

# Rural Women Entrepreneurship: A Review

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## **Abstract:**

Growth and nature of economy of a country lies in the growth of entrepreneurship. Higher the encouragement for entrepreneurship higher is the growth of economy proportionately. This is evident with the economy of developed countries. The growth of entrepreneurship of developed countries shows, significant growth of women entrepreneurship, emanating the importance. A complete transformation of economy is possible once when drastic changes in the format of entrepreneurship happen from the gross root level of villages. The heart of India lies in rural villages. But, if a component of the population i.e. women living in rural village is ignored leads to decline in contribution to the growth of economy. At the same time women has got challenges to manage work life balance. This paper focus on women entrepreneurship, her motivation to be entrepreneur, required skills, problems faced and government support for rural women entrepreneurship.

Key words: Rural woman entrepreneurship, Motivation, Problems, Promotion by Government.

## **Introduction**

In India, industrialization is more evidently seen in tier 1 tier 2 cities. But majority of the population live in villages. This shows enormous potentiality untapped. For the growth of economy developing rural entrepreneurship brings a remarkable contribution to the Nation. As rightly pointed out by Prof. C K Prahalad, in his book "Fortune at the bottom of Pyramid", we can find low income group is high in India. This potentiality is tapped by few microfinance companies, SHGs and government initiated programmes.

**Women entrepreneurship**

According to Pandit Jawaharlal Nehru, India's first Prime Minister, realizing the pathetic situation of women, stated, — "In order to awaken people, it is the woman who has to be awakened. Once she is on the move, the household moves, the village moves, the country moves, and thus, we build the India of tomorrow." The Government has emerged as a major catalyst by way of providing training incentives and other facilities to succeed particularly in rural areas. But this marks only the beginning of an arduous journey ahead for the Indian woman entrepreneurs.

Entrepreneurship of women is of paramount importance to political thinkers, social scientists and reformers. The Self Help Groups (SHGs) have paved the way for economic independence of rural women. The members of SHGs are involved in Micro – Entrepreneurships. Through that, they are becoming economically independent and providing employment opportunities to others. Women entrepreneurs are being considered as an important catalyst for economic development. For women, entrepreneurship is essentially a journey out of poverty and towards equality and equity.

Empowerment is characterized as the mobility of women, economic security, ability to make purchases, involvement in major household decisions, political and legal awareness, and involvement in public protest and political campaigns. Women's participation in such programs increases their ability to visit market places for buying products, medical centers for medication, cinemas for watching movies, other homes in the village, and outside villages for more social relations. Participation also enhances the ability of the women to make both small and large purchases. Small purchases include small items used for daily preparation for the family (e.g., kerosene oil, cooking oil, spices), for oneself (e.g., hair oil, soap, glass, etc), or items like ice cream or sweets for the children. The large purchases are usually things like pots and pans, children's clothing, personal clothing (e.g., Saries), and a family's daily food (Afrin, Islam and Ahmed, 2010)

It is matter of firm belief that the economic development and social progress of women is the key to emancipation of women in its real sense. Women as entrepreneurs have become an important part of national development planning and strategies. The entrepreneurship shows the path to women independence and in turn satisfies the needs and aspirations for better living standard. In recent years, women have shown an inclination toward taking self-oriented jobs and professions with their family support, financial assistance and industrial guidance. (Tuladhar, 1996)

Stevenson (2000) explained that entrepreneurship is an approach to management that can be defined as the pursuit of opportunity without regard to the currently controlled resources. He examined five critical dimensions of business practices: strategic orientation, commitment to opportunity, control of resources, management structure, and reward philosophy, all of which are related to entrepreneurial development.

