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Koshy, Perumal

Institute for Development Studies and Enterprise Research -  
Samadhan Foundation

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TO SUSTAINABLE MICRO ENTERPRISES**

**Perumal Koshy**

**[caushie@gmail.com](mailto:caushie@gmail.com)**

**Institute for Development Studies and Enterprise Research ( IDSER)**

Samadhan Foundation, Kerala, India

December 2010

**[http:samadhanfoundation.com](http://samadhanfoundation.com)**

**[mail@samadhanfoundation.com](mailto:mail@samadhanfoundation.com),**

## **ROLE OF RURAL BUSINESS INCUBATORS IN TRANSLATING MICRO FINANCE TO SUSTAINABLE MICRO ENTERPRISES**

Present paper looks at how Rural Business Incubators (RBIs) & Enterprise Resource Centers (ERCs) together with Micro Finance Institutions (MFIs) can contribute to inclusive growth.

India's informal sector has a very powerful presence of brilliant entrepreneurs, who can potentially contribute to India's fight against poverty and have the potential for much more employment & income generation, if appropriate institutional mechanisms are created to provide needed & timely assistance. Here comes the role of RBIs & ERCs and MFIs.

Approximately 93 percent of the enterprises are in the informal sector in India. Together with Micro, Small & Medium Enterprises (MSMEs), informal sector contributes close to 60 percent to GDP and 40 percent or more to export trade. They create 95 percent of non-farm jobs. Informal enterprises are set-up by owners to alleviate their poverty condition. They could be termed as poverty alleviating enterprises (PAEs). Micro finance institutions need to reach out to such PAEs and empower them. Through the institutional mechanism called RBIs & ERCs, micro financiers can reach out to PAEs.

Empowering PAEs and enabling their growth is indeed a challenging task. An institutional mechanism like RBI & ERC is a probable solution to poverty and unemployment. If an incubator & ERC can come up in each of the 6000 block panchayats, that would enable the creation of new enterprises in the formal sector as well as can contribute to empower PAEs in their growth & expansion. This would help create new jobs and alleviate poverty and generate employment. The paper ends with a *model RBI & ERC*. with a detailed description of service mix that can be delivered through this institutional mechanism.

*Key words: Micro, Small and Medium Enterprises(MSMEs); Rural Business Incubators; Poverty Alleviation; Employment Generation; Rural Transformation; Information Needs of MSMEs*

## **ROLE OF RURAL BUSINESS INCUBATORS IN TRANSLATING MICRO FINANCE TO SUSTAINABLE MICRO ENTERPRISES**

### **Introduction**

India's informal sector has a very powerful presence of brilliant entrepreneurs, who can potentially contribute much more, than what they do today, for India's fight against poverty and youth unemployment, if appropriate support, mentoring, hand-holding and technical- financial assistance are provided. Inclusive growth can only be achieved by creating an institutional mechanism for new enterprises creation, favourable business climate for enterprises to thrive and reducing regulatory burden. The challenge of inclusive growth is indeed creating employment opportunities that could help an individual earn sufficient income to meet his/her requirements.

### **Employment generation is key to inclusive growth**

Job creation is a global challenge and creating employment opportunities in the local market, within our neighbourhood economy is the need of the hour. According to ILO estimates 300 million jobs have to be created world over in the next 5 years. As many as 45 million young people enter the job market annually, at a global level. Youth unemployment rates are three times higher than those of the adults, as a worldwide average. (ILO/09/39, 2009 ; GTZ, 2010)

