



# A Study on Present status of Women and Rural Entrepreneurs - in India

CHANDRASHEKARA.D.C

Department of Economics,  
Government First Grade College,  
Birur. Kadur taluk,  
Chikkamagaluru-577116.  
Moblie NO: 9449100752  
Email ID:chandrudcku@gmail.com

## Abstract;

Approximately 1/3rd of the entrepreneurs in the world are women entrepreneurs. Women entrepreneurs refer to business or organization stated by a women or group of women. There has been a change in a role of women due to growth in education, urbanization, industrialization and awareness of democratic values Status of higher education in women in India came out to be lower than most countries in the world. At present, women's entrepreneurial role is limited in the large scale industries and technology based businesses. But even in small scale industries, the women's participation is very low. As per the third all-India census of Small Scale Industries, only 10.11% of the micro and small enterprises were owned by women, and only 9.46% of them were managed by women. While the number of women operating their own business is increasing globally.

**KEYWORDS;** Women, Rural, Entrepreneurship, Finance, Education.

## Women entrepreneurship;

It is the process in which women initiate a business, gather all resources, undertake risks, face challenges, provides employment to others and manages the business independently. Approximately 1/3rd of the entrepreneurs in the world are women entrepreneurs. Women entrepreneurs refers to business or organization stated by a women or group of women. There has been a change in a role of women due to growth in education, urbanization, industrialization and awareness of democratic values.

According to definition given by Government of India - "A women entrepreneur is defined as an enterprise owned and controlled by women having a minimum financial investment of 51% of capital and giving at least 51% of employment generated to women". According to Ruhani j Alice "women entrepreneurship is based on women participation in equity and employment of a business enterprises".

## Status of women entrepreneurs in India;

Entrepreneurship is considered as one of the most important factors contributing to the development of society. India has been ranked among the worst performing countries in the area of women entrepreneurship in gender-focused global entrepreneurship survey, released in July 2013 by PC maker Dell and Washington based consulting firm Global Entrepreneurship and Development Institute (GEDI). Of the 17 countries surveyed India ranks 16th, just above Uganda. Countries like Turkey, Morocco and Egypt has outperformed India.

Status of higher education in women in India came out to be lower than most countries in the world. At present, women's entrepreneurial role is limited in the large scale industries and technology based businesses. But even in small scale industries, the women's participation is very low. As per the third all-India census of Small Scale Industries, only 10.11% of the micro and small enterprises were owned by women, and only 9.46% of them were managed by women. While the number of women operating their own business is increasing globally, women continue to face huge obstacles that stunt the growth of their businesses, such as lack of capital, strict social constraints, and limited time and skill.

## Challenges and Problems faced by Women Entrepreneurs in India;

1. Family restrictions
2. Lack of finance
3. Lack of education
4. Role of conflicts
5. Unfavorable environment
6. Lack of persistent nature
7. Lack of mental strength
8. Lack of information
9. Stiff competition
10. Mobility

**1. Family restriction;** Women are expected to spend more time with their family members. They do not encourage women to travel extensively for exploiting business opportunities.

**2. Lack of Finance:** Family members do not encourage women entrepreneurs. They hesitate to invest money in the business venture initiated by women entrepreneurs

**3. Lack of Education:** Women are generally denied of higher education, especially in rural areas and under developed countries. Women are not allowed to enrich their knowledge in technical and research areas to introduce new products.

**4. Role of Conflict:** Marriage and family life are given more importance than career and social life in Indian society.

**5. Unfavorable Environment:** The society is dominated by males. Many business men are not interested to have business relationship with women entrepreneurs. Male generally do not encourage women entrepreneurs.

**6. Lack of persistent Nature:** Women generally have sympathy for others. They are very emotional. This nature should not allow them to get easily cheated in business.

**7. Lack of Mental strength:** Business involves risk. Women entrepreneurs get upset very easily when loss arises in business

### Remedial Measures

Some of the remedial measures that can be undertaken to promote women entrepreneurship in India, are as follows.

