

# Rural Women Entrepreneurs: Concerns & Importance

Garima Mishra<sup>1</sup>, Dr. U. V. Kiran<sup>2</sup>

<sup>1</sup>Research Scholar, School of Home Science, Babasaheb Bhimrao Ambedkar University, Lucknow, India

<sup>2</sup>Assistant Professor, School of Home Science, Babasaheb Bhimrao Ambedkar University, Lucknow, India

**Abstract:** Rural women's economic and social development is necessary for overall economic development of society and nation. Rural women are now increasingly run their own business yet their entrepreneurial potential, managerial skill and socio-economic contribution remain largely neglected. Women entrepreneurship development is the instrument of women empowerment. Empowerment through entrepreneurship leads to self-fulfilment and makes women aware about their status, existence, right and their position in the society. In modern era, women are becoming socially empowered, and economically empowered through business ownership. Women entrepreneurship is gaining importance in India in the wake of globalization and economic liberalization. The institutional and policy framework for developing entrepreneurial skills, providing vocational education and training has widened the horizon for economic development of women. Women entrepreneurs tend to be highly motivated, self disciplined & self directed. On the other hand, empowerment of rural women is also very significant. Economic empowerment of rural women will lead to the development of our country and it is very necessary to give keen attention over the empowerment of women in the rural areas for the real development of our country in all spheres. Women's entrepreneurship is important for women's position in society, and economic development of women will lead to development of family, community and country. It opens up new avenues for creating employment opportunities for women and men. The present paper focuses on parameters to be focused to enhance the entrepreneurial skill of rural women and in turn their empowerment.

**Keywords:** entrepreneurs, economic development, women entrepreneurship

## 1. Introduction

An entrepreneur is a person who operates a new venture and also inherits some risks and is able to look at the environment, The great ones are ready to be laughed at and criticized in the beginning because they can see their path ahead and are too busy working towards their dream, True entrepreneurs are resourceful, highly motivated and driven to succeed and Improve their entrepreneurial skill. The term "entrepreneurship" comes from the French verb "entreprendre" and the German word "unternehmen", both means to "undertake". **Grave and Hofer in 1891** defined the entrepreneurial process as involving all the functions, activities, and actions associated with perceiving of opportunities and creation of organizations to pursue them. **Women Entrepreneur**, in a larger sense, therefore is a woman who accepts challenging role to meet her personal needs and become economically self-sufficient. A woman faces numerous problems to reach her familial needs. At last, a women entrepreneur becomes economically self-sufficient after facing challenges. By identifying herself a successful entrepreneur, she shines in the two faces of her life i.e. society and family. Entrepreneurship of Women development is an essential part of human resource. Development of women entrepreneurship compared to other countries is very low in India, especially in the rural areas. The progress is more visible among upper class families in urban cities. Rural woman constitutes the family, which leads to society and Nation. Social and economic development of women is necessary for overall economic development of any society or a country.

## 2. Concept of Rural Entrepreneurship

Rural entrepreneurship implies entrepreneurship emerging in rural areas. Rural entrepreneurship means rural industrialization. Industrialization can't originate or sustain

without entrepreneurship whether rural or urban. Industries coming under the purview of **KVIC** are treated as rural industries. Rural industrialization means encouraging location of large and small scale units away from urban areas or planned shifting of units from urban areas to rural areas. Rural entrepreneurship can stop the increasing migration towards cities as it provides wide range of employment opportunities to the village people.

Migration from rural areas should not only get checked but overpopulated towns and cities should also get decongested. If it is so, ways can always be found out. One is by forcibly stopping villagers from settling in the slums of towns and cities, making use of all powers to clear the slums so the villagers are forced to go back.

**The basic principles of entrepreneur which applied the rural development are:**

- Optimum utilization of local resources in an entrepreneurial venture by rural population - Better distributions of the farm produce results in the rural prosperity.
- Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration.
- To activate such system to provide basic '6 m'- manpower, money , material, machinery, management and market to the rural population. (**Patel & Chavda, 2013**)

## 3. Types of Rural Entrepreneurship

**I. Individual Entrepreneurship-** It is basically called proprietary i.e. single ownership of the enterprise.

**II. Group Entrepreneurship** - It mainly covers partnership, private limited company and public limited company.

**III. Cluster Formation** - It covers NGOs, VOs, CBOs, SHGs and even networking of these groups. These also

cover formal and non-formal association of a group of individuals on the basis of caste, occupation, income, etc.

