



## Women entrepreneurship in rural sector

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### Abstract

Women have been viewed as the most important part of a nation and the developer and moulder of its destiny. "Women Entrepreneur" is a person who welcome challenging role to meet her personal needs and become economically independent. A strong urge to do something positive is an inbuilt nature of entrepreneurial women, who is capable of contributing values in both family and social life. These women entrepreneurs have generally gained potential from the Self Help Groups. In fact these SHGs are making women as economically independent if not a sound one. They are liberating their voice in all the spheres including the field of economy. A woman faces numerous problems to reach her familial needs. At last, a women entrepreneur becomes economically self-sufficient after facing challenges. By recognising herself a successful entrepreneur, she sparkles in the two faces of her life i.e. society and family. The paper emphasizes the Government initiatives for women entrepreneurship and problems of women entrepreneurs in rural India.

**Keywords:** rural women entrepreneur, entrepreneurship, challenges, self help groups

### Introduction

‘You can tell the condition of a nation by looking at the status of its women.’

– Jawaharlal Nehru

Women Entrepreneurs may be considered as the women or a group of women who initiate, organise and operate a business organisation. The government of India has defined women entrepreneurs as an organisation owned and controlled by a woman having a minimum financial capital of 51 per cent and giving at least 51 per cent of employment to women in that enterprise. In this dynamic world, Women entrepreneurs, as research demonstrates, may do things differently. For example, in comparison to male entrepreneurs, women tend to work more in teams, are less self-centred and personal ego to them is less important than success of the organization or business idea they are pursuing.

In India, though women have played a main role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognized with a marked shift in the approach from women welfare to women development and empowerment. The growth of women entrepreneurship has become an important aspect of our plan priorities. Several policies and programmes are being implemented for the development of women entrepreneurship in India. In advanced countries, there is a phenomenon of increase in the number of self-employed women after the world war II. In USA, women own 25% of all business, even though their turnover on an average are less than two-fifths of those of other small business. In Canada, women own one-third of small business and in France it is one-fifth.

### Review of Literature

Narayana Reddy, Vijay Kumar, Nalini B. in their book “Women in Development: Challenges and Achievement” (2005) states that Self Help Groups strengthen the quality of status of women participants decisions makers and recipients to take active part in the socioeconomic development of the nation with the help of microfinance rendered to them.

Cohoon, Wadhwa & Mitchell, (2010), present a thorough exploration of men & women entrepreneur’s motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to become entrepreneurs. These are state to build the wealth, the desire to capitalize own business ideas they had, the proposal of start up culture, a long standing wish to own their own company and working with someone else did not accepted by them. The challenges are more related with entrepreneurship rather than gender. However, the study bring down curtain with the need of further analysis like why women are so much concerned about protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.

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 providing financial services to the needy women 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 customised goods and services leading to exchange urban and rural market which satisfies consumer demand and also achieves enterprise objectives.

Jayan (2013) concluded women entrepreneurship in MSMEs and the relationship between industries related factors and progress of entrepreneurs with specific contribution to Coimbatore city. The study analysed that the factors which morale women to become a successful entrepreneurs are achievement motivation and human relations.

**Material and Methods**

The most important objective of this article was to identify the critical issues of women entrepreneurship in India and discuss the various issues related to problems of women entrepreneurship in India. The present article is purely based on secondary data collected through literature survey. All facts and problems discussed in this article are views of the respective authors. Some objectives of the study are as under.

**Objectives**

1. To understand the concept of female entrepreneurship in rural areas.
2. To analysis the Govt. Initiatives towards women entrepreneurs.
3. To study the difficulties of rural entrepreneurs.
4. To suggest creative ideas to develop women entrepreneurs.

**Challenges for Women**

Women entrepreneurs to pick their challenges, both at the time of starting up and at present, they are not the same.

**Constraints of Potential Rural Entrepreneurs and Development Inputs**

Table 1

Sr. No.	Constraints	Inputs
1	Low self-image and confidence.	Motivational inputs, unfreezing and experience sharing by successful local entrepreneurs.
2	No trust on others included friends.	Group building experiences.
3	No exposure to industry/business.	Field visit to factories and big markets.
4	Who to contact for starting a venture, what formalities and procedures are to be followed?	Information inputs on procedures and formalities.
5	How to know whether the identified business is a viable and sound proposition?	Opportunity analysis and guidance.
6	How to know whether the identified business is a viable and sound proposition?	Market survey, project report preparation.
7	How does one carry out bank operations?	Training in simple banking procedures like filing up deposit and withdrawal slip etc.
8	How to manage the business?	Basic management strategies through simulation exercises.

