



## ROLE OF WOMEN ENTREPRENEURSHIP IN THE RURAL DEVELOPMENT OF INDIA

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### **Abstract**

Women are generally perceived as home makers with little to do with economy or commerce. But this picture is changing. In Modern India, more and more women are taking up entrepreneurial activity especially in medium and small scale enterprises. Traditionally, women in India have been generally found in low productive sectors such as agriculture and household activities. Human Development Report 2004 ranks India 103 in Gender related Development Index (GDI). As per 2011 census; women constitute nearly half of India's population. Out of this total, 72% were engaged in agriculture, 21.7% in other non-agricultural pursuits with only 6.3% in household industries. But the trend is changing. Women across India are showing an interest to be economically independent. Women are coming forth to the business arena with ideas to start small and medium enterprises. They are willing to be inspired by role models- the experience of other women in the business arena. Even as women are receiving education, they face the prospect of unemployment. In this background, self-employment is regarded as a cure to generate income. The Planning commission as well as the Indian government recognizes the need for women to be part of the mainstream of economic development. Women entrepreneurship is seen as an effective strategy to solve the problems of rural and urban poverty.

The present paper endeavors to study the concept of women entrepreneur—Reasons women become entrepreneurs - Reasons for slow progress of women entrepreneurs in India - suggestions for the growth of women entrepreneurs- Schemes for promotion & development of women entrepreneurship and the role of women entrepreneurship in the rural development of India.

**Keywords: India, Rural Development and Women Entrepreneurship.**

### **1. Introduction**

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their own legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such a situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them.

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs in the organized sector. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. Women's entrepreneurship needs to be studied separately for two main reasons. The first reason is that women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and also by being different. They also provide the society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. The second reason is that the topic of 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.

## 2. Literature Review

1. Susanne E. Jalbert, Ph.D. in her paper on the theme “Women Entrepreneurs in the Global Economy”, March 17, 2000, has concluded that Today’s world is changing at a startling pace. Political and economic transformations seem to be occurring everywhere as countries convert from command to demand economies, dictatorships move towards democracy, and monarchies build new civil institutions. These changes have created economic opportunities for women who want to own and operate businesses. Today, women in advanced market economies own more than 25% of all businesses and women owned businesses in Africa, Asia, Eastern Europe, and Latin America are growing rapidly.
2. Ms.R.Thamaraiselvi in her article on the theme “Women as Entrepreneurs in India” has researched that empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business. Apart from training programs, Newsletters, mentoring, trade fairs and exhibitions also can be a source for entrepreneurial development. As a result, the desired outcomes of the business are quickly achieved and more of remunerative business opportunities are found. Henceforth, promoting entrepreneurship among women is certainly a short-cut to rapid economic growth and development. Let us try to eliminate all forms of gender discrimination and thus allow ‘women’ to be an entrepreneur at par with men.
3. TSS is a forum for women entrepreneurs to create trust-based partnerships through active networks. Additionally, the forum founders recognize the immense contribution of women entrepreneurs to self, family and society. According to TSS:
  - 78% women from poorer families in India are keen to become entrepreneurs
  - A mere 15 percent of women hold senior management positions in privately held businesses in India; the global average is 24 percent
  - Some of the key areas where women want to start a business include garment shops, catering and beauty salons

**Objectives of the study:** The primary objectives of this paper are:

1. To explain the present status of rural women entrepreneurs.
2. To study the various development schemes for rural women entrepreneurs.
3. To identify the problems faced by rural women entrepreneurs.
4. To make suitable suggestions for promoting rural women entrepreneurs.

## 3. Advantages of Women Entrepreneurship in the role of Rural Development

Empowering women particularly rural women is a challenge. Micro enterprises in rural area can help to meet these challenges. Micro – enterprises not only enhance national productivity, generate employment but also help to develop economic independence, personal and social capabilities among rural women. Following are some of the personal and social capabilities, which were developed as result of taking up enterprise among rural women.