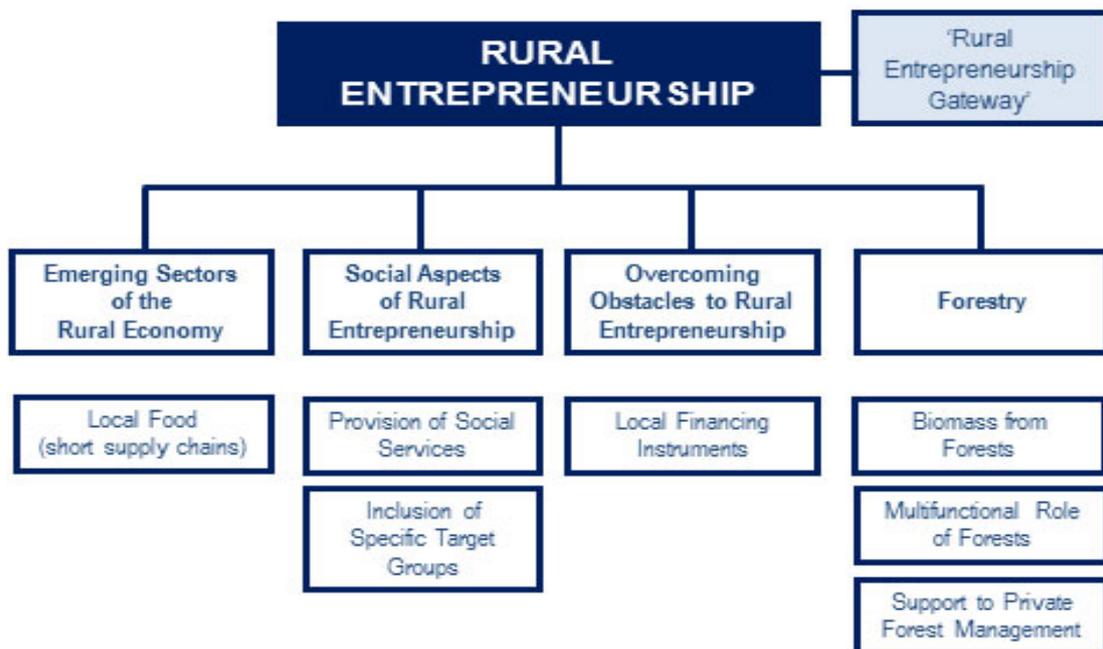
**IV. Cooperatives** - It is an autonomous association of persons united voluntarily for a common objective. An entrepreneur has to decide on a particular type of entrepreneurship based on the various options available.

(Source: <http://www.scribd.com/doc/26661470/Rural-Entrepreneurship-in-India>)

#### 4. Concept of Rural Women Entrepreneurs

Rural woman constitutes the family that leads to society and Nation. Overall development of women is necessary for the development of society and nation. The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Women entrepreneurship

has been recognized during the last decade as an important untapped source of economic growth. **According to statistics women in India 2010**, proportion of female main workers to total population in percentage is 16.65 in rural areas and 9.42 in urban areas this shows overall less contribution of women in work but more percentage of women workers in rural areas. Women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision making status in the family and society as a whole. (Sharma, et.al., 2012)



Source: [http://enrd.ec.europa.eu/enrd-static/networks-and-networking/national-rural-networks/joint-nrn-activities/nrn-rural-entrepreneurship-thematic-initiative/en/nrn-rural-entrepreneurship-thematic-initiative\\_en.html](http://enrd.ec.europa.eu/enrd-static/networks-and-networking/national-rural-networks/joint-nrn-activities/nrn-rural-entrepreneurship-thematic-initiative/en/nrn-rural-entrepreneurship-thematic-initiative_en.html). August, 2014.

#### 5. Challenges for Rural Women Entrepreneurs

The main challenges that women face in business are educational and work background, Balancing their time share between work and family, Problems of raising start-up capital, Difficulty in borrowing fund, Thought-cut completions endangered existence of small companies, Problems of availing raw-materials access to export market without intermediaries, as well as an overall psychological barrier on the part of banks, suppliers, and clients alike, are a few of these challenges. In addition to this some of the challenges faced by rural entrepreneurs are as follows-

##### 5.1 Family ties

Women in our country are very emotionally attached to their families. They are being very less practical. They are supposed to do all the household work, to look after the children and other members of the family. They are over burdened with family responsibilities like care of children

extra attention to husband, and in laws which take away a lots of their time and energy. In such conditions, it will be very difficult for women to concentrate and run the enterprise successfully.

