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PROBLEM AND PROSPECTS OF RURAL WOMEN ENTREPRENEURS IN INDIA WITH NEW PERSPECTIVE



Elia Thagaram

INTRODUCTION

Rural entrepreneurship is now-a-days a major opportunity for the people who migrate from rural areas or semi - urban areas to Urban areas. India is the second most populous country in the world and has about 73% of its population in villages. But, in recent years, the percentage of population migrating to urban areas has increased considerably. Various social, economic, political and ecological problems in rural areas in developing countries like India create challenges in employment and cause increasing migration towards cities, decreasing agricultural production and increasing food shortage. The rural population constitutes a major segment in India. The

ABSTRACT

The emergence of entrepreneurs in agriculture and allied activities can propel our rural population into self-sustaining individuals, who in turn can catalyze the development of economy. The concepts of entrepreneur and entrepreneurship have been frequently applied to industrial sector. Agriculture, on the other hand, has largely been viewed as non-entrepreneurial traditional activity. For rural folk it is a way for life. Hence farmers were never visualized as business operators and farming as an enterprise. Not much has been developed to farmers into rational business, sensing individuals or in other words 'entrepreneurs'. The genesis of entrepreneurship in agriculture and allied activities is quite recent. It is now being widely accepted that increase in production, productivity, of terms, farm diversification, innovation and Development of farmers into self sustaining individuals follow inoculation of the entrepreneurial qualities among the farmers. Factors like liberalization of the economy have created the right ambience for growth of entrepreneurs in agriculture. It is estimated that presently women entrepreneurs comprise about 10% of the total entrepreneurs in India. The term "Women Entrepreneurship" mean, an act of business ownership and business creation that empowers

KEYWORDS : Women Entrepreneurs , agriculture and allied activities , Development of farmers .

Short Profile

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livelihood strategies of this vast segment depend primarily on agriculture and allied activities. Growth in this agricultural sector has shown a declining trend during the last one decade. This has made a huge impact on the domestic production, employment, etc. These problems can be tackled, to a certain extent, by developing entrepreneurial skills in Rural India. Entrepreneurs are playing a very important role in the development of the economy. They face various problems in running their business. As the thorns form an integral part of roses, similarly every flourishing business has its own set of problems. Some of the major problems faced by rural

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entrepreneurs are:

i. Financial Problems (Paucity of Funds, Lack of Infrastructural Facilities, less risk bearing capacity)

ii. Marketing Problems (competition from large scale organizations, intermediaries etc.)

iii. Management Problems (Lack of Knowledge of I.T, insufficient information on Legal Formalities, Lack of Technical Knowledge)

iv. Human Resources Problems (Lack of skilled Workers, Negative Attitude of employees towards work etc.)

The majority of rural entrepreneurs are facing several problems due to lack of basic amenities in rural areas like, lack of education, financial problems, marketing hurdles, Management and human resource problems, insufficient technical and conceptual ability etc. discourage rural entrepreneurs to establish industries in the rural areas. The present study focuses on the major problems facing rural entrepreneurs. Special focus has been on technological problems (facilities for repairs of machinery, lack of technical know-how, non availability of technology in time, obsolete technology, technology gap between different Institutions and entrepreneurs, lack of specialized training to entrepreneurs and non availability of improved technology), Institutional Problems (lack of Govt. support and incentives, long and complicated procedures to avail Institutional help, lack of cooperation and coordination among different development agencies like eg. poor working of various industrial agencies such as DICs, SISIs, lack of training to workers, insufficient publicity for imparting training, training institutes give less attention to objectives, identification and proper selection of entrepreneur, trainers do not belong to relevant field, lack of communication between field Functionaries and entrepreneurs), Financial problems (lack of sufficient working capital, problems in procuring financial loans from different agencies, inadequate amount advanced through financing agencies, lack of funds for publicity and advertisement of the product, high

rate of interest, difficulty in recovering receivables, problem of collaterals, high transaction cost) and lack of other basic amenities, i.e. availability of electricity, water supply, transport facilities and energy requirements etc.

