

# Empowering Women Entrepreneurs In MSMEs In Rural India – An Exploratory Approach

\*Prof.Madhurima Lall( Professor & Ex-Head,Dept.Of Applied Economics,LU)

\*\*Ms. Swati Yadav(Research Scholar,Dept. Of Applied Economics,LU)

## Abstract

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. According to the Annual Report 2017-18 of Government of India, Ministries of MSMEs, Micro sector with 630.52 lakh estimated enterprises provides employment to 1076.19 lakh persons, which accounts for around 97% of total employment in the sector. Small sector with 3.31 lakh and Medium sector with 0.05 lakh estimated MSMEs provides employment to 31.95 lakh (2.88%) and 1.75 lakh (0.16%) persons of total employment in MSME sector, respectively. It further estimates that Out of 1109.89 lakh employees in MSME sector, 844.68 (76%) are male employees and remaining 264.92 lakh (24%) are females. And out of these the gender wise distribution of workforce in MSME sector is seen to be 137.50 females and 360.15 males are working in rural sector and 127.42 females and 484.54 males are working in urban sector. This implies there could be many opportunities identification hidden inside the challenges for small business concerns. This paper examines various opportunities and challenges for Women Entrepreneurship Development in Micro Small and Medium Enterprise. More precisely the paper explores, rewards for starting a small business, myths about small businesses, new opportunities, four forms of entrepreneurship, identification practices among first generation and major challenges in small business.

## Keywords

Empowerment, MSMEs, Rural Entrepreneurship, Self Help Groups, Women Entrepreneurs,

## Introduction

“Entrepreneurship is a purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or organize profit oriented business unit for the production and distribution of economic goods and Service.”– A. H. Cole

The word entrepreneurship means has its origin in French Language which refers to organizers of musical or other entertainment. An entrepreneur is a person who has already started or is in the process of starting an enterprise.

The UNDP Human Development Report 1995 was devoted to women's empowerment and it declared that if human development is not engendered it is endangered. Equality, sustainability and empowerment were emphasized and the stress was on the understanding that women's emancipation does not depend on national income but is an engaged political process.

## Following Are Some Interesting Facts On Status Of Women In Modern India

- India has the world's largest number of professionally qualified women.
- India has more female doctors, surgeons, scientists and professors than the United States.
- India has more workingwomen than any other country in the world. This includes female workers at all levels of skill – from the surgeon and the airline pilot to bus conductors and menial labourers.

Ironically even with such advancements made by Women of Modern India, on an average woman in India are socially, politically and economically weaker than men. But moves are underway to empower women. The most news-making development was the introduction of the Women's Bill in Parliament in late 1998: the Bill seeks to reserve a certain percentage of seats in Parliament for women. The passing of this bill has lead the women to be a part of law making body and hence has given them a chance to protect their interest. Moreover there is a National Human Rights Commission for Women that handle all human rights violations against women, there is National Council for Women that advocates policy for Women, there is an entire ministry for women that formulates and implements policy for them. Hence the efforts are on to raise the status of Women in Modern India.

The call of the present time is that Women become financially independent. But the problem with financial independence of women is that the availability of jobs (in general for both Women & Men) is very less and hence some new method has to be sought out by women to gain financial independence. Entrepreneurship among Women can be eyed as a tool for Employment & Income Generation. The concern to develop more women entrepreneurs emerges from the fact that women represent 50 per cent of world population, but receive only 10 per cent of the world income and less than 1 per cent of the world's assets. Efforts have been made by various governmental and non-governmental agencies all over the world to promote women entrepreneurs. The results are somewhat encouraging. There is growth in the number of women opting for entrepreneurship as their career option. There is also a perceptible shift in the nature of businesses being set up by women in India. The myth that women are fit only for papad and pickle making is shattered completely. Women entrepreneurs are making a mark in the garment and service industries, as also in the computer, chemicals and construction material industries. The development of women entrepreneurs is in line with the overall entrepreneurship development in the country. 'The Women Entrepreneurship' in Modern India is there to stay.

The above advancements made by women have stimulated the researchers to find out the challenges faced by Women Entrepreneurs in Modern India.

## Review of Literature

Wells (1998) simply defines female entrepreneurs as 'women who establish new businesses.' Brush (1990) further develops the concept of "businesses" by the inclusion of 'unincorporated self-employed, incorporated self-employed, independent self-employed, employers, new entrepreneurship and female-owned sole proprietorships...[including] small businesses.' The foundation of this study is based on the Basic Female Entrepreneurial Environment Model (Djivire, 1998); The entrepreneur is at the center (female symbol). She is comprised of internal factors (Who, Why). Who represents the individual personality traits, demographics and managerial skills. Why represents motivational factors that stimulated them to start business enterprise.

