

# Rural Women Entrepreneurs: Some Concerns and Importance

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## ABSTRACT

Women are considered as important human resource of the country and every state should try to utilize them as the mediators for the Economic Growth and Development of the Nation. Encouragement of Women Entrepreneurship is one of the ways for the Economic Growth of the country. But unfortunately, the traditional thinking and mindset of the society, on the one hand, and negligence of the state and respective authorities, on the other hand, are important obstacles in the way of development of Women Entrepreneurship in India. In spite of these, women of today break all the obstacles and involve themselves in various sectors and this way they are proving excellence. Nowadays, Rural women increasingly run their own business, even then their entrepreneurial potential, management skill remain largely neglected. Rural Women' economic and social development is necessary for the overall economic development of the nation. Women Entrepreneurship Development is the instrument for women Empowerment. Empowerment through entrepreneurship leads to self-fulfillment and makes women aware about their status, right and their position in the society. Entrepreneurship is considered to be a key for women empowerment especially in rural areas and hence promotion of women entrepreneurs is highly focused by government. This paper gives a brief view of the importance of women entrepreneurship and its influence on the empowerment of rural women. Also it throws light on constraints of rural women entrepreneurship with some solutions to overcome those.

**Keywords: Women Entrepreneurship, Economic Development, Empowerment**

## INTRODUCTION

The concept of women entrepreneurship is becoming a global phenomenon playing a vital role in the business community. In India, women have made a comparatively late entry into business scenario mainly due to the orthodox and traditional socio-cultural environment. Although women face various problems in the process of establishing, developing and running their enterprises, nevertheless, their scope of development is very high in India, especially in rural areas with more women making development oriented programme viz. Development of Women and Children in Rural Areas (DWCRA) which was launched in 1982-83. In what follows, an attempt is made to analyse the success of such a scheme in terms of its survival, growth and development of women entrepreneurs and identify the problems faced by the women entrepreneurs.

## REVIEW LITERATURE

At the addressing speech in the 12th Global Conference of Women Entrepreneurs on 3rd September 2012 Minister for MSMEs Vayalar Ravi said that, women entrepreneurs make everything today, but have only 7.6 per cent share in the 26 million micro, small and medium enterprises (MSMEs) in the country. Hence there is need to change situation women entrepreneurs. The share of women entrepreneurs needs to be raised to at least 25 per cent of the total 1.9 million women-owned enterprises in the country of which only 215,100 were registered, the share of southern states is the highest, according to the Ministry of MSMEs.

Tamil Nadu leads the country with 55,000 women-owned enterprises, followed by Kerala with 38,000, Karnataka at 27,000 and Gujarat 23,000. Uttar Pradesh, the largest state in the country has only 8,000 women-owned MSMEs, with Bihar, too, with a poor 2,600 units. Narayana Reddy, Vijay Kumar, Nalini B. in their book „Women in Development: Challenges and Achievement(2005) states that Self Help Groups enhance the quality of status of women’s participants decisions makers and beneficiaries to take active part in the socio-economic progress of the

nation with the help of microfinance rendered to them. Neeta Tapan in her book „Micro Credit, Self Help Group and Women Empowerment“ (2010) suggest that Microfinance provide a practical and workable solution to the deep rooted problem of poverty by delivering financial services to the needy women“s of India.

Rural markets in India constitute a wide and untapped market for many products and services which are being marketed for the urban masses. Rural Marketing is the process of developing, pricing, promoting, distributing rural specific goods and services leading to exchanges urban and rural market which satisfies consumer demand and also achieves organizational objectives.

### **Challenges before Women entrepreneurs in India**

The following are the major challenges before women entrepreneurs in India.

- Choice between family and career
- Illiteracy or low level of Education
- Dearth of financial assistance
- Socio-cultural barriers

In developing countries like India women work long hours daily, carrying out family chores such as cleaning, cooking, bringing up children along with concentrating on their income generating activities. Such family responsibilities prevent them from becoming successful entrepreneurs. As regards finance, women in developing nations have little access to finance due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money.

In many parts of India, women belonging to certain communities are found to be very conservative due to their upbringing in orthodox families. Insecurity for women is a common phenomenon in many areas of the country and there is a requirement to educate the community about the need for transformation and to increase women’s mobility beyond the home through long-term strategies. The conventional social roles assigned to women often proved to be a handicap for their free mobility and freedom to work. It is thus evident that women entrepreneurs have to confront more challenges from their culture, family and society than their male counterparts. Indian women are in no way inferior to men in all walks of life and they can be as good entrepreneurs as men in the country. Therefore, it is essential to exploit the potentials of Indian women. Women’s participation in trade, industry and commerce, requiring entrepreneurship, is still poor mainly because of the problems associated with their gender roles. Therefore, promotion of entrepreneurship and economic empowerment of women poses a challenge to the government, funding agencies and non-government organizations. It is important for these people to focus on the limitations faced by women and to plan supporting system.