### **Case of Bipin and Ratan: need for hand holding and mentoring support**

Following case demonstrate the ability of India's potential youth entrepreneurial class who can perform real wonders in adverse circumstances. Bipin and Ratan, two youngsters of around 20 years of age, manage a small business that sells food-items -- *rice, chappathi, vegetables, nan etc* -- between 10 am and 3pm every day, in an East Delhi suburb. The price per each unit served is Rs. 30, along with a 150 ml buttermilk ( raita). They make an average profit of approximately INR 2000 (US \$ 50) per day. They have no bank account. There is no registration with the municipality. Their business has no official & legal permission. Though the food is cooked and served in not so -hygienic condition, every time their roadside hotel has a waiting queue of at least 10 to 12 men, to collect the ordered food. They are doing good business and earning good profit. Potential for further growth, expansion and diversification of their venture is possible, if some support and assistance can be provided. Out of total sales proceeds, which comes to an average, INR 4000 – 4500 per day, after all expenses including, informal taxes & free lunches to concerned law & order people, that comes to Rs. 2000 to 2500 per day, says Bipin and Ratan. This makes their monthly net revenue to approximately INR 60,000 (US \$ 1500) or more.

Their customers are street vendors, workers, cycle rickshaw/auto and rickshaw drivers. They come from a remote village from the state of Bihar. The way they manage their business in a customer friendly manner is quite revealing, there lies immense possibilities and potential for them to expand and diversify. Business acumen is not, of course, limited to traditional business communities alone. There are entrepreneurial successes we could see in all communities and castes. Leadership and management skills are there in all people. But when it comes to opportunities, or of availing mentors and institutional finance, availing of technology and a support system to nurture and develop those skills, luck always goes to those who belong to upper echelon of society.

## **Enterprise & private sector development approach to fight poverty**

Harnessing the potential of entrepreneurship & private sector business opportunities is the most effective way to alleviate poverty. Also, it is important that millions of informal, micro and small enterprises could potentially grow upwardly in the enterprise ladder and contribute much more to the economic development, employment generation and poverty alleviation. More registered enterprises and businesses running as legal entities would enhance tax revenue of the governments as well. Enterprising youth need to be introduced to the world of entrepreneurship and MSMEs.

A possible solution for this may be creating an institutional mechanism called Business Incubators (BIs) & Enterprise Resource Centres (ERC) at Community Development Block (CBD) level. Such BIs at CBDs, which are located in rural areas, may be called as Rural Business Incubators (RBIs). Such an institutional mechanism called RBIs & ERCs can facilitate creation of new start-ups and work to empower and assist informal sector enterprises, micro & small enterprises in their growth and expansion. This mechanism should have the capacity to address some of the issues that the small & micro enterprise sector, both formal and informal faces such as credit related issues, lack of information, marketing support, technological and technical assistance etc

## **Scope of the paper**

This paper explores more about the potential of such a mechanism, which can be created at CDB level to address multiple challenges that the small scale sector in India faces. What is being explored here is the potential of a BI and a ERC for enterprises in a rural setting. A framework for such a centre, as a comprehensive solution centre of enterprises and entrepreneurship development, is what is being explored. It is assumed that for the enterprises and the population in a CDB, on an average 1 to 3 lakh in each of the CDBs, require such an enterprise and entrepreneurship development solution centre, to adequately address ever expanding requirements of the rural enterprises and rural economy. The mechanism that would be suitable in this context may be a centre that could nurture rural businesses and empower informal sector enterprises. Since the business incubators that are discussed would cater to the needs of rural population, they would be called rural business incubator. A detailing of the structure of business incubators, its history and its various features & operational- functional details is being discussed. Also, what is being discussed is the requirement of Enterprise Resource Centres for the rural economy.

RBI – ERC would have start-up incubation facilities and may consist of information cells & in built support system to help enterprises registered , attaining loans, technology and finding finance as well as suitable markets and technology. If one such unit in each of the community development blocks, 6000 of them in India, can be set up that would have the potential to radically transform Indian economy and help attain inclusive economic growth.

Following section look at various aspects of a business incubator.