Murthy (1989) stated that the concept of entrepreneurship as an organized knowledge came into being about hundred years ago. Though, the economists from Adam Smith to Marshall were talking about it, but without assigning the name of entrepreneurship. They used the terms as employer, the master, the merchant and the undertaker for carrying out different entrepreneurial activities now comprising of entrepreneurship. It was Eantillon, who first brought out the term entrepreneur and entrepreneurship was recognized in economic literature.

The traditional neoclassical theory of economic growth was first developed by Robert Solow in his 1956 paper “A Contribution to the Theory of Economic Growth” (Todaro and Smith, p. 128 and p. 139). In this paper, Solow argues that economic growth is a function of two inputs- the levels of capital and labour in a given area. The exact nature of this function is determined by the technological possibilities available to the society in question (Solow, p.66). Thus, under this theory, the economic growth of a given country is determined by the amounts of labour and capital that country possesses and the technological possibilities to which that country has access i.e., the level of knowledge

Tejstra and Olson (1993) produced one of the most interesting studies on the subject. The authors drew a distinction between start-up problems and growth problems. They developed a comprehensive grid that covered nine categories of problems: obtaining outside funding, internal financial management, marketing. At the growth stage, the dominant problems were related to marketing and sales, financial management, human resource management, the economic environment and the legal environment.

### **Rationale for this study**

Since little research has been conducted on this subject on women entrepreneurs in rural India, much was not known about the type of issues and challenges that women entrepreneurs face in establishing and running a business. Hence an exploratory research design was used to understand the motives for starting the business, start-up issues, key enabling and disabling factors in running a business and awareness & training of women entrepreneurs.

### **Research Methodology**

The study has used both primary & secondary data to address the issues taken up for research. Internet, journals, books, reports and other published materials were utilized to collect the secondary data. Primary data pertaining to demographic profile of women entrepreneurs, their businesses and key challenges faced by women entrepreneurs was collected through a qualitative interview with 30 women entrepreneurs..

Research Design: Exploratory Research Design

Universe: Women Entrepreneurs in Rural Area of Eastern Uttar Pradesh.

Sources of Information

Primary: Questionnaire & Personal Discussion

Secondary: Scanning Magazines, Reports, Internet, Journals, Corporate offices of various Entrepreneurship & Women Organizations

The criteria for selection of women entrepreneurs in this research is as follows:

- a) Started her own business
- b) Being established in her business for at least two years
- c) Owning at least 50% of her business
- d) Having a major managerial role at the time of study
- e) The total capital employed is more than Rs. 20,000/-

Primary data was collected with the help of Qualitative in-depth interview of thirty women entrepreneurs to get a deep insight into the problems and issues of women entrepreneurs in rural India. A well-trained research fellow administered the semi-structured questionnaire for data collection.

### **Research Findings**

Demography: Of the 30 respondents four were post graduates, nine were graduates, seven were senior secondary pass and ten were high school pass; five of them had a business running in their family; 26 were married and all the married women had 2 or more children. The response to the question “what was your motive for starting business” ranged from seeking financial support for family, flexibility, becoming financially independent, there were responses like “my spouse encouraged me”; “I had the desire to

achieve something”; “I wanted recognition from others”; two of them said that they were encouraged by their parents, three of them said that the motive to start business was to be like their mother who were running business and were their role models. One of them even said, “the children of our village had to walk 30 Km to go to school, so when I came back to village after my MA, Bed. the grampanchayat supported me to start a school”,

The two critical issues at the time of start-up are obtaining loans and networking. When women entrepreneurs were asked that “is obtaining loan at the start-up difficult for women entrepreneurs”, a clear critical issue was identified, all of them without exception agreed to the fact that obtaining loan for business was the most critical challenge faced by them, one of the respondents said, “I was asked to submit my application with my husband”, there was another who said that “though loan was granted it needed collateral from their husband, in one extreme case a woman reported ‘I was refused for a loan but when I reapplied with my husband as the applicant the loan was granted.’”

“Did you apply for loan, was it granted and the proportionate of the grant was”

Twenty-three women had applied for loan and barely 12 were granted loan and even of those who had been granted loan only 2 were granted the absolute amount.

