is limited understanding of how established companies like Standard Life effectively integrate entrepreneurial practices to sustain their competitive advantage and adapt to evolving market demands. This research addresses the problem of identifying the specific entrepreneurial strategies and activities employed by Standard Life, and how these contribute to the company's performance, innovation, and economic impact. Furthermore, the study aims to uncover the challenges and opportunities faced by Standard Life in fostering entrepreneurship within a traditionally risk-averse industry, providing insights that can inform both academic discourse and practical applications in financial services entrepreneurship

Objectives of the Study

- To analyse the impact of socio economic factors on rural entrepreneurship
- To find out the role of rural entrepreneurship on promoting standard life

Methodology

This study adopts a quantitative research approach to examine the role of entrepreneurship in the context of Standard Life, focusing on entrepreneurial practices and their impact on business growth and innovation. Primary data was collected from a sample of 150 entrepreneurs operating across various sectors including manufacturing, trading, servicing, and agro-based industries in different regions of Kerala. A structured questionnaire was designed to gather relevant information on entrepreneurial strategies, challenges, and outcomes related to their businesses. The questionnaire included both closed and Likert-scale questions to measure factors such as innovation adoption, risk-taking behavior, market adaptability, and growth performance. Data analysis was conducted using statistical tools to identify trends, correlations, and significant factors that illustrate the role entrepreneurship plays within these sectors. The findings aim to provide insights into entrepreneurial behaviors that could be linked to practices adopted by companies like Standard Life to foster innovation and sustain competitive advantage.

Income among Rural Entrepreneurs

Income among rural entrepreneurs plays a crucial role in determining their economic well-being, business sustainability, and contribution to rural development. It represents the earnings generated from various entrepreneurial activities such as manufacturing, trading, services, and agro-based ventures. The level of income among these entrepreneurs often depends on factors like access to resources, market opportunities, education, technology, and social participation. In many rural areas, entrepreneurial income not only supports the individual and their family but also stimulates local employment and community growth.

Table 1: Impact of Income among Rural Entrepreneurs

	Category of business					
	Impact on Income	Manufacturing	Trading	Servicing	Agro based	Total
1	Increased	14	24	20	2	60
2	No change	16	18	15	4	53
3	Decreased	12	13	10	2	38
	Total	**42**	**55**	**45**	**8**	**150**

Source: Primary Data

The table shows the impact of income among 150 rural entrepreneurs across four sectors—manufacturing, trading, servicing, and agro-based enterprises. Overall, 60 entrepreneurs (40%) experienced an increase in income, while 53 (35.3%) reported no change, and 38 (25.3%) saw a decrease. Trading had the highest number of entrepreneurs with increased income (24), suggesting better profitability or market access in this sector. In contrast, the agro-based sector showed the least improvement, with only 2 entrepreneurs reporting increased income, indicating challenges in that field

Saving among Rural Entrepreneurs

Saving among rural entrepreneurs is a vital component of financial stability and business growth in rural economies. It refers to the practice of setting aside a portion of income for future use, investment, or to meet unexpected expenses. For rural entrepreneurs, savings act as a foundation for self-financing their enterprises, reducing dependence on external credit sources, and managing business risks.

Table 2: Impact of Saving among Rural Entrepreneurs

	Category of business					
	Impact on Income	Manufacturing	Trading	Servicing	Agro based	Total
1	Increased	4 (10.72%)	14 (25.68%)	14 (25.68%)	1 (14.28%)	33
2	No change	9 (20.2%)	16 (28.45%)	25 (45.87%)	6 (78.55%)	110
3	Decreased	29 (69.4%)	25 (45.87%)	7 9 (16.13%)	0	124
	Total	**42 (100%)**	**55(100%)**	**46 (100%)**	**7 (100%)**	**150**

Overall, a majority of 124 entrepreneurs (82.7%) reported a decrease in savings, while only 33 (22%) experienced an increase and 110 (73.3%) showed no change. The trading and servicing sectors each had 14 entrepreneurs with increased savings, indicating better financial returns or efficient cost management compared to other sectors. The manufacturing sector recorded the highest number of entrepreneurs with decreased savings (29), suggesting that higher production expenses or limited profit margins may be affecting their ability to save. The agro-based sector performed the weakest overall, with only one entrepreneur reporting an increase in savings, reflecting financial constraints and instability in that area.

