



## **WOMEN ENTREPRENEURSHIP DEVELOPMENT AND ITS IMPACT ON RURAL AREAS IN INDIA**

B. Shanthi<sup>1</sup>, Dr. K.G.Nalina<sup>2</sup>

<sup>1</sup>Assistant Professor (SG), <sup>2</sup>Associate Professor

Department of Management Studies, K.L.N.College of Engineering, Pottapalayam, Madurai

### **Abstract**

**Women entrepreneurship has been recognised as an important source of economic growth. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organisation and business problems. However, they still represent a minority of all entrepreneurs. 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. Their role is also being recognized and steps are being taken to promote women entrepreneurship. Women entrepreneurship is seen as an effective strategy to solve the problems of rural and urban poverty.**

**Women entrepreneurs in India are handicapped in the matter of organizing and running businesses on account of their generally low levels of skills and for want of support system. The transition from homemaker to classy business woman is not that easy. But the trend is changing. Women across India are showing an interest. 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 continue and struggle for excellence in the entrepreneurial arena.**

**Keywords: Women Entrepreneurship, Global markets, Nations growth, etc.**

### **Introduction**

Rural development is more than ever before linked to entrepreneurship. Institutions and individuals promoting rural development now

see entrepreneurship as a strategic development interference that could accelerate the rural development process. Furthermore, institutions and individuals seem to agree on the urgent need to promote rural enterprises: development agencies see rural entrepreneurship as an huge employment potential; politicians see it as the key strategy to prevent rural unrest; farmers see it as an instrument for improving farm earnings; and women see it as an employment possibility near their homes which provides autonomy, independence and a reduced need for social support. To all these groups, however, entrepreneurship stands as a vehicle to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. Women's entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to the Millennium Development Goals (MDGs). Thus, governments across the world as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives and promotional measure.

### **Objectives of the Study**

- 1) To know about the Women entrepreneurship development in Rural areas
- 2) To investigate into the major problems encountered by the women entrepreneurs
- 3) To suggest measures to overcome these problems so that women entrepreneurship is promoted and strengthened effectively to achieve inclusive growth has got great potential in Indian environment.

**Rural Entrepreneurship**

Diversification into non-agricultural uses of available resources such as catering for tourists, blacksmithing, carpentry, spinning, etc. as well as diversification into activities other than those solely related to agricultural usage, for example, the use of resources other than land such as water, woodlands, buildings, available skills and local features, all fit into rural entrepreneurship.

**Women Entrepreneurs**

There is no difference in characteristics such as achievement, autonomy, aggression, independence and benevolence between female and male entrepreneurs (Hisrich and Brush, 1984). Also, no differences were found in risk taking propensity of male and female entrepreneurs. However, we do need to talk explicitly about women entrepreneurs. It should be stressed that rural women can encounter many constraints when trying to take part in the transformation process. Rural areas tend to be more traditional in regard to the gender issue. In rural areas, the gender issue is usually a much stronger hindering factor to potential female entrepreneurs than it is in urban areas, their self-esteem and managerial skills being lower when compared to urban women and access to external financial resources more difficult than in urban areas. Therefore, special programmes of assistance (technical and financial) to overcome these constraints should be developed and designed to meet the needs of rural women in order to be able to take an active part in entrepreneurial restructuring of their communities, to start to develop their own ventures, to expand their already existing businesses, or to function as social entrepreneurs since their number today is still below the potential one.

**Women Entrepreneur Associations**

The efforts of government and its different agencies are supplemented by NGOs and associations that are playing an equally important role in facilitating women empowerment. List of various women associations in India is provided in the table below.

**Details of Women Entrepreneur Associations in India**

S.no.	Association Name	Website
1	Federation of Indian Women Entrepreneurs (FIWE)	<a href="http://www.fiwe.org/">http://www.fiwe.org/</a>
2	Consortium of Women Entrepreneurs (CWEI)	<a href="http://www.cwei.org/">http://www.cwei.org/</a>
3	Association of Lady Entrepreneurs of Andhra Pradesh	<a href="http://www.aleap.org/index.html">http://www.aleap.org/index.html</a>
4	Association of Women Entrepreneurs of Karnataka (AWAKE)	<a href="http://awakeindia.org.in/">http://awakeindia.org.in/</a>
5	Self-Employed Women's Association (SEWA)	<a href="http://www.sewa.org/">http://www.sewa.org/</a>
6	Women Entrepreneurs Promotion Association (WEPA)	<a href="#">Click here for Profile</a>
7	The Marketing Organisation of Women Enterprises (MOOWES)	<a href="#">Click here for Profile</a>
8	Bihar Mahila Udyog Sangh Bihar Mahila Udyog Sangh	<a href="http://www.biharmahilaudyogsangh.com/">http://www.biharmahilaudyogsangh.com/</a>
9	Mahakaushal Association of Woman Entrepreneurs (MAWE)	<a href="http://www.mawindia.com/">http://www.mawindia.com/</a>
10	SAARC Chamber Women	<a href="http://www.scwec.com/index.htm">http://www.scwec.com/index.htm</a>

	Entrepreneurship Council	
	Women Entrepreneurs Association of Tamil Nadu (WEAT)	<a href="#">Click here for Profile</a>
11		
12	TiE Stree Shakti (TSS)	<a href="http://www.tiestreeeshakti.org/">http://www.tiestreeeshakti.org/</a>
13	Women Empowerment Corporation	<a href="http://www.wecindia.org">http://www.wecindia.org</a>

These entrepreneurs are persons who initiate, organize, manage & control the affairs of business units that combine the factor of production, to supply goods & services, whether the business pertains to agriculture, industry trade or profession. The emergence of entrepreneurs in a society depends to a great extent on the economic, social, religious, cultural and psychological factors prevailing in the society. In the advanced countries of the world, there is a phenomenal increase in the number of self-employed women after the World War. Out of total 1,210.56 billion people in India, in the year 2014 upto March female comprise 587.44 million representing 48.53 percent of the total population. There are 182.10 million women work force (representing 31 percent of the female population) but as per the census only 3,85,906 women accounting for only 4.5 percent of total selfemployed persons in the country were recorded. Majority of them are engaged in the unorganized sector.