“Is balancing work-life a problem”, nearly all (28) women entrepreneurs said that balancing work-life was a critical problem faced by them, when they were probed to give reasons for the same the responses ranged from “business demanded lot of time”, further probing by do you hire anyone for domestic help and childrearing activity, the answers like “not at all”, “Oh! That is what women are supposed to do”, “it is my first priority, business comes next”, answers went to the extreme “I would lose my relevance in my family if I do that”, when probed do they get time for personal interest and socializing, The respondents gave a mixed reaction which ranged from ‘for me business and socializing are same’ to “I don’t get time to meet relatives and friends or personal activities”.

When they were asked “Did you get support from your husband when you started your business”, nearly all the married women in the sample said yes but there were two respondents who said that “my husband initially did not support but when I started making profits and my business was successful I got full support from my spouse.”

When probed about their family members support they said, ‘there were several doubts on my capabilities’, “I was also questioned on who will take care of household activities as well as childcare”, “it would bring bad name to the family”, “what would others say” and even ‘how can you think of working with men.’ But despite these oppositions their self-determination and spouse’s support helped them in starting their business. They were then asked about the five enabling and five disabling factors in running the business enterprise while setting up the venture, in day-to-day operation and while approaching community.

The various enabling factors that women entrepreneurs described included: “my husband gave me complete support”, “my daughters encouraged me”, “my mother’s success as an entrepreneur gave me strength”, “the grampanchayat supported me to start a school”, “the ladies in my village were extremely talented and had skills”, “my business required little capital, “I wanted to earn for my family”, “I always wanted to achieve something in life”, “I wanted to do something different in my life”. The various enabling factors could be summarized as support from spouse, availability of manpower, emerging opportunities, low cost of start-up, desire to achieve & earn.

The various disabling factors that women entrepreneurs described included: “obtaining loan was like winning a battle”, “the bankers were gender biased”, “I had to suffer lot of hardships in obtaining loan”, “there were doubts on my capabilities raised my family and friends”, “I had no contacts with the suppliers”, “there was no one to guide me”, ‘I always felt the need to have someone for experienced advice’, ‘it is still a man’s world’, ‘society still looks down on those women who work or do business’, “I don’t get enough earnings from my business”, “market is very limited”, “I am not able to reach bigger markets”, “I find difficulty in maintaining accounts”, “payment system is very slow” and “the middlemen offer very low margins.” The various disabling factors could be summarized as: problems in obtaining loan, lack of proper network, need for competent advice, gender discrimination, insufficient profits, finding markets to sell, inefficient payment system and maintaining accounts.

When they were asked, ‘are you aware of the various programmes and policies of government formulated for women entrepreneurs’, 21 women entrepreneurs were aware of at least one of the programme, 11 were



aware of at least two programmes and only two of them were aware of more than three programmes, when they were asked did you avail the benefits of any of these programme, only two women entrepreneurs had availed the benefits of the programme, to know their willingness to undergo a training in managing business, it was heartening to know that all of them showed their keenness to undergo training in running a business, the types of training that they desired to have ranged from: finance and accounts, marketing, general management,

### **Conclusions from the above research**

The above research has provided an insight into the life of women entrepreneurs in rural India. The various motives for starting business ranged from providing financial support to family, to achievement, opportunity, flexibility and recognition. The various challenges faced by women entrepreneurs in running the business ranged from obtaining loans, to seeking support from family members, work-life balance and several problems in operating business. Despite all these problems, modern women entrepreneurs are ready to move forward and are willing to learn and undergo trainings to run business. Policy makers need to popularize and facilitate the benefits of various programmes and policies for women entrepreneurs, they also need to address the key issues in relation to market accessibility, obtaining loans from banks and various funding agencies to further facilitate the growth of women entrepreneurs in rural India.

Women's work is statistically less visible, nonmonetized and relegated to subsistence production and domestic side. The non paid work includes domestic chores like cooking, cleaning, child care and care for the elderly and the handicapped-traditionally understood as women's work. Subsistence activities like kitchen gardening, post harvest processing, feeding farm hands, live stock maintenance, gathering of fuel, forest produce, unpaid family labour in family farm or enterprise are all done by women who are reported to be "non working housewives". If women's work is rendered visible, especially unpaid household work, there will be dramatic change in perspective towards perceiving women's work.

Women's concern for security, families and care need to be handled with sensitivity and beyond the blind call of procedural justice. Women's agency needs greater recognition in all government policy. For a full functioning of women's capabilities the State needs to look beyond the parameters of mere service delivery of education, health and income. Women's experiences need to be perceived as legitimate in the larger public discourse. More time and space needs to be devoted to allow for their expression, whether it is in training or in data collection efforts.