**Govt. Schemes for Women**

Various government schemes for Medium and Small Scale Enterprises provide certain special incentives and concessions for women entrepreneurs. For instance, under Prime Minister’s Rozgar Yojana (PMRY), preference is given to women entrepreneurs. The government has also made several relaxations for women to facilitate the participation of women entrepreneur in this scheme. Similarly, under the MSE Cluster Development Programme by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, but in the

**Financial and Marketing** related challenges considered the top pick at both times. People challenges however are stronger at present than while commencement indicating that as teams grow, so do the challenges integrated with them.

**Personal challenges** (bandwidth/time management) however, drastically taper off suggesting that women’s confidence in their own capabilities as entrepreneurs has grown with the experience.

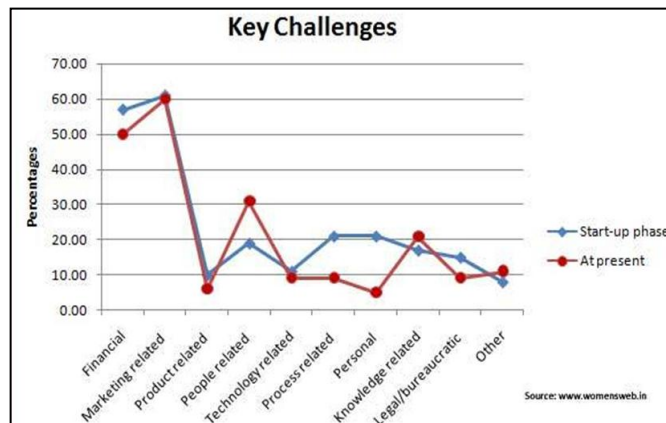


Fig 1

As for support in their entrepreneurial journey, besides friends and family (the top choices), the growing importance of the entrepreneurial community is reflected in the fact that 26% mentioned other entrepreneurs and entrepreneur groups. 23% also mentioned mentors and advisors.

### **Rashtriya Mahila Kosh**

The National Credit Fund for Women (NCFW) commonly known as Rashtriya Mahila Kosh (RMK) was set up by Government of India in 1993 to meet the credit needs of the poor and asset needs of the women in the informal sector. RMK extends micro credit through MFIs for various activities including setting up of micro enterprises

### **Trade Related Entrepreneurship Assistance and Development Scheme for Women**

With a view to boost women in setting up their own business, government implements a Scheme, namely, "Trade Related Entrepreneurship Assistance and Development (TREAD). The Scheme exercises economic empowerment of women through the development of their entrepreneurial skills in non-agricultural activities. There are three major components of the scheme;

- Govt. subsidy up to 30% of the total project cost to the Non-Government Organizations (NGOs) for promoting entrepreneurship among women. The left 70% of the project cost is financed by the financial agency as loan for undertaking activities as envisaged in the project.
- Govt. of India grant to training institutions /NGOs for imparting training to the women entrepreneurs, subject to these institutions/NGOs bring their share to the extent of minimum 25% of GOI grant and 10% in case of NER.
- Need-based Govt. of India grants up to Rs.5lakh to National Entrepreneurship Development Institutions and any other organisations of reputed for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.

### **Prime Minister's Employment Generation Programme for Women**

The Government of India is executing a nationwide employment generation programme, under which relaxation is provided to women in the following ways:

- For urban women entrepreneur, margin money subsidy is provided at the rate of 25 per cent (for general category, it is 15 per cent) of the project cost while it is 35 per cent for women in rural areas (25 per cent for general category).
- In case of women entrepreneurs, entrepreneur's offering is 5 per cent of the project cost while in the case of beneficiaries belonging to general category; it is 10 per cent of the project cost.
- Bank finance in the form of loan is 95 per cent of the project cost in case of women and other priority section borrowers and 90 per cent of the project cost in case of those belonging to general category.

### **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)**

Promoted by Government of India along with SIDBI, provides credit guarantee for collateral free loans up to Rs. 100 lakh for MSEs under its Credit Guarantee Scheme (CGS) with special concession to loans extended to women entrepreneurs i.e. the guarantee coverage is provided up to 80%. As on August 31, 2010, CGTMSE has covered 78,400 guarantees of Rs. 2,571 crore run by women entrepreneurs, which constitutes around 20% of total guarantees.

### **Promotional & Developmental Assistance**

The Indian Government is fully committed to foster the spirit of women entrepreneurship through various promotional and developmental support. The Ministry of MSME, Government of India, accords considerable emphasis on promotion of women entrepreneurship, through various training and support services. These women-centred programmes are tailor-made to train the potential women entrepreneurs in improving their technical/managerial knowledge and skill with a view to facilitating them to start MSEs in various fields. These programmes are often called "Out-reach Programmes" as they are operated in rural /less developed areas. 22.5% of total target of ESDPs/EDPs are operated exclusively for SC, ST, Women and Physically Challenged persons. No fee is charged from SC/ST, women and physically handicapped.