- Economic empowerment
- Improved standard of living
- Self confidence
- Enhance awareness
- Sense of achievement
- Increased social interaction
- Engaged in political activities
- Increased participation level in gram sabha meeting



- Improvement in leadership qualities
- Involvement in solving problems related to women and community
- Decision making capacity in family and community

Economic empowerment of women by micro entrepreneurship led to the empowerment of women in many things such as socio-economic opportunity, property rights, political representation, social equality, personal right, family development, market development, community development and at last the nation development.

### **Rural Development Programme of Government**

The government is planning to ensure that at least 33 percent of all direct and indirect benefits of all schemes flow to women and girl children. Efforts have been made under the integrated rural development programme to select household headed by Women beneficiaries and importance would give to achieve a larger coverage of women. Household headed by women would account for at least 20 percent of the coverage. The scheme of DWCRA would be strengthened and modified in order to ensure that the benefits reach the target groups. The National Rural Employment programme and Rural Employment Guarantee scheme would generate additional programme in rural areas during the lean season. Stress would be laid on giving adequate employment to women beneficiaries under these schemes. Under the programme of TRYSEM, 40 youths in the age group 18-35 years per development block are identified and provided training in avocations. About one third of the beneficiaries under these programmes are expected to be women. The planning commission wants the government to lay emphasis on economic and social environment with women development programme. Planning commission create awareness among women for their social empowerment. Women support groups to be formed SHGs will be strengthened and linkages with financial institutions facilitated will be priority area.

### **Role of Women Education in Entrepreneurship**

Women play an important role in the society that makes us to give more attention towards higher education of women's in India. To reduce social and cultural differences, to strive to promote equality social justice and to provide society with competent men it is necessary to provide higher education to women. But there are some points that makes hurdle while offering higher education to women in India like marriage is one of the main cause of early withdraw, gender stereotyping, sexual harassment as well as occasional student violence, lack of transport facilities in case of university or colleges situated at outside city area and lots more. There are several other reasons that makes very hard for women pt pursue higher education.

There have been a number of social and economic factors determining the women's education. Most of the factors are highly interdependent in nature and hence it is difficult to single out the effects of individual factors on women's education. Yet, the present study made a modest effort to explore the influence of certain variables of interest on the educational attainment of women. Three variables such as rural poverty, urbanization and drop-out rate are chosen as explanatory variables and female literacy rates as dependent variable.

In a Multiple Linear Regression (MLR) framework, the above mentioned variables can be specified as determinants

$$FL = 0 + 1 RPOV + 2 URB + 3 DOR + u$$

Where, FL – Female Literacy Rate(Women Education)

RPOV – Rural Poverty

URB – Urbanization and

DOR – Drop-out ratio of girls as on 2001.

The model is estimated with OLS method based on the state level cross-section data for the year 2001. The estimated MLR model is given below.



$$FL = 3.466 + 0.180 RPOV + 0.0375 URB - 0.361 DOR + u$$

$$[7.406]^* [2.666]^* [4.686]^* [5.320]^*$$

$$R^2 = 0.80 \quad F = 19.45^*$$

It is seen that the model has fitted very well as can be seen from the value of F statistic. The adjusted R<sup>2</sup> that is 0.80 indicates the explanatory power of the model. Both F statistic and adjusted R<sup>2</sup> suggest that the estimated MLR model is good enough to draw inferences about the possible determinants of women's education. The model shows that rural poverty has exerted a positive influence on women's education and the coefficient is statistically significant. It is observed that rural poverty acts as a push factors for women's education rather than as an obstacle to women's education. The significant influence of urbanization on women's education implies that urbanization has been playing a beneficial role in the attainment of women's education in India. At the same time, the drop-out rate has a negative effect on women's education. It points out that reduction of girl's drop-out rates is necessary for achieving women's education. In this context, it is worth examining the investments on education and infrastructural supports available for the promotion of women education in India. So, if education is the right path to a better future, is the empowerment of women and entrepreneurship a direct path to education.

#### 4. Challenges for Rural 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:-

- Growth of Mall Culture
- Poor Assistance
- Power Failure
- Lack of Technical know how
- Capacity Utilization
- Infrastructure Sickness

Rural women lack training and advisory services on managerial and technical skills to solve production problems. Here more than 70 percent of enterprises are micro- and small enterprises but their growth and the competitiveness is greatly challenged by a lack of business management, marketing and technical skills besides the overall weak infrastructure and complicated legal frameworks for business processes, especially in global online transaction context.