**Women Entrepreneurship in India:** Women Entrepreneurs have grown in large number over the last decade and increasingly the entrepreneurial potentials of women have changed the rural economies in many parts of India. Women entrepreneurs have been making a significant impact in all segments of the economy in India, The informal sector enterprises survey (NSSO 2001) provides a profile of female and male proprietary enterprises. The survey found that about 5.4% of proprietary enterprises in rural areas were operated by women and these were mainly own account enterprises (OAES). Approximately 12% of the workers in proprietary enterprises were engaged in the female proprietary enterprises. (Kishor N. Choudhary , Dr. Arvind P.Royalwar, 2011).

The research shows that mostly women entrepreneurs have started and run their enterprise by own and very few of them having traditional/family business and most of them have opinion that for them earning money matters a lot. This study revealed that the most motivating factors for rural women for becoming entrepreneurs are, entrepreneurship and earning money for education of the children, for supplement of family income, economic independence and for better standard of living while to develop risk bearing ability, hobby and to built up confidence decision are least motivational factors (K.M. Nalawade and varsha yashwant ingale, 2013).

Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena (Meenu Goyal, Jai parkash, 2011).

### **Rural woman entrepreneurship**

The rural women, who innovate, imitate or adopt an economic and commercial activity in rural India can be called rural entrepreneur or entrepreneurship. Rural women entrepreneurship can be viewed as rural women indivisible process which flourishes when the inter-linked dimensions of individual psychological – entrepreneurial traits, social encouragement and business opportunities coverage towards the common goal of opportunity

creation and exploitation. From this point of view, rural women entrepreneurship is a frame of mind and a continuous forward societal process.

The most appropriate definition of entrepreneurship that would fit into the rural development context is the one which defines entrepreneurship as: "a force that mobilizes other resources to meet unmet market demand", "the ability to create and build something from practically nothing", "the process of creating value by pulling together a unique package of resources to exploit an opportunity". Rural entrepreneurship is a key to economic development in many countries across the globe (OECD, 1998, 2003; UN, 2004)

A housewife or part-time farmer can link this business to the local production and consumption, as well as outside economic activity. The less fortunate are actually able to work and increase their working days after joining the rural credit programs (Hossain, 1988).

Financial management skills are the most important factor and have a significant relationship with the development of rural women and entrepreneurship. Results also show that the group identities of the female borrowers have a significant relationship with the rural entrepreneurship development in Bangladesh. A borrower's experience from the parents' families and the limitation of options also lead to the development of entrepreneurship among the rural female borrowers of Bangladesh. The microcredit programs do not help the borrowers to develop any entrepreneurial capabilities other than survival. (Afrin, Islam and Ahmed, 2010)

### **Reasons for women becoming an entrepreneur**

New challenges and opportunities for self-fulfillment, Innovative thinking, self-identity and social status, Education and qualification support of family members, Employment generation, Freedom to take own decision and be independent, Role model to others, Success stories of friends and relatives, Government policies and procedures, Family occupation, Need for additional income, Bright future of their wards.

### **Motivation and characters for women entrepreneurship**

The emergence of women entrepreneurs in a society depends mainly upon various economic, social, religious, cultural, and psychological factors (Habib, Roni & Haque, 2005). The motivations for starting a business by rural women are significant and include earning an attractive source of income, enjoying a better life, the availability of loans, and general security. (Habib, W.M., Roni, N.N. & Haque, T., 2005)

Desire to be independent; achievement orientation, etc. are some of the common motivating factors of women entrepreneurs across geographical boundaries. Women entrepreneurs in India have to face many problems at start up as well as operating stage. The main reason of non-availability of finance to women is their inability to provide collaterals as they do not have any property on their name.

Carter et al., (2004), "Size determinants of women-owned business: Choice or barriers to resources," indicates that perhaps the most popular reason for starting a new business, financial success involves reasons that describe an individual's intention to earn more money and achieve financial security (Carter, N. M., 2004).

It is quite clear that rural entrepreneurship cannot be developed without significant training. Therefore, instead of just schemes (financial and developmental) as the carrot for entrepreneurship development an intensive training needs to be provided to the youth in rural India. What's required is to create a devoted team to take up rural entrepreneurship training as per integrated rural development program (Bahl, J. 2012).