1. Promotional help
2. Training
3. Selection of machinery and technology
4. Finance
5. Marketing assistance
6. Family support

**1. Promotional Help:** Government and NGOs must provide assistance to entrepreneurs, both in financial and non-financial areas.

**2. Training:** Women entrepreneurs must be given training to operate and run a business successfully. Training has to be given to women who are still reluctant to take up the entrepreneurial task.

**3. Selection of Machinery and Technology:** Women require assistance in selection of machinery and technology. Assistance must be provided to them in technical areas so that the business unit become successful.

**4. Finance:** Finance is one of the major problems faced by women entrepreneurs. Both family and government organizations should be liberal in providing financial assistance to them.

**5. Marketing Assistance:** Due to limited mobility, women are unable to market their goods. Assistance must be provided to help them to market their goods successfully in the economic environment.

**6. Family support:** Family should support women entrepreneurs and encourage them to establish and run business successfully.

### Steps Taken By The Government To Promote Women Entrepreneurs

The Government has also taken a few steps to ensure that women are properly educated, informed and guided about entrepreneurship and the countless opportunities it has to offer.

1. Trade Related Entrepreneurship Assistance and Development (TREAD) scheme for women

2. Mahila vikas Nidhi
3. Co - operative schemes
4. Government yojanas
5. Private organizations

### **1. Trade Related Entrepreneurship Assistance and Development (TREAD) scheme for women**

This scheme provides women with proper trade related training, information and counseling along with extension activities related to trades, products, services etc. Along with that, Government Grant also provides up to 30% of the total project cost as appraised by lending institutions which would finance the remaining 70% as loan Assistance to applicant women. It mostly helps poor & usually illiterate/semi-literate women to get started on their business.

### **2. Mahila Vikas Nidhi**

This fund has been set up by SIDBI to help women in rural area start their entrepreneurship easily. It grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.

### **3. Co-operative Schemes**

Women co-operatives schemes were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.

### **4. Government Yojanas**

Swarna Jayanti Gram Swarozgar Yojana and Swaran Jayanti Sekhari Rozgar Yojana were two important schemes launched by the government to provide reservations for women and encouraging them to start their ventures.

### **5. Private Organizations**

Several NGOs, voluntary organizations, Self-help groups, institutions and individual enterprises from rural and urban areas are working to help new women entrepreneurs to set up their business and run it smoothly.

### **A few training programs started by the Government for self employment of women are:**

- 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 Centers (DICs)

### **Rural Entrepreneurs**

- Rural entrepreneurs are those who carry out entrepreneurial activities by establishing industrial and business units in the rural sector of the economy. In other words, establishing industrial and business units in the rural areas refers to rural entrepreneurship. They play a vital role in the development of the economy
- **Definition of Rural Entrepreneurship**
  - It is defined as entrepreneurship emerging in rural areas,
  - which has capability to drive various attempts in primary,
  - secondary and tertiary sectors and acts as a potent factor for
  - economic development."
  - Rural entrepreneurship is that entrepreneurship that initiates
  - in rural areas brings value addition to rural resources
  - engaging largely human resources of that particular area.

### **Status of Rural entrepreneurs in India**

These days rural entrepreneurship in India is seen as the largest force in the development of the rural areas. Infarct, many of the developing countries in the world have use the concept of rural entrepreneurship as a very successful method of deterring rural unrest. The greatest asset that the rural areas have in not the natural resource but it is the vast uncultivated land. Due to the ever growing population of the world and the expansion of the metropolitan areas, governments reliance on the rural land has significantly increased. These land are used in the development of industry and establishing manufacturing base.

Rural development is more than ever before linked to entrepreneurship. The entrepreneurial orientation to rural development accepts entrepreneurship as the central force of economic growth and development, without it other factors of development will be wasted or frittered away. However, the acceptance of entrepreneurship as a central development force by itself will not lead to rural development and the advancement of rural enterprises. What is needed in addition is an environment enabling entrepreneurship in rural areas. The existence of such an environment largely depends on policies promoting rural entrepreneurship.