##### 5.2 Lack of education

Even in 21<sup>st</sup> century, rural women in India are lagging far behind in the field of education. Most of the rural women are illiterate. Women in rural areas who are educated are provided either less or inadequate education than their male counterpart partly due to poverty, early marriage, low socio-economic status, partly due to son's higher education. Lack of education is one of the biggest obstacles for rural women who want to start an enterprise. Due to lack of proper education, women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing and other governmental support which will encourage them to flourish.

### 5.3 Lack of Raw Materials

Due to poor road connectivity and poor transportation, it is quite difficult to make availability of raw materials all the time in rural areas. Availability of raw materials is an essential component of entrepreneurship. Women entrepreneurs in rural areas really face a tough task in getting the required raw material and other necessary inputs for the enterprises when the prices are very high.

### 5.4 Male Dominated Society

In our constitution there are equal rights for men and women but in real sense equality does not exist in rural areas. Women are being neglected in many spheres of life. Women are not treated equal to men. As far as rural areas are concerned, people have a set attitude that women are only for household work. Their entry to business needs the approval of the head of the family. Entrepreneurship has traditionally been seen as a male preserve and male dominated. All these put a break in the growth of women entrepreneurs. Thus male entrepreneurs become hurdle in the success of women entrepreneurs.

### 5.5 Problem of finance

Women entrepreneurs have to suffer a lot in raising and meeting the financial needs of the business, bankers, creditors and financial institutes are not coming forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failure. They also face financial problem due to blockage of funds in raw materials, work-in-progress finished goods and non-receipt of payment from customers in time.

### 5.6 Tough competitions

In the age of technology, women entrepreneurs face a lot of problems and challenges. Usually women entrepreneurs do not employ high technology in the process of production. In a market where the competition is too high, they have to fight hard to survive in the market against the organized sector and their male counterpart who have vast experience and capacity to adopt advanced technology in managing enterprises

### 5.7 High cost of production

Several factors including inefficient management contribute to the high cost of production which stands as a stumbling block before women entrepreneurs. Women entrepreneurs face technology obsolescence due to non-adoption or slow adoption to changing technology which is a major factor of high cost of production.

### 5.8 Low risk-bearing ability:

In our country, generally women are delicate and emotional by nature. An entrepreneur must have risk bearing capacity for being successful entrepreneur. But women, sometimes fail to bear the amount risk which is essential for running an enterprise. Lack of proper education, training and financial

support from outsides also reduce their ability to bear the risk involved in an enterprises.

### 5.9 Limited Mobility

In our country, mainly in rural area, women mobility is very limited and has become a problem due to traditional values and inability to drive vehicles. Moving alone and asking for a room to stay out in the night for business purposes are still looked upon with suspicious eyes. Sometimes, younger women feel uncomfortable in dealing with men who show extra interest in them than work related aspects. Thus security of rural women entrepreneurs is a major challenge.

### 5.10 Social Barriers

The traditions and customs prevalent in Indian societies towards women sometimes stand as an obstacle before them to grow and prosper. Castes and religions dominate with one another and hinder women entrepreneurs too. In rural areas, they face more social barriers as they are always seen with suspicious eyes.

### 5.11 Lack of entrepreneurial aptitude

Lack of entrepreneurial aptitude is a major concern for rural women entrepreneurs. They have no entrepreneurial bent of mind. Sometimes even after attending various training programmes on entrepreneurship, women entrepreneurs fail to tide over the risks and troubles that may come up in an organizational working.

### 5.12 Limited managerial ability

Management has become a specialized job which only efficient managers perform. Due to lack of proper education women entrepreneurs are not efficient in managerial functions like planning, organizing, controlling, coordinating, staffing, directing, motivating etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

### 5.13 Legal formalities

To fulfill the legal formalities required for running an enterprise becomes an upheaval task on the part of a women entrepreneur because of the prevalence of corrupt practices in government offices and procedural delays for various licenses, electricity, water and shed allotments. In such situations women entrepreneurs find it hard to concentrate on the smooth working of the enterprise.

### 5.14 Exploitation by middle men

Women are biologically very delicate, since women cannot run around for marketing, distribution and money collection; they have to depend on middle men for the above activities. Middle men tend to exploit them in the guise of helping. They add their own profit margin which results in less sales and lesser profit.