### **What is a business incubator?**

The incubator concept is simple and appealing. As the phrase itself implies, business incubators are programs intended to help small businesses get off the ground. A business incubator is something like a premature infant incubator in a paediatric ward that nurture start-up companies to a stage till it could successfully stand-alone and survive. (White, 2006) Business Incubator programs help develop new entrepreneurs and enterprises as well as provide support start-ups business' to survive and be in the business on a sustainable basis. (Bayhan, 2006) According to Antal Szabo, former UN Regional Advisor & Scientific Director ERENET, 'Business Incubators are businesses aiming at nurturing and establishing other businesses'.(2010) They provide basic services and rental space to start-up enterprises located within the incubator. Services that are being provided include business 'support services and typically include administrative help, consulting, referral and resources tailored to young firms for their growth and development. Incubator programs are managed by public and private agencies services. (IPI/IKED, 2005; Bayhan, 2006; Koshy, 2010)

Business incubators are an important part of the support infrastructure of SMEs. Their greatest benefit is enhancing enterprise survival rate. Incubated companies have a considerably higher rate of survival. (LABJ, 2000)

Today, any new idea has no time to wait, to claim a market space, build a brand, and to launch as a commercially viable venture. Innovative ideas, products and services can get recognition very fast in today's Information and Communications Technology(ICT) led global market. New ideas and innovations can realise the commercialisation aspect with the help of a successful incubator. Whether it is office space, back office support, packaged finance support, key personnel, marketing plans, networking or leveraging investor relationships, an incubator is slowly becoming an essential service in the current knowledge based economy. (Brandt, 2000)

There are around 7000 business incubators around the world, according to an estimate. (ALMUBARAKI, 2009) There are around 100 business incubators in India. Most of them are situated in premier educational institutes and in urban India, where rural clients would not get benefited due to reasons of its geographical location target audience as well as objective.

### **Different varieties of Business Incubators**

Incubators vary in the way they deliver their services, in their organizational structure and in the types of clients they serve. They have differing goals, such as diversifying

rural economies, employment generation, and transferring technology from universities and technological & research institutes by commercialising technology & knowledge. (NBIA, 2009) BIs come in a variety of shapes in the modern knowledge based economy. There are three different kinds of BIs and they are public, private, and university based incubators. But they are commonly classified on the basis of ownership. A majority of them are under public ownership and are being run as not for profit initiatives. (Zablocki, 2007; Koshy, 2010)

However, there are private incubators, which are run for profit. First incubator in the history came up as a private initiative in the US. Often BIs come up with the support of the governments, LGIs (local government institutions) etc. They could also be established as a CSR program, as in the case of Bank Muscat BI. (Bank Muscat, 2010)

For Profit business incubators are privately funded and managed entities In the case of most private incubator companies they often obtain an ownership in companies that they hosts. Their objective is to accelerate the time it takes to get a company's products or services to market, many times in less than 6 months. Some of the private incubators are being set-up by venture capital companies, entrepreneurs, and corporations. According to an estimate 15 to 20 percent of the US incubators are in the private sector.

**Services provided in a business incubator**

Initially, some incubators provided an inexpensive physical environment in what had been old or vacant buildings. Later incubators concentrated on the companies themselves, helping them to grow. Incubators offer access to suitable rental space and flexible leases and shared basic business services and equipments, technology support services and assistance in obtaining the financing necessary for company growth. An incubator provides management guidance, technical assistance and consulting tailored to young growing companies. ( Smith, 2004 ; Whitepaper, 2008; NBIA, 2009)

**Incubation phase services in typical business incubator**

Office/workshop/lab space & furnitures	High speed internet	Computers/Photocopying	Common Reception
Fax/Telephone/Communication	Mentoring support	Marketing Support/ PR support and Initial promotin	support to fulfill regulatory requirements
Finance/funds identification, IPO Support when required	Marketing support/Promotion /common PR	Technology transer/international collaboration	Networking oportunites

Today, most incubators, especially private business incubators, have a company-centered approach, which is charging market rates for rent and offering services as value-added benefits for locating within their incubator. Today's incubators provide access to working capital as well through the provision of debt financing and equity partnerships, government grant/loan assistance, and by facilitating networking & links with business angels, bankers, and venture capitalists. For instance, in the USA 33% of business incubators have in-house investment funds. (InfoDev)