### **Challenges and problems faced by rural entrepreneurs;**

- Pricing
- Scaling across geographies
- Social and culture challenges

- Growth of mall culture
- Poor assistance and power failure
- Lack of technical knowhow
- Distribution and logistics
- Payment collection
- Infrastructure sickness
- Cultural values

### 1.Pricing:

it is easier to collect in larger amounts as every instance of collection and carrying of cash has associated cost. Disposable income, through , isn't always high since the bulk of rural India is agriculture and income cycle in agricultural are very erratic and not as predictable as in the case of us salaried individuals.

### 2. Scaling across geographies :

India is a land of many cultures and tradition , the contrast become that much starker in the case of rural India. Setting up operation on a pan-India level present different types of hurdles in different states ranging from political juggling to downright local factors.

### 3.Social and cultural challenges:

The cyber café model has not worked in many parts of rural India due to socio-cultural issues. One of the reasons for the failure of the kiosk model in Kuppam (HP's i-community) was the lack of usage by women which was largely due to their discomfort in going to kiosks run by men.

### 4. Growth of Mall culture:

Because of the globalization and modern economy encouraging the mall culture rather than the traditional shops. Another side rural Indian people income is also increased, because of that these people also attracted to mall culture.

### 5. Poor Assistance & Power failure :

These two are the major challenges faced by the rural people . India is not a developed country, it is still developing country . Moreover India, don't have a sufficient power and electricity infrastructure facilities to satisfy the needs of their people. For filling the gap between the demand and unavailability the government of India have been committed to power cut to rural areas.

### 6. Lack of technical know How:

Rural Indian people they don't have strong technical educational knowledge. That is the reason these people don't know how to use latest technology. Still majority of the rural entrepreneurs traditional and old technology.

### Remedial measures/Steps taken for the promotion of rural entrepreneurs

To overcome the problems the following measures need to be suggested for developing rural entrepreneurship in the country.

- 1.Provision for adequate infrastructural facilities:
2. Provision for credit facilities

3. Creation of strong raw-material base
4. Common production - cum - marketing center need to be set up
5. Provision for entrepreneurial training
6. Creation of awareness of various facilities amongst the rural people

#### **1. Provision for adequate infrastructural facilities:**

Government should make adequate provision for strengthening and developing infrastructural facilities in the rural sector for proper movement and marketing of rural industrial products.

#### **2. Provision for credit facilities:**

finance is considered as lubricant for setting up and running an industry, sufficient amount of funds must be available on time at soft terms. Banks and financial institutions must come forward to provide credit to rural industries at concessional and subsidize rate on easy terms and conditions.

#### **3. Creation of strong raw-material base:**

Raw materials is must for any industry. However, rural industries face tough problem in procuring and storing of raw materials. Therefore, an urgent policy is called for to strengthen the raw material base in the rural sector on priority basis.

#### **4. Common Production-cum-Marketing Centre need to be set up:**

Marketing is another area where rural industries are weak. In order to solve the problem of marketing, common production-cum-marketing centers need to be set up and developed with modern infrastructural facilities. This will help in promoting export business on one hand and bringing the buyers and sellers in close interaction avoiding middlemen in between them on the other.

#### **5. Provision for entrepreneurial training:**

As most of the rural entrepreneurs join their entrepreneurial career not by choice but by chance, training is" essential for the development of entrepreneurship. There is a need to develop entrepreneurial aptitude and competencies among the prospective entrepreneurs through training.

#### **6. Creation of awareness of various facilities amongst the rural people:**

The rural people are not aware of the facilities available in setting up rural industries. Therefore, it is the need to disseminate information about what is available through vocational training, Entrepreneurs Development Programs, screening of Audio-visual films on various rural related enterprises, etc.

#### **Conclusion;**

The role of business women in economic development is inevitable. Now a days women enter not only in selected professions but also in professions like trade, industry and engineering. Women are also willing to take up business and contribute to the nation's growth.

It is not surprising that rural entrepreneurship is gaining in its importance as a force of economic change that must take place if many rural communities are to survive.

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