**Women Entrepreneurship Problems and Prospects**

Entrepreneurship is a distinct and crucial factor of production. The spirit of enterprise makes man an entrepreneur. Such a spirit transformed man from a normal to cattle breeder to a settled, agriculturist to a trader and to the industrialist.

The Table presents the data that the distribution of Women by employment status and Rural/Urban residence in India

DISTRIBUTION OF WOMEN BY EMPLOYMENT STATUS AND RURAL/URBAN RESIDENCE IN INDIA

Year	Rural			Urban		
	Self Employed	Regular Employee	Casual Worker	Self Employed	Regular Employee	Casual Worker
2000	64.5	4.1	31.4	48.5	27.8	23.7
2005	62.1	2.8	35.1	49.5	24.9	25.6
2010	61.9	2.8	35.3	45.8	25.8	28.4
2014(Upto March)	60.9	3.6	35.5	47.1	27.5	25.4

Source:- Planning Commission working paper title with “Employment past trends and prospects” – New Delhi

It is from the data presented in the Table 1, that the changes in employment status reveal that while rural women were increasingly moving from self employment to other two statuses, urban women were increasingly taking to self employment & regular salaried work.

**Problems of Women Entrepreneurs in India**

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

1. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal – male dominant social order is the building block to them in their way towards business success. Male members think it a big risk financing the ventures run by women.
2. The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loonies as higher risk than men loonies. The bankers put unrealistic and unreasonable securities to get loan to women

entrepreneurs. According to a report by the United Nations Industrial Development Organization (UNIDO), "despite evidence that women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit," often due to discriminatory attitudes of banks and informal lending groups (UNIDO, 1995b).

3. Entrepreneurs usually require financial assistance of some kind to launch their ventures - be it a formal bank loan or money from a savings account. Women in developing nations have little access to funds, due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money (Starcher, 1996; UNIDO, 1995a). The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. Very few women have the tangible property in hand.

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, few women can devote all their time and energies to their business" (Starcher, 1996, p).

5. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success is depends on the support the family members extended to women in the business process and management. The interest of the family members is a determinant factor in the realization of women folk business aspirations.

6. Another argument is that women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business. Here there is more probability for business fallacies like the intermediaries take major part of the surplus or profit.

7. The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints

from competition. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs.

8. Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different source with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.

9. Knowledge of latest technological changes, know how, and education level of the person are significant factor that affect business. The literacy rate of women in India is found at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship. They are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training (UNIDO, 1995b, p.1).

10. Achievement motivation of the women folk found less compared to male members. The low level of education and confidence leads to low level achievement and advancement motivation among women folk to engage in business operations and running a business concern.

11. Finally high production cost of some business operations adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and like similar factors dissuades the women entrepreneurs from venturing into new areas.

#### **Supportive Measures for Women's Economic Activities and Entrepreneurship**

- Direct & Indirect Financial Support
- Yojna Schemes and Programmes
- Technological Training and Awards
- Federations and Associations

#### **Direct & Indirect Financial Support**

- Nationalized banks
- State finance corporation
- State industrial development corporation
- District industries centers
- Differential rate schemes

- Mahila Udyug Needhi scheme
- Small Industries Development Bank of India (SIDBI)
- State Small Industrial Development Corporations (SSIDCs)

### **Yojna Schemes and Programme**

- Nehru Rojgar Yojna
- Jacamar Rojgar Yojna
- TRYSEM
- DWACRA

### **Technological Training and Awards**

- Stree Shakti Package by SBI
- Entrepreneurship Development Institute of India
- Trade Related Entrepreneurship Assistance and Development (TREAD)
- National Institute of Small Business Extension Training (NSIBET)
- Women's University of Mumbai

### **Federations and Associations**

- National Alliance of Young Entrepreneurs (NAYE)
- India Council of Women Entrepreneurs, New Delhi
- Self Employed Women's Association (SEWA)
- Association of Women Entrepreneurs of Karnataka (AWEK)
- World Association of Women Entrepreneurs (WAVE)
- Associated Country Women of the World (ACWW)

### **How to Develop Women Entrepreneurs?**

Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs.

1. Consider women as specific target group for all developmental programmers.
2. Better educational facilities and schemes should be extended to women folk from government part.
3. Adequate training programme on management skills to be provided to women community.
4. Training on professional competence and leadership skill to be extended to women entrepreneurs.
5. Counseling through the aid of committed NGOs, psychologists, managerial experts and

technical personnel should be provided to existing and emerging women entrepreneurs.

6. Women's development corporations have to gain access to open-ended financing
7. Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.
8. Repeated gender sensitization programmers should be held to train financiers to treat women with dignity and respect as persons in their own right.
9. A Women Entrepreneur's Guidance Cell set up to handle the various problems of women entrepreneurs all over the state.
10. Involvement of Non Governmental Organizations in women entrepreneurial training programmes and counseling.

### **Tips for Women Entrepreneurs**

- Start a business that works for you and your personal life
- Research the product/ service
- Assess the market
- Start business with adequate funds
- Do networking
- Consult with professionals

### **Conclusion**

Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth of the economy. 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.

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