### **Women Entrepreneurship in India**

Empowering women has become the key element in the development of any economy. It is been found that there are various forums and NGOs that are working hard towards this end. There are lots of research studies supporting this view. The Indian economy has been substantially liberalised in recent years with an increasing role for small-scale private enterprise. Women have a unique position in every society. Real development cannot take place if it bypasses women who not only represent one half of a country’s population but also the kernels around which societal revolution take place. Entrepreneurship enhances financial independence and self esteem of women. Around 50 per cent of India’s population is women, yet business spheres such as trade, commerce and industry is still considered a male preserve. Entrepreneurial work has also been predominantly a man’s world in India. This is based on the fact that only seven per cent of the total entrepreneurs in India are women. Among the states, Gujarat, Maharashtra and Karnataka have more women entrepreneurs.

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### **Need and importance of women entrepreneurs**

It is imperative to note the participation of women in economic activities as self employed individuals. Many of the traditional occupations open to women are mainly based on caste, creed and the nature of self-employment is based on the standard of living. At present, women are generating employment for themselves in unorganized sectors and other category of women provides employment for others.

The country needs to mobilize and utilize fully all its resources including human resources. The participation of women in economic activities is necessary not only from a human resource point of view but also is essential even from the objective of raising the status of women in the society. The economic status of the women is now accepted as an indicator of a society's stage of development and therefore it becomes imperative for the government to frame policies for development of entrepreneurship among women. The long-term objectives of the development programmes for women should aim to raise their economic and social status in order to bring them into the mainstream of national life and development. For this, due recognition has to be accorded to the role and contribution of women in the various social economic and political and cultural activities.

### **Factors influencing women entrepreneurs**

The following are the major factors influencing the women entrepreneur.

- Economic independence
- Establishing their own creative idea
- Establishing their own identity
- Achievement of excellence
- Building confidence
- Developing risk-taking ability
- Motivation
- Equal status in society
- Greater freedom and mobility

The concept of developing women entrepreneurship lays emphasis on the productive utilization of women labour force to generate income and output. The programme for developing women entrepreneur would help to alleviate poverty. The Sixth Five Year Plan for the first time highlighted the problem of women integration in economic development in India and emphasized the need to expand women employment in the household sector by providing adequate support in the areas of technology upgradation, training, credit, raw material requirements and development of financing loans. For this purpose, sincere efforts have been taken under various plans, policies, programmes for the development of women entrepreneurship since 1990s.

The DWCRA groups (also known as SHGs) are considered as a viable organization of the rural poor particularly women for delivering micro credit in order to undertake entrepreneurial activities. Some of the studies on these groups particularly those managed by women successfully demonstrated how to mobilize and manage thrift activities, appraise credit needs, enforce financial discipline, maintain credit linkages with banks and effectively undertake income generating activities etc. These studies also showed that the poor as a group are quite creditworthy and repayment of loan is quite satisfactory.

### **Problems faced by women entrepreneurs**

Apart from the tacit assumption that women are frail and indecisive, women entrepreneurs encounter many problems in their efforts to develop the enterprises they have established. The main problems faced by the women entrepreneurs may be analysed as,

- **Shortage of Finance:** Women and small entrepreneurs always suffer from inadequate financial resources and working capital. They lack access to external funds due to absence of tangible security and credit in the market. Women do not generally have property in their names.
- **Inefficient Arrangements for Marketing and Sale:** For marketing their products, women entrepreneurs are often at the mercy of the middlemen who pocket large chunks of profit.

- Shortage of Raw Materials: Women entrepreneurs find it difficult to procure raw materials and other necessary inputs. The failure of many women cooperatives in 1971 such as those engaged in basket-making was mainly due to the inadequate availability of forest- raw materials. The prices of many raw materials are quite high.
- Stiff Competition: Many of the women enterprises have imperfect organisational setup. They have to face severe competition from organised industries and male entrepreneurs.
- High Cost of Production: Another problem which undermines the efficiency and restricts the development of women enterprises is the high cost of production.
- Low Mobility: One of the biggest handicaps for women entrepreneurs is mobility or travelling from place to place. Women on their own find it difficult to get accommodation in smaller towns.
- Family Responsibilities: In India, it is mainly women's duty to look after the children and other members of the family. Their involvement in family leaves little energy and time for business. Married women entrepreneurs have to make a fine balance between business and home.
- Social Attitudes: The biggest problem of a woman entrepreneur is the social attitude and the constraints in which she has to live and work. Despite constitutional equality, there is discrimination against women. In a tradition-bound society, women suffer from male reservations about a woman's role and capacity. In rural areas, women face resistance not only from males but also from elderly females who have accepted inequality.
- Low Ability to Bear Risk: Women have comparatively a low ability to bear economic and other risks because they have led a protected life.
- Lack of Education: In India literacy among women is very low. Due to lack of education, majority of women are unaware of technological developments, marketing knowledge, etc. Lack of information and experience creates further problems in the setting up and running of business enterprises.

### **SUGGESTIONS AND RECOMMENDATIONS**

- Literacy and training assistance is needed for the poor women to benefit from rural marketing programmes.
- Diversified use of microfinance would be effective to improve the status of women entrepreneurs in rural market.
- Suitable products with proper staffing pattern for the SHGs should be provided.
- Many SHGs suffer from absence of financial discipline and internal controls. This can be avoided only through structured practices and a good system.
- Economic empowerment of SHGs can be made by educating them, creating awareness about the social evils, public private partnership, development programmes utilizing IT.
- SHGs are to be encouraged to get PCs, which can be used to display their products either as pop ups or as advertisements or in the portals of e- commerce companies.

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