



PROBLEMS AND PROSPECTS OF THE RURAL WOMEN ENTREPRENEURS IN INDIA

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ABSTRACT

The most important factor for the economic development of a country is its industrialization. In the process of industrialization, emphasis is given to large-scale industries, medium-sale industries, small-scale industries and micro enterprises. In developing countries, micro and small enterprises are important in the context of employment opportunities, equitable distribution of national income, balanced regional growth and development of rural and semi-urban areas. However, the rural women entrepreneur manufacturing units face more problems. With this background, the researchers have made a novel attempt to study the problems and prospects of rural women entrepreneurs in Salem district. In the present study, by adopting simple random sampling, 100 rural women entrepreneurs were selected out of the 1200 units. As an essential part of the study, the primary data were collected from 100 owners of the rural women entrepreneurs with the help of well designed interview schedule. The study reveals that unattractive market, power cut, lack of financial assistance, inadequate subsidies and concessions, cumbersome formalities and maladministration, problems in marketing of products under capacity utilization, inadequate working capital and dependence on private parties for raw materials are the problems of rural women entrepreneurs in Salem district. Effective implementation of the suggestions could lead to the growth of the rural women entrepreneurs eventually result in creation of employment as well as poverty reduction.

Keywords: Rural women entrepreneurs, micro and small industries, cottage industries, industrialization, etc.

Introduction

The issues of rural women entrepreneurship are increasingly significant in the developing countries, as a result of a great number of programs whose goal is to encourage the sustainable rural development. However, these issues are also current in other countries in which the rural development is connected to entrepreneurship more than ever. Several factors influence this, such as the traditional economic activities which are based upon the routine agricultural production and the activities based upon the usage of natural resources which have the goal of obtaining competitiveness. After over 6 decades of independence and industrialization in our country, still large part of population remains under poverty line. Agriculture continues to be the back bone of rural society. 70 per cent of holdings are held by small and marginal farmers resulting in overcrowding on the agricultural land and diminishing farm produce. This results in migration of farm worker in large numbers to the urban areas. Entrepreneurship can play an important role in rural development. If entrepreneurs really encouraged in rural area it would, of course, be instrumental in changing the face of rural areas by solving the problems of unemployment, poverty, economic disparity, poor utilization of rural capacity and low level of standard of living. For strengthen of the country there is a necessity to develop the villages. Development of a country is a choice loaded on its people, whether urban or rural. Rural development is more than ever before linked to entrepreneurship. Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process.

Importance of Rural women entrepreneurs

One of the most important solutions for sustainable rural development is rural women entrepreneurship development. Today, entrepreneurship as a strategy in development, growth and prosperity of human societies has converted to a replacement through which all factors, resources and facilities of a community spontaneously and with exposure in an evolutionary process has been prepared in order to achieve high social ideals for being the origin of positive socio-economic impacts. Rural women entrepreneurship can be considered as one of the solutions to reduce poverty, migration and develop employment in rural environments. The entrepreneurs with their ability to scan, analyze and identify opportunities in the environment transform them into business proposition through creation of economic entities. They by channelizing the resources from less productive to more productive use create wealth. Through efficient and

effective utilization of national resources, they act as catalysts for economic development and agents of social transformation and change.

Entrepreneurs by placing profitable business proposition attract investment to ensure private participation in the industrialization process. The otherwise idle savings are channelised for investment in business ventures which in turn provides return. Again the savings are invested giving a multiplier effect to the process of capital formation. The entrepreneurs always look for opportunities in the environment. They capitalize on the opportunities of governmental concessions, subsidies and facilities to set up their enterprises in undeveloped areas. Thus rural women entrepreneurs reduce the imbalances and disparities in development among regions. This is the real charm of being an entrepreneur. They are not the job seekers but job creators and job providers. With the globalization process the government jobs are shrinking leaving many unemployed. In the circumstances, the entrepreneurs and their enterprises are the only hope and source of direct and indirect employment generation. Employment is generated directly by the requirement of the large enterprises and indirectly by consequential development activities.