### **Support system for enterprises: Enterprise Resource Centres (ERC)**

Providing appropriate support system to enterprises are very crucial for their survival in the competitive global market. The support system is required to provide assistance to firms in terms of identifying new markets, appropriate technology, smooth flow of institutional credit, smooth dealing with the regulatory system and in any other such matters that enterprises need support. An ERC can assist acquire institutional credit at lower rates that MSMEs are entitled to as often they fail to acquire institutional finance at low rates due to reasons such as regulatory requirements to be complied with, excessive paper work involved etc. Also, many of the governmental schemes, MSME promotional and support programmes that the government introduces do not reach the targeted enterprises, since many of them work informally without being registered as hidden ventures. RBIs along with ERCs can attempt to bring such ventures into the mainstream and help them attain available governmental support, schemes and institutional credit at lower rates etc.

In many parts of the world there are institutional arrangements to reach out to MSMEs in addressing such challenges. In the US there are close to 1000 Small Business Development Centers (SBDCs) that provide some of the needed support. Israel and Canada too have such institutional arrangements in place. (Prasad, 2008)

Information is yet another aspect wherein ERCs could assist start-up ventures and MSMEs. 'If finance is the lifeline of MSMEs, then information is the balanced diet for their growth' according to V. N Prasad, 'as supply of oxygen alone cannot ensure a healthy growth of a human body, without the balanced diet, no MSME can survive and grow without information'.

In the present globalised world enterprises need on a continuous basis, access to information on a variety of areas. Following table illustrates those aspects: (2008)

#### **Information required for an Enterprise**

<b>Procedure of establishing and running an enterprise</b>
<b>Information related to industrial structure and changes in the same</b>
<b>Information about various policies: Economic, industrial, fiscal, trade and labour</b>
<b>Finance related information : variety of sources and cost of finance</b>
<b>New Investment opportunities, emerging ones such as IT-enabled services; Bio technology etc</b>
<b>Emerging Market scenario - changing characteristics, competitors, suppliers, consumer preferences, etc.</b>
<b>New Product developments</b>

Latest cost-efficient technologies
Quality standards such as ISO, Sigma
Export marketing
Events: Trade fairs and exhibitions
Information related to Trade barriers
Packaging and labeling standards
Opportunities & potential for business tie-ups, including forging linkages and outsourcing
Global developments, that have some bearing on domestic industries
Regarding Support institutions and their programmes
Information related to Capacity building programmes

Source: Adapted from Prasad V N, Information: A Critical Input for Success of MSMEs. *World SME News, July- August*, 2008, New Delhi.

### Case for Rural Business Incubators & Enterprise Resource Centre

There are many potential entrepreneurs, such as Bipin and Rattan, whom one could identify in all corners of the country, engaged in different trades and varied sectors of the economy, managing and providing leadership to informal economic ventures. They need support. Also, many such potential entrepreneurs need to be introduced to the world of MSMEs and self-employment. In addition existing rural enterprises need a support system that provide assistance and handholding support in various aspects such as information, technology transfer, finance related and marketing. Here comes the role of RBI-ERC as a solution.

Approximately 93 percent of the enterprises are informal sector enterprises in India. They contribute up to 55 percent to GDP and 40 percent to export trade. Also, they create 95 percent or more of total jobs in the non-farm sector. They are being set-up by its owners in an attempt to alleviate poverty condition. (Prasad, 2007; NCEUS, 2008) A very few of them might have come up thanks to programs such as Prime Minister's Rozgar Yojana, Swarna Jayanti Sahri Rozgar Yogana, National Program for Rural Industrialization, Rural Employment Generation Program etc . Majority of them are independent of any such schemes or such background. Consequently there are some 44.35 million enterprises that employ around 80 million workers (NSSO 55 Round). Out of this over 60 percent are Own Account Enterprises. Interestingly, a vast majority of them (over 62 percent) are self financed and only an insignificant number of enterprises (around 0.5 percent) have come up due to schemes mentioned above. (IMR, 2002) They could be termed as Poverty Alleviating Enterprises (PAEs). (Prasad, 2007) RBI-ERC can perform the mission of empowering such poverty alleviating enterprises.