### 5.15 Lack of motivation

Motivation plays an important role for running an enterprise. Women entrepreneurs because of their inherent nature, sometimes feel less confident which is essentially a motivating factor in running an enterprise successfully. They have to strive hard to strike a balance between managing a family and managing an enterprise.

## 6. Literature Review

Problems Being Faced by Women Entrepreneurs in Rural Areas” was being studied and found that majority of the women entrepreneurs were ranked as lack of strong leadership. Their leadership quality was not as good as required for being a successful entrepreneur. There were many women entrepreneurs who faces problem related to finance. Second rank was financial deficit. The third rank was lack of systematic planning and working and followed by health problem, Non-awareness of Government scheme, Non- repayment of loan by the members, Leaders misusing the group's money, other problems, Lack of Education. (Pharm, and Sritharan, 2013).

The growth of Self-Help Groups (SHGs) is an evidence of the fact that women are coming out of their shells and maintaining their citizenship in the city. Women Self Help Groups is being studied and found that the role of women entrepreneurs is increasing drastically every year. The participation of women has been increased from 22.3% in 1990-1991 to 31.6% in the year 2010-2011. This is a source from the World Bank report 2010-2011 & WAVE conference report. 71.5% of the women SHGs formed in 2009 and 2010. For the duration of 2010-2011, this ratio stood at 74.08%. Out of the whole figure of Self Help Groups formed, 70% belong to women. (Rajasekaran1 and Sindhu, 2013)

Impact of women entrepreneurship development on families was being studied and found that majority of the respondents (75.2%) was married. Socio-cultural and religious beliefs dictate that the marriage of both sons and daughters is a sacred duty to be performed by parents but in the case of daughters especially parents feel far more pressured to marry them off as soon as possible. It has been found that decision making is very essential entrepreneurial quality and found that per most of the respondents felt that they could deal with problems “only felt that they could not deal with problems. The value of assets possessed by a family is an important indicator of a secure condition of the family. The assets in the present study have been categorized in terms of fixed assets like house, jeweler, other household gadgets and savings. It was found that in case of (66%) of respondents, assets (in terms of value) had increased while (32%) there was no substantial change and very negligible percent decrease (1.6%). (MS. Rashmi Gopinathan, 2010)

Obstacles faced by women entrepreneurs is being studied and it is found that obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide

loan to women entrepreneurs. They suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting & pulling to grow & support the winners etc. It advocates for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India. (Singh, 2008)

Our society is still male-dominated and women are not treated as equal partners both inside and outside four walls of the house. In fact, they are treated as able, i.e. weak and dependent on men. A study on women entrepreneurship development is conducted and it is found that the Indian women enjoy a disadvantageous status, in the society as there is low literacy rate, low work participation rate and low urban population share of women as compared respectively of their male counterparts confirm their disadvantageous position in the society our age old socio-cultural traditions and taboos arresting and women within four walls of their houses also make their conditions for the disadvantageous. These factors combine to serve as non conducive condition for the emergence and development of women entrepreneurship in the country. The development of women entrepreneurship is expectedly low in the country. This indicates that very few percentages of women are involved in total self employed persons in the country. (Senthilkumar, Vansantha and Varadharajan, 2012)

Twenty Years of Rural Entrepreneurship: A Bibliometric Survey is being studied and it was reviewed that Rural entrepreneurship has drawn increasing attention from researchers in the last twenty years. Nevertheless, the evolution of the relative weight of articles on rural entrepreneurship has lagged behind that of articles on entrepreneurship. The finding of this study suggests us that rural entrepreneurship literature has been losing momentum. Rural entrepreneurship is often viewed as a strategy of development; this trend can be detrimental for the future of rural areas. When we look at the other side, contrary to entrepreneurship in general, where most of the authors are affiliated to schools or universities in the USA (Teixeira, 2011), it is apparent from our bibliometric analysis that rural entrepreneurship is a ‘European concern’. Thus, it was found that European countries were among the most studied countries in rural entrepreneurship. The USA also figures at the top in the ranking of the most studied countries in rural entrepreneurship, the UK, Spain, Finland and Greece, all high-income countries, are the most frequently studied economies. The focus on these European countries may be explained by the fact that rural entrepreneurship has been considered in such economies as a path for endogenous development (CE, 2012; Dinis, 2006a). However, Portugal, having similar characteristics, concerns and constraints at this level, it has been somewhat overlooked in the analyses on rural entrepreneurship. (Pato Lucia and Teixeira A.C. , 2013)