The following training schemes especially for the self employment of women are started by government:

- Support for Training and Employment Programme of Women (STEP).
- Development of Women and Children in Rural Areas (DWCRA).
- Small Industry Service Institutes (SISIs)
- State Financial Corporations
- National Small Industries Corporations
- District Industrial Centres (DICs)

**Marketing Assistance** - Ministry of MSME has formulated a scheme for women entrepreneurs to encourage Small & Micro manufacturing units owned by women in their efforts at tapping and developing enterprises under MSME stall at International Trade Fairs / Exhibitions, to enhance export from such units. Under this scheme,

- Provide rent free space (6/ Sq. Mts.) In the exhibitions
- Reimburse 100% economy class air fare for one representative, the overall ceiling shall however be Rs. 1.25 lakh.

### **Schemes for Minorities**

To provide additional financing agency for minorities, National Minorities Development & Finance Corporation (NMDFC) was set up by the Government in 1994. The Corporation fosters the development of backward sections amongst the Minorities through various schemes. Some of the financial assistance schemes of NMDFC include:

- Term loan
- Margin Money Loan scheme
- Educational Loan Scheme
- Scheme of Micro Credit
- Scheme of Interest Free Loan to NGO
- Mahila Samridhi Yojana.

### **Schemes for Schedule Castes and Tribes (SC/ST)**

National SC Finance and Development Corporation (NSFDC) is the apex institution for financing, facilitating and mobilising funds from other sources and promoting the economic development activities of the persons belonging to the Scheduled Castes living below double the poverty line. NSFDC operates various financing programmes for the upliftment of the Schedule Castes. Some of the financing

schemes of the corporation are as below:

- Term Loan
- Micro Credit Finance
- Shilpi Samridhi Yojana
- Mahila Samridhi Yojana
- Mahila Kisan Yojana

### **Problems faced by Women Entrepreneur**

Women in India are facing many problems to get ahead their life in business. A few problems can be detailed as;

1. A kind of patriarchal – male dominant social order is the building block to them in Women Entrepreneurship Development in India. Even though our constitution speaks of equality between sexes, male chauvinism is still the order of the day. Women are not treated equal to men. All these puts a break in the growth of women entrepreneurs.
2. Women entrepreneurs 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.
3. The women entrepreneurs are suffering from inadequate financial resources and working capital. 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. The women entrepreneurs lack access to external funds due to their inability to provide tangible security.
4. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, only few women can devote all their time and energies to their business"
5. The traditions and customs prevailed in Indian societies towards women sometimes stand as an obstacle before them to grow and prosper. Castes and religions dominate with one another and hinders women entrepreneurs too. In rural areas, they face more social barriers. They are always seen with suspicious eyes.

### **Ways to Develop Women Entrepreneurs**

1. Consider women as specific target group for all developmental programmers.
2. More education facilities should be provided. Research shows that women fear failure and have lower confidence levels than men.
3. Providing role models and guidance to women to show the economic, social and lifestyle benefits of business ownership could greatly enhance entrepreneurship rates.
4. Encourage women's participation in decision-making.
5. Vocational training to be extended to women community that enables them to understand the production process and production management.
6. Better access to capital should be given. There's still much inequality in terms of providing women the loans and other financing they need to start and grow businesses.

7. Suitable products with proper staffing pattern for the SHGs should be provided.

### **Conclusion**

Women are an essential human resource of the society and every community should try to utilize them as intermediary of economic growth and development. Encouragement for women entrepreneurship is one of the way for that. But unfortunately it is seen that the traditional mind set of the society and negligence of the nation and respective authorities are important hindrance in the women entrepreneurship development in India. Apart from the responsibility of the state and society, absence of a definite agenda of life, absence of balance between family and career obligations of women, poor degree of financial freedom for women, absence of direct ownership of the property to women, problems of work with male workers, lack of professional education, mobility constraints and lack of interaction with successful entrepreneurs are major problems of women entrepreneurship development in India. Therefore, there is need of continuous attempt to inspire, encourage, motivate and co-operate with women entrepreneurs, awareness programmes should be conducted on a mass scale with the intention of creating awareness among women about the various areas to conduct business. However Govt. aims is to provide women an innovative combination of financial and non-financial services that will help to improve their standard of living along with financial training services which will lead to rural economic empowerment and financial inclusion of these women entrepreneur

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