### Functions of RBI-ERC

- **Creating & promoting start-up rural enterprises and encouraging rural youth entrepreneurs:** Generating sufficient employment opportunities in the rural side is needed. This can be achieved by way of developing MSME sector in rural side. Entrepreneurship and leadership development for the rural economy is something that being neglected. There lacks a required institutional mechanism and support

system in rural India for building and aiding new enterprise creation, entrepreneurship development. RBI-ERC become relevant in this context of lack of sufficient institutional mechanism for the promotion of start-up businesses, entrepreneurs and MSMEs.

- **RBI-ERC can address Challenges of PAEs** : A number of problems that hinder the growth and expansion of village economy, especially rural enterprise sector and PAEs. They include credit availability Support system; cumbersome regulatory requirements ; information related issues and marketing & technology related challenges. Being an informal enterprise and working without completing all the regulatory requirements, they often get sidelined when it comes to attaining the benefits of various schemes and support programs for the MSME sector that the government plans to provide them from time to time. (Varma, 2010; Koshy, 2010;Prasad, 2007)
- **ERC as agency facilitating smooth flow of institutional credit** : The bankers often do not have a mind beyond a rural money lender. According Uday Kumar Varma, high amount of administrative work involved in sanctioning loans to small & micro enterprises and PAEs might act as an inbuilt disincentive for the bank managers to deal with the sector. ( 2010, p.15) Fifth Economic Census,2005 reveals that out of the total 41.83 million establishments, 37.63 millions around 90 per cent, were of self-financed. The number of establishments financed by financial institutions was just around 3.37 per cent (Mathew, 2009). There are also negative approach of bankers sometimes cause hindrance and block credit flow to enterprises especially MSMEs and PAEs as pessimism and the mindset of a rural money lender define an average Indian banker. He/she often refuses help them by providing information and assistance to avail schemes and programs meant for small scale sector as that involve additional administrative work, requirements as mentioned. (Koshy, 2010;Varma, 2010)Here, property-less informal sector entrepreneurs who want to grow-up has no prospect for growth, expansion or diversification of their businesses. There may be schemes and programs available, such as Prime Ministers Rozgar Yojana and schemes of KVIC ( Khadi & Village Industries Commission) which are delivered through banks. Often poor entrepreneurs are never able to access any of those schemes, as bankers do not show much attention to the needs and problems of MSME entrepreneurs and informal sector players.
- **Support system for rural enterprises** : There exist a lacuna in the present systemic framework for an appropriate support system.RBI & ERC system proposed offers such a support system and can provide appropriate support in terms of identifying markets, appropriate technology and smooth dealing with the regulatory system, finance, technology etc.
- **As an agency providing information:** Information is the key element in the success of an enterprise, so much so that in the present highly charged competitive environment, ability to quickly obtain information has emerged as an important component of 'competitive strength' of MSMEs (Prasad, 2008).Information is a crucial input for small enterprises in today's global market. They need all kinds of information related to new markets, new technologies, policy changes, financial

sources and changing market conditions. However, there exist a serious gap as far as information is concerned. The major challenge today that the sector faces is managing the information needs. Here Enterprise Resource Centres offers a viable solution, as they can meet the information needs of MSMEs, and millions of PAEs and rural establishments.