Women have got restricted mobility, and freedom, and have to perform dual roles, one at family, and another at business, which hinders the entrepreneurial growth. Similarly some gender related stereotypes also create obstacles for women entrepreneurs.

Government of India has introduced policy measures to promote the status and level of women entrepreneurship in the country. But very few entrepreneurs could approach for assistance which is an indication that there is need to revitalize the whole system. The root cause of these problems lies in the social systems and attitudes (Sreenivasa Rao Behara, Niranjana, 2012).

Social empowerment is essential for the development of poor rural women in Bangladesh. The positive argument is that microcredit programs help rural women to be more socially empowered (Zaman, 1999; Acharya, 1994).

Innovation is an important characteristic for an entrepreneur. Austrian economist Schumpeter (1949) defined entrepreneurship as focusing on innovation in four different areas such as new products, new production methods, new markets, and new forms of organization. Anyone who combines inputs in an innovative manner to generate value to the society, results in a creation of some kind of wealth. According to Schumpeter (1949), the use of new combinations defines enterprise and the individuals whose function it is to carry them out.

Robinson (2001), "An examination of entrepreneurial motives and their influence on the way rural women small business owners manage their employees" stated that women's reasons for starting business are not always often driven by positive factors but also due to

negative circumstances such as low family income, lack of employment opportunities, dissatisfaction with a current job or the need for flexible work etc. Women entrepreneurs are forced to take entrepreneurship in the absence of any other means of contributing to family income.

Mallika Das (2000) in her study “Women Entrepreneurs From India: Problems, Motivations and Success Factors” concluded that there are several factors which can initiate entrepreneurship characteristics among women, basic Entrepreneurial initiators are: personal motivations, socio-cultural factors, availability of ease finance, government schemes support and business environment. Observed in her study that most common reasons for success of women entrepreneurs is personal qualities such as hard work and perseverance. Some independent factors are market opportunity, family background, idea, challenge, and dream desire of status and economic independence. These factors vary according to parameters such as region, gender, age, family background, and work experience. Several surveys conducted in different parts of the world regarding women entrepreneurship management show that women have provided to be good entrepreneurs for the following reasons like Economic independence, establishing own credit idea, social Identity, Achievement of excellence, Confidence, Status in society, Greater freedom and mobility etc.

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

Several studies around the world have been carried out which throw light on the challenges faced by women entrepreneurs. Though the three major stages in the entrepreneurial process – of creating, nurturing and nourishing – are the same for men and women, there are however, in practice, problems faced by women, which are of different dimensions and magnitudes, owing to social and cultural reasons. The gender discrimination that often prevails at all levels in many societies impact the sphere of women in industry too, and a cumulative effect of psychological, social, economic and educational factors act as impediments to women entrepreneurs entering the mainstream.

The results of the study indicate lack of supportive network, financial and marketing problems were the major problem areas for rural women entrepreneurs and major demotivator for other women to initiate entrepreneurial activity. By probing into the problems it can be concluded that probably availability of finance is not as difficult as repayment of it is. The repayments are problematic due to low paying capacity which is affected by lack of education, poor skills, and certain problems related to marketing viz. lack of mobility, prejudiced attitude towards women and caste to which they belong and poor

infrastructural support. Thus, if the women are to be successful entrepreneurs, they are to be educated, skilled and trained sufficiently and to be supported rigorously by external environment to handle their entrepreneurial problems (Meenu Goyal, Jai Parkash, 2011).

Women entrepreneurs faced many obstacles specifically in market their product (including family responsibilities) that have to be overcome in order to give them access to the same opportunities as men. Indian rural market, if properly explored through the women entrepreneurs, offers unique opportunities to develop a strong network of rural enterprises. There are several trades which can be started at village levels and their initiation into production of good quality and high value products – from flowers to handicrafts, as a step in their economic emancipation. With increased educational opportunities; the women in India need to get more organized into small groups through sustained efforts. (Kishor N. Choudhary , Dr. Arvind P.Rayalwar, 2011).