Development of Rural Women Entrepreneurs through Workshop Training is being studied and it is found that workshops organized by different NGO's helped rural women to provide financial support, entrepreneurial education and mentorship. The study revealed that trained rural women entrepreneurs have better business skill and

abilities. Therefore they can easily access to the different markets and can start business on sustainable basis. As far as untrained rural women are concerned, they have to face a lot of problem in managing their business. Another finding of this paper was that unmarried rural women entrepreneur's feel that they can face problem of availing bank loans because there is a possibility of change of their destination after marriage. So In view of unmarried women entrepreneurs getting married is the hurdle for the business because they have to bear dual responsibilities, one at home and other at work. In present scenario the percentage of unemployment among educated and qualified women is increasing in rural areas, it is necessary to promote rural entrepreneurship as it will create more opportunities for rural people. (Parveen, 2013)

The researcher's finding on Study of Financial Problems of Women Entrepreneurs conducted in Ambala, Rohtak, and Gurgaon district of Haryana State was that women entrepreneurs faced a lots of financial problem during the start-up stage and running up stage of their business. The study revealed that 39.2 percent of women entrepreneurs faced the problem in obtaining start-up capital and accepted it as a major obstacle. Approximately 16.4 percent of women entrepreneurs feels difficulty in getting financial support from financial institution and talks about the behavior of officials of these institution was unsatisfactory. Majority of women entrepreneurs were not aware about government's scheme for women entrepreneur because dissemination of information was not up to the mark. Hence it is necessary to make women entrepreneurs aware about government's policies to combat financial obstacles. (Chandr and Arora, 2013)

A Study on Rural Entrepreneurship with Sivaganga District is being studied and it deals with functions, needs, problems and bow to develop measures in rural entrepreneurship. In this context researcher focuses on identifying the needs of the rural entrepreneurship, types of rural entrepreneurship, functions and problems faced by rural entrepreneurship and the factors influencing the rural entrepreneurship. The author concludes that it is very difficult to encourage and motivate to rural entrepreneurs and with decreased motivation level, rural entrepreneurs have to face a lot of problems. So it is necessary for our government to provide entrepreneurial training to coming youth belonging to rural and urban area. As far as rural development through rural entrepreneurship is concerned it will stand as vehicle to improve quality of life of rural people, economic empowerment and sustainable development. (Raju and Bhuvanewari, 2014)

The author focuses on hurdles in the way of rural women entrepreneur and reviewed that majority of the rural women entrepreneur were of middle age group followed by young age rural women entrepreneurs. Approx 68 percent entrepreneurs were married and majority of the women were having only 7<sup>th</sup> standard education, only 18 percent were having 10<sup>th</sup> standard education. So it was observed that educational status does not matter enough to run an enterprise. Researcher found that the concept of women empowerment was not known to the most of the women entrepreneurs. Thus most of the women started business because of family tradition. The performance of the women

entrepreneurs were not up to the mark. There were many challenges faced by rural women as social, financial, personal, marketing, technological changes and educational challenges. Due these constraints they were unable to compete with other entrepreneurs. They were not having very enthusiastic approach. (Vaghela, 2013)

The researcher's focus was to help educational institutions to develop educational strategies for training the women entrepreneurs. In this regard, challenges faced by women entrepreneurs running micro, small and medium scale fashion and apparel business was studied in Coastal Karnataka and it was found that majority of the women entrepreneurs fall into very high to medium level of success. Very few women entrepreneurs of fashion and apparel enterprises were not successful. The study revealed that marital status did not affect success of women entrepreneurs as in this study majority of the women running their enterprises were married and they were successful. Education and Training, both is considered important dimension of entrepreneurship and the study revealed approximately 65% women entrepreneurs had formal education and also 37% women had training in fashion and apparel designing. Previous experience were also contributing factor for the success of women entrepreneurs and most of the women had previous experience about entrepreneurship. In the present study, the author identified some constraints for women entrepreneurs as lack of finance, increased competition, lack of skilled labor, lack of confidence and lack of family support. (Rao et.al, 2012)

## 7. Conclusion

Present scenario is very fast changing with technology development, modernization, industrialization, urbanization, education and development. In such conditions, employment opportunity increased drastically for rural women. Entrepreneurship among rural women, no doubt improves the wealth of the nation in general and of the family in particular. Women need encouragement and support from the family members, government, society, male counterparts etc., with the right assistance from varied groups mentioned above, they can join the main stream of national economy and thereby contribute to the economic development. Government should draw up a plan so that the Indian Women Entrepreneurs can work more on empowerment through training and capacity building programs. If our universities and institutions join this resolve with increasing focus on women's business education, the future will see more women entrepreneurs. It is very true that rural entrepreneurship cannot be developed without proper training. Therefore, it is necessary to provide training to rural women to enhance their entrepreneurial skill and giving a path of success to rural women.