- **MFI service delivery through RBIs & ERCs:** MFIs in the country can deliver their services through RBIs & ERCs that would provide needed synergy too. They could complement each other in servicing entrepreneurs, enterprises and rural economy. Presence of MFIs in RBI & ERC system would make it easy for them to identify appropriate entrepreneurs and enterprises. MFI financing could produce maximum output if this complementarity and synergy can be made to tap for full use. Lately, incubators provide access to working capital. They arrange working capital through provision of government grant/loan assistance, and connection to a financial network of angels, bankers, and venture capitalists. However in rural business incubators, MFIs can be brought in to supply financial requirements of the start-up businesses.
- **RBI-ERC can help empower PAEs** There are various reasons for enterprises remaining informal. When enterprising people find that they have to waste time visiting government offices and to get into a red-tape fighting mode, which would eventually jeopardize even their ventures, with reciprocal visits, audits and inspections by rent-seeking officials, entrepreneurs run away from making an effort to make their venture as formal enterprises!. In other words fear of required documentation and the need to fulfil regulatory requirements make people run away from the mainstream.
- **Assist companies get registered and Economic empowerment of socially backward classes and rural poor:** When it comes to rural areas, number of registered and those enterprises that could be counted under organized sector are much less and hence they face difficulties in channelizing various supports, schemes that are meant for MSME segment of the enterprise population. Also, only 11 percent of total 1.4 million registered MSMEs are owned by entrepreneurs belonging to scheduled castes and scheduled tribes. (3rd SSI Census, 2001-02). Those BIs in IITs, IIMs or in other premier institutes cater to higher income strata of the society becoming entrepreneurs, as most of them are located in premier urban based educational centres and locations. RBIs at CDB level would help those in the villages.

### **One RBI-ERC for each of the Community Development Blocks (CDB)**

Each block panchayats in India have a population ranging between 1.5 lakh to 3 lakh, roughly with several hundreds of enterprises, potential for new ventures and thousands of potential youth entrepreneurs. As for the Indian rural context, the RBI&ERC as suggested here can be set up in the already available premises which are kept unused or underutilized. The BI component of the program should help youth entrepreneurs start their new ventures as legal entities. BIs can provide all supports a traditional business incubator provides such as help in the preparation of business plan, finance, technology and marketing support.

## **RBIs need not incubate start-ups within their premises**

Unlike the traditional business incubator that hosts start-up businesses within their premises, a rural business incubator need not provide space and incubate enterprises within the premises. But they can extend a helping hand, mentoring and hand holding support to a start-up as well as an entrepreneur at all stages of their evolution, growth and development.

Providing training in business management, accounting, marketing and such other useful aspects as well organising skill development trainings are other services that the MSMEs and start-ups would benefit from.

In the Indian village context an RBI&ERC program can provide following services:

- Guidance & Mentoring support
- Assist in finding finances,
- Provide inputs related to latest technology
- Technology transfer as and when needed
- Provide information related to markets
- Marketing assistance
- In rare cases space, if needed
- Business & management education and skill development programs

## **Financing of RBI-ERC programme**

- Government of India spends approximately INR 100,000 lakh per annum for rural development. It would be essential for this program (RBI-ERC) to be successful, that government and panchayat raj institutions coming forward and financing such a network of RBIs-ERCs. Local governments can set apart a portion of their budget for RBI-ERC program with matching grants from the central government.
- Also, for the corporate sector, there is nothing better than investing in RBI-ERC as their corporate social responsibility (CSR) project. There are cases of corporate houses coming forward to set up business incubators, just for instance, Bank Muscat set up a business incubator as part of their CSR initiative.