### **Indian Government initiation towards rural women entrepreneurship**

Concept of Women Entrepreneurs defined by the Government of India (1984): 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 can become more productive by getting involved in economic activities. By providing stimulatory and sustaining supports, these women can be made able to initiate businesses and other income-generating projects. Hence, both the developed and developing countries are focusing more on groups such as rural women in order to engage them in income-generating activities (Chowdhury, 2002).

At present, the Government of India has over 27 schemes for women operated by different departments and ministries. Some of these are: Integrated Rural Development Programme (IRDP) , Khadi And Village Industries Commission (KVIC), Training of Rural Youth for Self-Employment (TRYSEM), Prime Minister's Rojgar Yojana (PMRY), Entrepreneurial Development programme (EDPs), Management Development programmes, Women's Development Corporations (WDCs), Marketing of Non-Farm Products of Rural Women (MAHIMA), Assistance to Rural Women in Non-Farm Development (ARWIND), schemes Trade Related Entrepreneurship Assistance and Development (TREAD), Working Women's Forum, Indira Mahila Yojana, Indira Mahila Kendra, Mahila Samiti Yojana, Mahila Vikas Nidhi, Micro Credit Scheme Rashtriya, Mahila Kosh SIDBI's, Mahila Udyam Nidhi, SBI's

Stree Shakti Scheme, NGO's Credit Schemes, Micro & Small Enterprises Cluster Development Programmes (MSE-CDP), National Banks for Agriculture and Rural Development's Schemes Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP), Priyadarshini Project- A programme for 'Rural Women Empowerment and Livelihood in Mid Gangetic Plains' NABARD- KfW-SEWA Bank project, Exhibitions for women, under promotional package for Micro & Small enterprises approved by CCEA under marketing support.

The efforts of government and its different agencies are ably supplemented by NGOs that are playing an equally important role in facilitating women empowerment. Despite concerted efforts of governments and NGOs there are certain gaps. Of course we have come a long way in empowering women yet the future journey is difficult and demanding.

### **Steps taken by Government to improve position of rural women entrepreneurs**

Governments both at the central and state level have been actively participating in promoting self-employment opportunities in rural areas by providing assistance in respect of infrastructure, finance, technology, training, raw materials, and marketing. Some of the support measures and programmes meant for the promotion of small and rural industries are discussed below

Rural and Women Entrepreneurship Development (RWED): The Rural and Women Entrepreneurship Development programme aims at promoting a conducive business environment and at building institutional and human capacities that will encourage and support the entrepreneurial initiatives of rural people and women. RWE provides the following services: Creating a business environment that encourages initiatives of rural and women entrepreneurs. Enhancing the human and institutional capacities required to foster entrepreneurial dynamism and enhance productivity. Providing training manuals for women entrepreneurs and training them. Rendering any other advisory services.

Similarly others are The District Industries Centers (DICS), Scheme of fund for regeneration of traditional industries (SFURTI), World Association for Small and Medium Enterprises (WASME), Small Industries Development Bank of India (SIDBI), National Small Industries Corporation (NSIC), The Rural Small Business Development Centre (RSBDC), National Bank for Agriculture and Rural Development (NABARD). ([www.smallindustryindia.com](http://www.smallindustryindia.com))



## Conclusion

No doubt the time to witness the dreams of Pandit Jawaharlal Nehru has come. But still we have to go a long way to eradicate the myths and problems of women entrepreneurship. The efforts taken by government started fruiting with the growth in education, but not as expected. Propelling the economy to the greater heights needs the phase and growth of entrepreneurship to be accelerated. Further government should think of attractive ideas to motivate, educate and promote rural women entrepreneurship.

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