## References

- [1] Behara Sreenivasa R. and Niranjana K., 2012., Rural Women Entrepreneurship in India. *IJCEM International Journal of Computational Engineering & Management*, Vol. 15 Issue 6, November 2012.
- [2] Chandar S. and Arora D. Study of Financial problems of women entrepreneurs. *IJSIR*, Vol. 2 (4), APRIL (2013).

- [3] Choudhary Kishor N. and P.Rayalwar Arvind, 2011. Opportunities and Challenges for Rural women Entrepreneurship in India. *Variorum Multi-Disciplinary e-Research Journal Vol.-01, Issue-III, February 2011*
- [4] [http://enrd.ec.europa.eu/enrd-static/networks-and-networking/national-rural-networks/joint-nrn-activities/nrn-rural-entrepreneurship-thematic-initiative/en/nrn-rural-entrepreneurship-thematic-initiative\\_en.html](http://enrd.ec.europa.eu/enrd-static/networks-and-networking/national-rural-networks/joint-nrn-activities/nrn-rural-entrepreneurship-thematic-initiative/en/nrn-rural-entrepreneurship-thematic-initiative_en.html). August, 2014.
- [5] <http://markservices.co.in/courses.html>. August, 2014.
- [6] <http://www.scribd.com/doc/26661470/Rural-Entrepreneurship-in-India>
- [7] Jalbert, Susanne E., (2008), Women Entrepreneurs in the Global Economy, education research.
- [8] Nehru Jawaharlal and Bharadwaj Shbhra, 2013. Women entrepreneurship in India: Issues and problems “you can tell the condition of a nation by looking at the status of its women, *A Journal of Multidisciplinary Research* Vol.2 Issue 7, July 2013
- [9] Parveen K, 2014. Development of Rural Women Entrepreneurs through Workshop Training. *Research Journal of Management Sciences*. Vol. 3(2), pages15-18.
- [10] Patel B. and Chavda K., 2013. Rural Entrepreneurship in India: Challenge and Problems, *International Journal of Advance Research in Computer Science and Management Studies*, Volume 1, Issue 2, July 2013.
- [11] Pato L.and Teixeira A.C, 2013. *Twenty Years of Rural Entrepreneurship :A Bibliometric Survey.FEP working papers*.
- [12] Pharm A, and Sritharan R., 2013. Problems Being Faced By Women Entrepreneurs in Rural Areas. *The International Journal of Engineering And Science (Ijes)*, Volume2.Issue3 Pages52-55.
- [13] Rajasekaran R. and Sindhu R.,2013. Entrepreneurship and Small Business: A Study with
- [14] Raju S. and Bhuvaneshwari H. 2014, A Study on Rural Entrepreneurship with Sivaganga District. *Global Journal for Research Analysis*. Volume : 3 , Issue : 3.
- [15] Rao, V. et.al. Challenges faced by women entrepreneurs running micro, small and medium scale fashion and apparel business: a study on fashion and apparel enterprises in Coastal Karnataka. International Conference on Trade, Tourism and Management (ICTTM'2012) December 21-22, 2012 Bangkok (Thailand).
- [16] Reference to Women Self Help Groups. *Global Journal of Management and Business Studies*. Volume 3, Number 7 (2013), pp. 703-710
- [17] Sharma Y.2013., Women entrepreneurship in India. *IOSR Journal of Business and Management (IOSR-JBM)*, Volume 15, Issue 3 (Nov. - Dec. 2013), PP 09-14
- [18] Vaghela R. 2013. Hurdle in the Way of Rural entrepreneur. *International Multidisciplinary Journals*. VOLUME: 1/ISSUE.
- [19] Sharme A.et.al., 2012.Micro enterprise development and rural women entrepreneurship: way for economic empowerment. *Arth Prabhand: A Journal of Economics and Management*.vol.1, issue6 September 2012.