#### “Women Entrepreneurs” -Opportunities

The growth of the economies of many countries is due to the increasing participation of women in entrepreneurial activities. It is because of guidance and counseling extended to the women in SHGs to run earthen their hidden entrepreneurial capabilities by providing skills, knowledge, adoptability and sensitizing them towards socio-economic status in the society. A woman who can accept challenges, adventures and an urge to become economically independent can transform in to an 'Entrepreneur'. A woman entrepreneur can contribute positive values to the family, community and the society. Globally women are indulging from teaching to technical areas. In India by breaking the glass ceiling women entrepreneurs are developing and intruding into the male dominated arena as garment manufactures, farm owners, business women with many commodities, establishing firms like, tiffin centers, milk centers, petty shops etc.

#### Classification of Micro Entrepreneurs

The women are classified into four groups according to their activities as (1) Cultivators (2) Sellers (3) Manufactures (4) Managers.



**Table – 1: Classification of Micro Entrepreneurs**

S.No.	Classification of women micro entrepreneurs	Activities under taken
1.	Cultivators	Cultivating (1) Organic vegetables, (2) Fruits (3) Flowers, (4) Leaf Vegetables (5) Mulberry leaves (6) Oil seeds.
2.	Sellers	Selling vegetables, fruits, nuts, flowers leafy vegetables, milk, milk products.
3.	Manufactures	Associating with preparation and selling of pickles, milk, curds, milk cakes, Jams, fruit juices, establishing tiffin centres, food courts, and butter milk centers on the high ways nearer to their villages.
4.	Managers	Managing, Milk Centers, Petty Shops, Bakery, Flour Mills, sericulture activities ect.

### Constraints of Women Entrepreneurs

Due to gender discrimination girls are socialized differently controlled by social norms, morals, beliefs, practices without any rights and decision making powers. Because of these reasons women entrepreneurs are facing many constraints like lack of confidence, dual roles, rigid and male dominated market conditions etc. Table 2. shows the constraints faced by them also the reasons behind the situation and the solutions to overcome them.

**Table No.2 Constraints of Women Entrepreneurs Reasons and solutions**

Sl .No	Constraints	Reasons	Solution
1.	Lack of Confidence	Due to differential socialization social norms, morals in the family women lack confidence, support, decision making powers needed for the growth of an entrepreneur.	Social workers can develop the women entrepreneurs within their reach by extending the necessary inputs.
2.	Over burdenness due to dual roles	With the dual roles as, wife and mother women unable to manage the enterprise effectively because of lack of time, concentration and over Burdened personal obligations.	The family members like in-laws, husband and others can share their responsibilities to make them free to associate with an enterprise.
3.	Rigid and male dominated market conditions	Women, entrepreneurs have to depend, on their family male members due to rigid male dominated market conditions, lack of awareness, experience, and lobbying capacities.	The family members, NGO's Goby providing information about Available market opportunities, conditions and services.
4.	Lack showing	Generally Indian women socialized with feminine Qualities, withdrawal mentality, son preference, and restricted movement.	The most important shoving is self-motivation, family support positive Government Policies, timely finances and a suitable environment to establish their enterprises.
5.	Lack of proper training	Indian families and society Provide training to a girl to make her as a good wife rather than to uplift her as an entrepreneur she is not	Equal opportunities, training, skill development freedom to net work with other businessmen.



		allowed to develop network with other business men, which is considered as a sin and bad culture.	
6.	Lack of access to financial support	Because of societal mind women are not access to finances like (1) share in the property (2)Government or private loans, schemes incentives, etc.	Equal share in the parental property, access to private, Government loans, support and complete information from other family members is all walks of their life.
7.	Lack of exposure, information about training programmes	Due to illiteracy, restricted Movement, lack of networking, and awareness.	Literacy is the main source of Information about all schemes and institutions which will provide training, financial assistance and about the enterprise and market facilities.
8.	Lack of access to resources	Withdrawal nature, societal zero paradise, hesitant nature of women keeping Them away from all resources	Build the capacities to identify their priorities and shed down the hesitations to find a way to grab all kinds of resources.