## **Management and Implementation**

Implementation of RBI-ERC would be a major challenge. Following agencies can assist in implementation and management of the programme:

- **NGOs:** Non-governmental organisations focussing on micro enterprise development, rural development and livelihood issues are the appropriate organisations that can implement RBI-ERC programme
- **Micro Finance agencies:** Micro Finance Institutions are in the business providing finance to poor and those un-reached by the banks and other institutional credit agencies. It is important that micro credit must get translated into micro-enterprise. Often the money goes for consumption activities and very less percentage of it goes to productive activities. MFIs can contribute a lot in

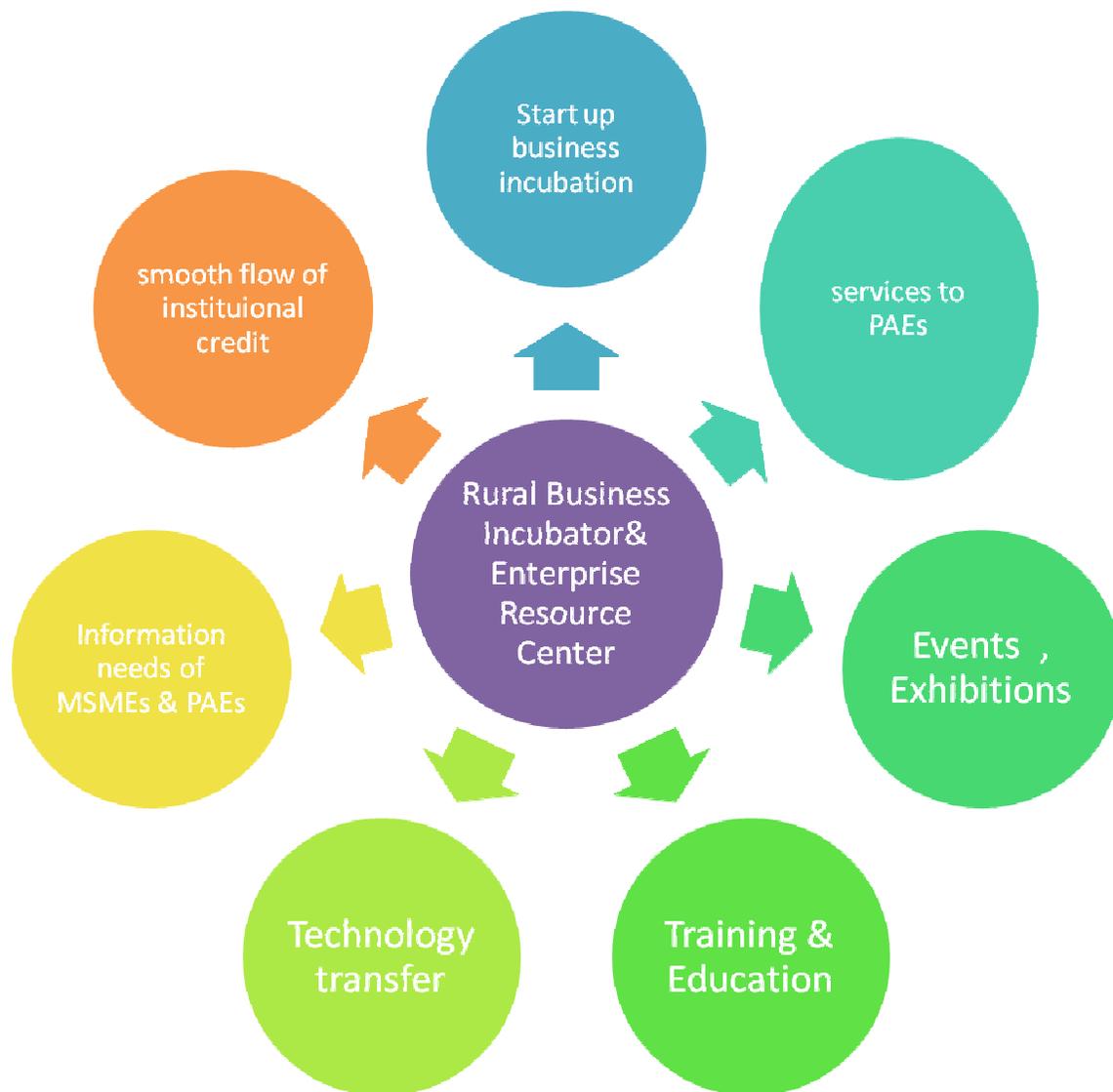
rural enterprise creation as partners with RBIs-ERCs. It is important for such an institutional mechanism for MFIs to realize its objective of building rural livelihood opportunities. A group of MFIs could together set up a business incubator also

- **Academic Institutions:** Colleges, technological institutions, ITIs, polytechnics also could assist and undertake the work of setting up and running RBI-ERCs.