Saving among Rural Entrepreneurs

Saving among rural entrepreneurs is an important aspect of financial management that directly influences the growth, stability, and sustainability of their businesses. In rural areas, where access to formal credit and financial institutions is often limited, savings serve as a crucial source of capital for investment, business expansion, and coping with economic uncertainties.

Table 3: Impact of Saving among Rural Entrepreneurs

	Category of business					
	Impact on Income	Manufacturing	Trading	Servicing	Agro based	Total
1	Increased	5	14	14	1	34
2	No change	9	16	25	6	55
3	Decreased	30	25	7	0	61
	Total	**44**	**55**	**46**	**7**	**150**

The table presents the impact of entrepreneurship on the savings of 150 rural entrepreneurs across four sectors. Overall, 61 entrepreneurs (40.7%) reported a decrease in savings, 55 (36.7%) experienced no change, and 34 (22.6%) saw an increase. The trading and servicing sectors each had 14 entrepreneurs with increased savings, suggesting relatively better income stability or financial management in these areas. In contrast, the manufacturing sector showed the highest number of entrepreneurs with decreased savings (30), indicating higher operational costs or lower profit margins. The agro-based sector had the least improvement, with only one entrepreneur reporting increased savings, reflecting persistent financial challenges in agricultural enterprises.

Social Participation among Rural Entrepreneurs

Social participation among rural entrepreneurs plays a crucial role in fostering community development, enhancing business networks, and improving socio-economic well-being. It involves entrepreneurs engaging in community organizations, cooperatives, self-help groups, and local decision-making processes that not only strengthen social bonds but also provide access to resources, information, and market opportunities

Table 4: Social Participation among Rural Entrepreneurs

	Category of business					
	Impact on Income	Manufacturing	Trading	Servicing	Agro based	Total
1	Increased	14 (33%)	13 (24%)	15 (32%)	2 (29%)	34
2	No change	22 (51%)	29 (55%)	18 (38%)	4 (50%)	55
3	Decreased	7 (17%)	14 (21%)	13(29.55%)	2 (21%)	61
	Total	**43 (100%)**	**56(100%)**	**46(100%)**	**8 (100%)**	**150**

Source: Primary Data

The table shows that the majority of rural entrepreneurs, regardless of business category, experienced no change in income after participating in social activities, accounting for 55 out of 150 respondents (37%). Among all categories, trading entrepreneurs formed the largest group (56 respondents), with 55% reporting no change and only 24% reporting an increase in income. Manufacturing entrepreneurs showed a slightly better outcome, where 33% experienced increased income, suggesting that social participation may have had a more positive economic effect in this sector. In contrast, the agro-based entrepreneurs had the smallest representation (only 8 respondents), and half of them reported no change, while 29% reported increased income.

Suggestions

Rural entrepreneurship plays a vital role in fostering economic development, generating employment, and improving the quality of life in rural areas. The success and sustainability of rural enterprises are often influenced by various socio-economic factors, including education, income level, access to financial resources, social networks, and family support. Understanding how these factors affect entrepreneurial activities can provide valuable insights into strategies for enhancing productivity and livelihood outcomes. This study explores the relationship between socio-economic determinants and rural entrepreneurship, while also examining how entrepreneurial initiatives contribute to improving household income, financial stability, and overall well-being in rural communities.

Conclusion

The study concludes that socio-economic factors significantly influence the growth and success of rural entrepreneurship, which in turn plays a crucial role in improving livelihoods. Factors such as education, access to credit, social participation, and family support were found to directly impact entrepreneurial performance and income generation. Rural enterprises not only enhance household financial stability but also contribute to employment creation and overall community development. Strengthening these socio-economic enablers can empower rural entrepreneurs, promoting sustainable business growth and improving quality of life. Policymakers and development agencies should focus on targeted interventions to support these key factors for inclusive rural development.

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