Women entrepreneurs are constantly rewriting the economy with their skill and confidence, and providing a new lease of life to the rural population with their innovative ventures. Here is a look at five women entrepreneurs who have made invaluable contributions to rural development:

- (1) **Ela Bhatt:** The Founder of the Self-Employed Women’s Association (SEWA), Bhatt is a renowned leader in the fields of microfinance and labour. She founded SEWA in 1972 along with the late Arvind Buch who was then the president of the Textile Labour Association (TLA). Thanks to an initiative by SEWA, villages in Bihar have become a base for rural women to earn their living by renting solar bulbs to other families. These women buy solar bulbs at subsidized rates with the help of loans from SEWA and then not only use some in their own homes but also rent them out to other families, thereby earning their living. Ela Bhatt has been awarded the Padmashri, the Padmabhushan as well as the Ramon Magsaysay Award.
- (2) **Thinlas Chorol:** She founded the Ladakhi Women’s Travel Company in 2009 to bring more women into the field of travel and mountaineering, and also to promote ecotourism in Ladakh. She is the only Ladakhi woman to be trained to work in the field of mountaineering.
- (3) **Annie George:** She is the founder of BEDROC, an organization that “helps build disaster-resilient, sustainable coastal communities.” Some of the fields that BEDROC works in are disaster management, Participatory Water Resource Management, and Coastal Vulnerability Mapping. One of the main objectives of BEDROC is to “Leverage experiences of the 2004 Asian tsunami to create community-based, community-owned mechanisms for enhanced disaster response, mitigation and preparedness for coastal communities.”
- (4) **Chetna Gala Sinha:** Sinha is the founder of Mann Deshi Mahila Sahakari Bank (Mann Deshi Bank), a regulated cooperative bank run by women for women. There are thousands of girls who drop out of school in Maharashtra every year, and Mann Deshi Udyogini aims at providing vocational training and financial training to these young women to enable them to become entrepreneurs. The bank also offers loans to these women to start businesses after graduating.
- (5) **Shri Mahila Griha Udyog Lijjat Papad:** This is also known as Lijjat, this is a women’s cooperative which manufactures a number of consumer goods. Lijjat was founded by seven Gujarati housewives from Mumbai in order to make a living with the skill they had – cooking. Today there are several members who work in a number of branches. Lijjat’s main motive is to generate self-employment for women and it provides employment to more than 40000 women.



## 5. Suggestions

Promoting entrepreneurship for women will require an even greater reversal of traditional attitudes than the mere creation of jobs for women would. This does not mean that we should wait for societal change to take place first. But it does imply that the program should go beyond subsidies and credit allocation to attitudinal changes, group formation, training and other support services. Combined effect of motivational drive, preparation of information material, conducting training, creation of women industrial estates, and training of promoters and use of mass media all together is bound to accelerate the process of women entrepreneurship development.

- Govt. should provide separate financial fund of women's entrepreneur.
- We should provide her special infrastructure facilities whatever she needs.
- Govt. should arrange special training programmes of women entrepreneurship
- Govt. should felicitate top ranker women's entrepreneur.
- Women entrepreneur should more competitive and efficient in the local & international market.

## Conclusion

India is agriculture based rural economy and about 60% of total populations still reside in villages. Villages are heart of India. India's rapid development depends on the development of rural sector. Most of rural people are disguisedly employed on agriculture land and most of the time they are reluctant to shift over to the activities other than farm activities. Among these poor rural people, women are great suffers because of being doubly oppressed. When we talk about rapid economic development, it will be incomplete without developing women, who constitute 50 % of total population. For the promotion of women entrepreneurship in rural areas the government should evolve appropriate policies to help women entrepreneurs. Networking facilities must be provided as well as adequate entrepreneurship awareness training should be provided using the help of local NGOs. Credit facilities must be made available and marketing help must be provided. All these will help foster a culture of entrepreneurship among women in India.

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