### **A model for Rural Business Incubator and Enterprise Resource Centre**

RBIs & ERCs has to be structured in such a way that suits the requirements of rural industries and the needs of rural based entrepreneurs. In the rural context more than making space available, mentoring and hand holding support is what is needed with limited scope for providing office space. Following are essential services that RBIs& ERCs needed to provide:

- 1) Information needs of MSMEs
- 2) Facilitating smooth flow of institutional credit
- 3) Services to PAEs
- 4) Start-up business incubation
- 5) Networking events, rural trade fairs, exhibitions
- 6) Technology transfer
- 7) Training and education



**Figure 1 Model RBI&ERC: important features**

- 1) Information needs of MSMEs: RBI & ERC can meet the information needs of MSMEs and PAEs. Information related to markets, new technologies and changing price scenario and market scenario etc also can be provided through such centres.
- 2) Facilitating smooth flow of institutional credit: Institutional credit, as mentioned earlier, remains to be a requirement for MSMEs as rural enterprises, often have to approach other finance sources, at much higher rates of interest. Also, MFIs can be brought in to this structure so that PAEs would benefit from them considerably.
- 3) Services to PAEs: Poverty Alleviating Enterprises should be brought under the purview of this institutional mechanism. A number of services can be rendered through this mechanism such as information, regulatory assistance wherever required, linking up with the MFIs and help in adopting appropriate technologies etc.

- 4) Start-up business incubation: Start up business incubation in fact is the primary goal of the RBI-ERC institution. In addition to providing limited incubator space, RBI\_ERC can help to reach out to start-up businesses and entrepreneurs. Also, rural entrepreneurs could easily get guidance, support and coaching/ mentoring from such centres.
- 5) Networking events, rural trade fairs, exhibitions: MSMEs to survive in the global market needs to be competitive. Here they need to reach out to the customers by adopting better marketing strategies. Exhibitions, events and other such rural trade fairs help MSMEs and PAEs better market their products.
- 6) Technology transfer: When it comes to technology transfer, MSMEs and informal enterprises need valuable inputs from RBI &ERCs. Often what is needed is sensible application of available technologies. For instance vegetable vendors and enterprises who deal with perishable food products, vegetables & fruits, if provided with finance to acquire battery run refrigerated carts/deep freezers, would to a certain extent, bring down post harvest losses of farm products, especially that happens towards the last points of supply chain, which is estimated to be Rs.1 trillion annually.
- 7) Training and education: This RBI & ERC network can provide required training to entrepreneurs especially in the fields of management, administration, accountancy and skill development training programs that suit the requirements of rural MSMEs.

## Conclusion

Business incubators and Enterprise Resource Centres can play a crucial role in sustainable enterprise development. Entrepreneurs are needed to provide leadership to various economic activities leading to job creation, economic development and to identify potential untapped areas of employment, resources, possible technological applications and new markets. Developing private sector, MSMEs and self-employment is the apt solution to fight poverty and unemployment. By setting up a business incubator one each in every block, thousands of new enterprises can be created, supported and assisted in their growth. Indian economy would start experiencing double digit growth sooner, when, entrepreneurs such as Bipin and Rattan gets guidance, training, finance and other needed support to prove themselves through the network of RBI-ERC. India spends approximately 100,000 crore per annum for rural development. If 8 to 10 percent of this can be set apart, that would meet some part of the cost of this essential mechanism. It would also contribute to economic empowerment of poorer sections, scheduled castes, tribes and others and would lead to rural self-sufficiency as Gandhiji dreamed.

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