WOMEN ENTREPRENEURSHIP:-

It is estimated that presently women entrepreneurs comprise about 10% of the total entrepreneurs in India. The term "Women Entrepreneurship" mean, an act of business ownership and business creation that empowers women economically, increases their economic strength as well as position in society. Hence women-entrepreneurs have been making an estimated and thus their social recognition is limited. The full visibility of the type, extent and distribution of this unremunerated work will also contribute to a better sharing of responsibilities between men and women. Lack of employment in the private sector and reduction s in public services and public service jobs have effected women disproportionately .In some cases, employment creation strategies have not paid much attention to occupations and sectors where women predominate. Taking, this in consideration, entrepreneurship among women is an area which can help in employment generation and income generation.

WOMEN ENTREPRENEURSHIP IN INDIA

Women have a unique position in the society. Real development cannot take place if it is bypasses women, who not only represent one half of a country's population but also the kernels around which societal revolution take place. Entrepreneurship enhances financial independence and self esteem of women. Around 50 per cent of India's population is women, yet business spheres such as trade, commerce and industry is still considered a male preserve. Entrepreneurial work has also been

predominantly a man's world in India, are women. Among the states, Gujarat, Maharashtra and Karnataka have more women entrepreneurs. Indian women are in no way inferior to men in all walks of life and they can be good entrepreneurs as men in the country. Therefore, it is essential to exploit the potential of Indian women. Women's participation in trade, industry and commerce, requiring entrepreneurship is still poor, mainly because of the problems associated with their gender roles. Therefore, promotion of entrepreneurship and economic empowerment of women poses a challenge to the government, funding agencies and non-government organizations. It is important for these people on the limitations faced by the women and to plan supporting systems to enhance the women entrepreneurship in India.

Problems associated with women entrepreneurs basically all women entrepreneurs almost suffer from two main categories of problems, such problems can be designated as follows:-

- 1) **Specific Problems:-**
- I. Problem of finances arrangement
 - II. Limited mobility factor in case of women entrepreneurs
 - III. Family responsibilities, ties as well as commitments
 - IV. Lack of education and prevalent levels of

illiteracy amongst women

V. Scarcity of raw materials required for productive capacities

VI. Lesser risk and uncertainty bearing attitude

2) **General Problems:-**

- I. Lack of self-confidence and optimistic attitude amongst women

- II. Absence of proper support and back-up for women by their own family members and the outside world people

- III. Old and outdated social outlook to stop women from entering in the field of entrepreneurship

- IV. Cut-throat competition with other group of men and established self-sufficient entrepreneurs

Objectives of the study

- 1. To know about the problems faced by rural women entrepreneurs.
- 2. To evaluate the event of availability of support schemes from nations and local agencies under entrepreneurs development scheme and utilization strategy of such services.
- 3. To suggest measures for further government initiative promotion of women entrepreneurship and to take policy decisions and promulgations.

SMALL SCALE INDUSTRIES 2010-11

Small Scale Industries Registered (No. of Units)	5,30552
Employment in SSI	37,03408
Investment in SSI (Rs in lakhs)	16,81,692
Value of Production (Rs in lakhs)	10,59,7951

ECONOMIC EMPOWERMENT OF WOMEN: ENABLING STRATEGIES

Five Year Plans Approach & Strategy	year	Focus Theme
I	1951-1956	Central Social Welfare Board, Mahila Mandals, Women Clubs, Community Development Projects
II	1956-1961	Intensive Agricultural Development, Welfare Approach
III	1961-1966	Women Education, National Child Welfare, Health, Education, Nutrition, Family Planning
IV	1969-1974	Women Education, Women Welfare, Immunization, Supplementary Feeding Programme
V	1974-1979	Women Income, Functional Literacy, National Action Plan 1976, Health, Family Planning, Nutrition, Education, Legislation, Social Welfare
VI	1980-1985	Development of 'Family' not 'women' Joint Pattas to women
VII	1985-1990	Equity, Empowerment & Women Rights
VIII	1990-1995	PRIs & 33% women reservation
IX	1997-2002	Empowerment of Women & Women Component Plan (WCP)
X	2002-2007	Social and Economic Empowerment National Policy for Women 2001, Protection of Women from Domestic Violence 2005, Protection against Sexual Harassment of Women Bill 2005
XI		XI Plan like the Prohibition of Child Marriage Act, 2006, Protection of Women from Domestic Violence Act, 2005, and Hindu Succession (Amendment) Act, 2005

