Chapter 20
Rural Innovations: Text and Cases

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ABSTRACT

In a country like India innovations are more referred as “jugaad”. Though the dictionary does not explain such kind of words, but every person in India understands the importance of jugaad. India has one of the largest systems for agricultural research in the world. However this system has focused predominantly on strengthening of cereal production under irrigated conditions. It would be essential that they participate in all decision making which cater to overall development of rural india. India also needs to increase its efforts to tap into the rapidly growing stock of global knowledge through channels such as FDI, technology licensing, importation of capital merchandise that embody knowledge, as well as advanced products, components, and services. This chapter analyses and focuses on various innovative practices done with the help of Government, Public Private Partnership, private Players, Individuals, NGOS, etc

BACKGROUND

“Innovation is increasingly being seen as the currency of 21st century. The future prosperity of India in the new knowledge economy will increasingly depend on its ability to generate new ideas, processes and solutions, and through the process of innovation convert knowledge into social good and economic wealth.” - India Innovation Portal Decade of Innovation 2010-20

India lives in numerous villages scattered throughout the country. Rural areas are nearly three-fourth of the country of India and accounted for more than half of economic consumption. In spite of urbanization about 63 percent of population will continue to live in rural areas in year 2025. And the total potential of Indian rural market will reach to about 500 billion by 2020. According to 2011 census there is 640000 villages in India. India has substantial population below poverty line and having literacy level.

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INNOVATION

“The process of translating an idea or invention into a good or service that creates value or for which customers will pay. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need. ‘Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products. In business, innovation often results when ideas are applied by the company in order to further satisfy the needs and expectations of the customers. ‘Innovation is defined as a process by which varying degrees of measurable value enhancement is planned and achieved, in any commercial activity. This process may be breakthrough or incremental, and it may occur systematically in a company or sporadically; it may be achieved by introducing new or improved goods or services and/or implementing new or improved operational processes and/or implementing new or improved organizational/managerial processes in order to improve market share, competitiveness and quality, while reducing costs.’ Business Dictionary (2014) Innovation and competitiveness have a dynamic, mutual relationship. Innovation thrives in a competitive environment and in turn, plays a key role in the achievement of such an environment. Innovation generates economic value, new jobs in the economy and cultures of entrepreneurship. By virtue of its relationship with competitiveness, Innovation emerges as a factor in promoting economic growth. Given the fact that the Indian economy is growing at 6-8% per year, while exports are growing at 30% Cumulative Annual Growth Rate (CAGR), India Innovation (2014) and many Indian firms are successfully competing against international firms and brands, it can be concluded that this has been made possible by a combination of factors, including enabling environment, rising capital and labor productivity as well as improved quality of goods and services at lower costs. In a social context, innovation helps create new methods for alliance creation, joint venturing, flexible work hours, and creation of buyer’s purchasing power. Innovator need not be a person who comes from a wealth background, with a huge credential and qualification. Innovation can be done and are happening at grass-root levels. The story of Mandar Talukar, a small town boy from Nagpur winning the “best innovator in the world” award at USA for his innovation mobile shoe charger, show that innovators are not born; they are developed in adversity thus proving that “necessity is the mother of invention”. Rao et al (2012)

In a country like India innovations are more referred as “jugaad”. Though the dictionary does not explain such kind of words, but every person in India understands the importance of jugaad. The classic examples of jugaad are the use of washing machine to make huge amount of “lassi” (sweet butter milk, sold in northern part of India), pressure cooker used for making espresso coffee, etc.

As we can see India is the land of innovation (jugaad) and innovation is here to stay for a long time. Innovations have become a way of life and life without innovations is unimaginable. To its credit, India has been taking bold steps to strengthen its R&D infrastructure, developing technological innovations and altering the mind-set of its people toward better creation, acquisition, and use of technology. It is endowed with a critical mass of scientists, engineers, and technicians in R&D and is home to dynamic hubs of innovation, such as Bangalore and Hyderabad. It also has vast and diversified publicly funded R&D institutions, as well as world class institutions of higher learning, all of which provide critical human capital. India is also emerging as a major global R&D platform; about 100 multinational corporations (MNCs) have already set up R&D centers in the country, leading to the deepening of technological and innovative capabilities among Indian firms.
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