So many support schemes have been implemented by the agencies of the Ministry of Rural Development and Ministry of Micro, Small and Medium Enterprises.

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth.

Rural women entrepreneurs face lots of challenges like business and family conflict, financial crisis, illiteracy, low risk bearing capacity, lack of visibility and leadership, lack of information and assistance, lack of training and development, mobility constraints, lack of infrastructure, high level of corruption, male dominated society etc. which makes their work very difficult and discouraging

The author is confirmed of the fact that young Indian women imbibe an immense potentiality of entrepreneurial traits if taken into confidence and given a chance to initiate. Instead of counting on the limitations and failures so far, it is the time to study entrepreneurship in developed economies, analyze their working culture and ponder their policies and structures. Witnessing the work culture and getting a touch with the entrepreneurs at UK or developed nations will definitely bring out the shortcomings which we are not able to foresee till date. In the event of globalization, FDIs must focus to select the thriving (as we have detected during our survey) woman folk, invest and see the magical returns. The Indian woman, especially the rural folk, is more sensitized, needy and risk prone. She could win, if given the right opportunity in right time. This right element is still missing. The applicant feels a definite evolution of

research which would revolutionize the potentials of Indian women with the experiences of the western culture. It will help in the fosterisation of entrepreneurship more of employment opportunities and income generation for sure it requires a bit of creativity, an investigation of the missing event (from success countries of entrepreneurs like UK) and a sum of financial support, the Indian woman entrepreneurs can dare where devils can't.

## References

1. Aculai E., Ayol T., Isakova N., Smallbone D., Schakirova N., Welter F. (1996) Social Capital and women entrepreneurship in fragile environments: does networking matter? *Frontiers of entrepreneurship research*, 1996.
2. Alvarez, S.A., and Meyer, G.D. (1998). Why do women become entrepreneurs?. (Summaries). Retrieved May 2, 2006, from *Frontiers of Entrepreneurship Research 1998 Edition* at Babson College Web site: [http://www.babson.edu/entrep/fer/papers98/V/V\\_C/V\\_C.html](http://www.babson.edu/entrep/fer/papers98/V/V_C/V_C.html)
3. Brush, C.G. (1997). Women-owned businesses: Obstacles and opportunities. *Journal of Developmental Entrepreneurship*, 1997 as in *Annotated Bibliography on women Business Owners: A diversity lens*, *New England Journal of Entrepreneurship*,
4. Caromie, S and Hayes, J (1998). Towards a typology of female entrepreneurs. *The sociological review*, 36 (1), 87-113.
5. Cooper, A., Dunkelberg, W. (1986), Ownership Structure and entrepreneurship, *Strategic Management Journal*, 7, 503-522.
6. Goffee, R., and Scase, R. (1983). Business ownership and womens subordination: A preliminary study of female proprietors. *The sociological review*, 1983. as in *Annotated Bibliography on women Business Owners: A diversity lens*, *New England Journal of Entrepreneurship MA: Babson College*.
7. Hisrich Robert and Brush, C. G. (1987) Women entrepreneurs: A longitudinal study. *Frontiers of Entrepreneurship Research*, 1987.
8. Scott, C.E. (1986), why more women are becoming entrepreneurs, *Journal of Small Business management*, 24, 37-44.
9. Selz, M. (1992, April 6). Young America still fosters entrepreneurial ambitions. *Wall Street Journal*, p 32

10. Smith, P.L., Smits, S.J., and Hoy, F. (1992). Female business owners in industries traditionally owned by males. Sex Roles as in Annotated Bibliography on Women business owners: A diversity lens, New England Journal of Entrepreneurship
11. Srinivasan, R., Woo, C.Y., and cooper, A.C. (1994). Performance determinants for male and female entrepreneurs (Summaries). Frontiers of Entrepreneurship Research, Retrieved June 9, 2006
12. Takeru Ohe, Shuji Honjo, Yasuko Okada and Koichi Miura (1992), "Female Entrepreneurs in United States and Japan: A Study of perceived differences", Frontiers of Entrepreneurship Research pp.463-64 as in Status Of Women Entrepreneurs in India, S Ganeshan: Kanishka Publishers, Distributors, New Delhi.
13. Watson John, (2002) Revisiting the female under-performance hypothesis, Frontiers of Entrepreneurship Research.