V. Domination by male and ideology of male dominated society

INDIAN PERSPECTIVE

India has the world's largest number of professionally qualified women. It has more female doctors, surgeons, scientists and professors than in U.S. It also has successful

women entrepreneurs. India has more working women than any other country in the world. But, the women who are highly qualified, skilled, take-up good jobs and are very successful as entrepreneurs are confined to urban areas and their contribution towards the generation of National income and economic growth is not adequate. In India the rural area

contributes to 72 percent and among that 50 percent are women, who are not having adequate opportunities to educate, develop, get good opportunities or start their own business by which they can stand on their own feet. Thus they are not given an opportunity to contribute for national income, growth and development. In India we face the problems of unemployment, disguised employment, under employment and poverty. Rural women entrepreneurship can be a good answer to all these problems as it not only provides employment and source of income to the major neglected sector of the country but also to all those who become associated with the business concern. a) Government Initiatives: The Government of India has been encouraging self-employment and has started several schemes to promote entrepreneurship among women. Various income generating schemes like Support to Training and Employment Programme (STEP), Swavalambana Socio-Economic Programme, Pradhan Mantri Gram Swarozgar Yojana, Pradhan Mantri Shahri Swarozgar Yojana, Jana Shikshan Sansthan (JSS) etc. have been launched to this end. Women are encouraged to organize and form Self Help Groups (SHGs) and Cooperatives which undertake activities to generate income for the most vulnerable groups of women. Rastriya Mahila Kosh (RMK) was set up to provide loans to these women who could then become self employed by establishing their own business or small scale enterprises. Women's Development Corporations, operating in a few States in

C. Women Entrepreneurship in India: Problems and Challenges

Though, in practice, the same entrepreneurial process is followed for both men and women but there are many problems and challenges which are being faced by women entrepreneurs in India. These problems and challenges are:-

Male Dominated Society: - The utmost constraint to women entrepreneurs is that they

are women. A male dominant social order is the biggest hurdle to them in their way towards business success. Male members consider it to be a big risk funding the ventures run by women. Distrust in the Entrepreneurial abilities of Women: - The financial institutions do not trust the entrepreneurial abilities of women. The bankers put impracticable and absurd securities to get loan to women entrepreneurs. According to the 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 biased attitudes of banks and informal lending groups.

Inadequate Financial Resources and Working Capital: - Entrepreneurs generally need financial assistance of some kind to take-off their ventures- be it a formal bank loan or money from a savings account. The women entrepreneurs are suffering from inadequate financial resources and working capital. They do not have access to external funds due to their incapability to provide tangible security. Very few women have tangible property in hand.

Family Obligations: - Women's family obligations also restrict them from becoming effective 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." The financial institutions dishearten women entrepreneurs on the belief that they can at any time leave their business and become housewives again. The consequence is that they are compelled to depend on their own savings, and loan from relatives and family friends.

More Importance to Family Ties and Relationship: - Indian women give more importance to family ties and relationships. Married women have to make a reasonable equilibrium between business and home. Moreover, the success of a business depends on

the support of the family members to married women who are engaged in the business process and management.

Lack of Managerial Skills: - Another dispute is that women entrepreneurs have low-level management skills. They have to rest on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business.

Hard Competition between male and female: - The male-female competition is another reason which develops hurdles in the path of women entrepreneurs in the business management process. In spite of the fact that women entrepreneurs are good in keeping their services prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition.

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

Lack of Knowledge of Availability of Raw-materials: - Information of different sources of raw-materials availability and high negotiation skills are the basic prerequisites to run a business. Receiving the raw materials from different sources with discount prices is the factor that defines 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 entrepreneurs' business adventures.

Lack of Education: - Knowledge of modern technological changes, know how, and education level of the person are the major factors 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 required to build up successful entrepreneurship. They are unaware of new technologies or in expert in their use, and often

incapable to do research and gain necessary training.

Inability to take risks: - Low-level risk taking attitude is another factor affecting women entrepreneurs. Investing money, maintaining the operations and plugging back money from surplus generation requires high risk taking attitude, courage and confidence.

Managing Employees: - Managing employees is another challenge that women entrepreneurs in India face. Finding and retaining good employees is vital for the success of a business, but can be problematic for women entrepreneurs in India. Since women owned businesses tend to be smaller, they are often less likely to provide job security and retain good talent.

Inefficient arrangements for Marketing and Sales: - For marketing their products, women entrepreneurs are frequently at the mercy of the middlemen who pocket the chunk of profit. Further, women entrepreneurs find it tough to capture the market and make their products popular. This problem is all the more serious in the case of food production and processing ventures. Initiatives

Government Initiatives for Women Entrepreneurs in India

The government of India and the various state governments have come up with policies and programmes to assist women entrepreneurs and help in solving the above stated challenges and problems which they face. A brief account of these policies and programmes are given below. 1. Policy Initiatives: Government of India is committed to develop MSMEs in general and women entrepreneurship in particular. In a broad manner the government has implemented the MSME Development Act 2006 which has already come into effect. There is a provision to reserve items exclusively for the MSMEs. At present 20 items are reserved for these sectors. However depending on the factors such as economies of

scale, level of employment, prevention of concentration of economic power etc. there are possibilities of de-reservation also. The govt. has also launched National Manufacturing Competitiveness Programme (NMCP) to encourage competitiveness in this sector. Women entrepreneurship has been benefiting from these policy initiatives.

2. Role of the Ministry of MSME: The Ministry of MSME is primarily set up to assist various states and Union Territories in the effort to promote growth and development of MSME in general. The two specific schemes to assist the women entrepreneur (a) The Scheme of Trade Related Entrepreneurship Assistant and Development TREAD and (b) Mahila Coir Yojana. TREAD is linked with NGOs wherein the Govt. provide the grant up to 30% of the total project cost and also provide separate grant for research and development. Mahila Coir Yojana is a self-employment programme for women aimed to provide training and ratts for carrying out spinning activities in a subsidized manner.

3. Entrepreneurship Development Programme (EDP): The Government also announce from time to time Entrepreneurship Development Programme (EDP) especially for the first generation of women who desire to be entrepreneur. For the purpose of training and skill development there are three important institutions namely National Institute of MSME, Hyderabad, National Institute of Entrepreneurship and Small Business Development (NISESBUD, Noida and Indian Institute of Entrepreneurship (IIE), Guwahati and NISC, Delhi. All the institutions taken to gather had trained more than 20,000 women during the 2011-2012.

4. Prime Minister's Employment Generation Programme (PMEGP) launched in 2008-09 also gives special attention to urban and rural women by providing them subsidy at the rate of 25 to 35 per cent of the project cost in urban and rural areas respectively. Bank finance in the form of loan is 95% of the project cost for women.

5. The Ministry of Women and Child Development of Government of India does play an important role for all round development of women and provides support to women to empower themselves. It has launched the National Mission for Empowerment of Women (NMEW) in March, 2010. The mission has the network of various State Mission Authority (SMAs) at state level. Besides that there are two important schemes of the ministry which can act as complement to the process of development of women entrepreneurship. These schemes are named as Rajiv Gandhi Scheme for Empowerment of Adolescent Girls-Sabla and Support to Training and Employment Programme (STEP) for women. 'Sabla' was launched in 2010 with one of the objectives to provide vocational training to girls aged 16 and above under National Skill Development Programme. 'STEP' has been operational since 1986-87 with the objective to ensure sustainable employment and income generation for marginalized and asset less women across the country.

6. Other schemes operated by different departments and ministries are: Management Development Programmes, Women's Development Corporations (WDCs), Marketing of Non-Farm Products of Rural Women, Assistance to Rural Women in Non-Farm Development (ARWIND) Schemes, Micro Credits Scheme etc

CONCLUSIONS

With the advent of new technology, liberalization, globalization and privatization the scope for women entrepreneurship is more. However, women entrepreneurship in India is still in the budding stage. Most of the women entrepreneurs are not aware the programmers, incentives and schemes provided by the Government and institutions supporting women entrepreneurship. There is a need to redefine the role of Government and Institutions, which are providing women

entrepreneurship.

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