Entrepreneurial initiative through employment generation leads to increase in income and purchasing power which is spent on consumption expenditure. Increased demand for goods and services boost up industrial activity. Large scale production will result in economies of scale and low cost of production. New innovative and varying quality products at most competitive prices making common man's life smoother, easier and comfortable are the contribution of entrepreneurial initiative. Entrepreneurs convert the latent and idle resources like land, labour and capital into goods and services resulting in increase in the national income and wealth of a nation. The increase in national income is the indication of increase in net national product and per capita income of the country. Entrepreneurs are the corner stores of national self-reliance. They help to manufacture indigenous substitutes to imported products which reduce the dependence on foreign countries. There is also a possibility of exporting goods and services to earn foreign exchange for the country.

Challenges of Rural women entrepreneurs

Most of the rural women entrepreneurs face peculiar problems like illiteracy, fear of risk, lack of training and experience, limited purchasing power and competition from urban entrepreneurs. Some of the major challenges faced by rural women entrepreneurs are as under.

Family Challenges: Convincing to opt for business over job is easy is not an easy task for an individual. The environment in the family, society and support system is not conducive to encourage rural people to take up entrepreneurship as a career. It may be due to lack of awareness and knowledge of entrepreneurial opportunities.

Social Challenges: Family challenges are always at the top because that is what matter the most but at times social challenges also are very important. Let us say you and your friend graduated at the same time. You opted for entrepreneurship and your friend opted for a job. He now has a flat, car and what not because he could easily get those with a bank loan but you still have nothing to show off and this is where the challenge comes.

Technological Challenges: Indian education system lags too much from the job industry as a whole but then it lags even more when it comes to online entrepreneurship. What technology would be ideal and how to use that technology effectively? Rural women entrepreneurs suffer a severe problem of lack of technical knowledge. Lack of training facilities and extension services crate a hurdle for the development of rural women entrepreneurship.

Financial Challenges: Most of the rural women entrepreneurs fail to get external funds due to absence of tangible security and credit in the market. The procedure to avail the loan facility is too time-consuming that its delay often disappoints the rural women entrepreneurs. Lack of finance available to rural women entrepreneurs is one of the biggest problems which rural entrepreneur is bearing now days especially due to global recession. Major difficulties faced by rural women entrepreneurs include low level of purchasing power of rural consumer so sales volume is insufficient, lack of finance to start business, reduced profits due to competition, pricing of goods and services, financial statements are difficult to be maintained by rural entrepreneur, stringent tax laws, lack of guarantees for raising up of loans, difficulty in raising capital through equity, dependence on small money lenders for loans for which they charge discriminating interest rates and huge rent and property cost. These all problems create a difficulty in raising money through loans. Some banks have not ventured out to serve rural customers because banks are expensive to be reached by rural customers and, once reached, are often too poor to afford bank products. Government is providing subsidies to rural areas but due to high cost of finance, these subsidies are not giving fruitful results. Various schemes like composite loan scheme, tiny unit scheme, scheme for technical entrepreneurs, etc. had started but they are unable to meet the expectation of rural entrepreneur.

Policy Challenges: Now and then there are lots of changes in the policies to change in the government. Problems of TRIPS and TRIMS, problems of raising equity capital, problems of availing raw-materials, problems of obsolescence of indigenous technology and increased pollutions ecological imbalanced are associated with policy challenges.

Statement of the Problem:

Women entrepreneurs encounter two set of problem, ie., general problem of entrepreneur of women entrepreneur. women entrepreneurs need to challenge out all problems confronting them for their success, survival and growth. Both the governments schemes specifically focus on empowerment of women, by way of providing subsidies and concessions for the development of women entrepreneurs. In spite of all the incentives from the stand of central government and th sate government the success rate of women entrepreneurs seem to be very much low in India. Success of India women entrepreneurs' is to closely associate with the development of adequate entrepreneurial skills. Women empowerment through entrepreneurship can be fully achieved only if women entrepreneurs 'develop the basic entrepreneurial skills for their success, survival and growth.

Objectives of the Study

The study has the following objectives:

1. To find out the factors influencing the rural women entrepreneurs to start-up business with in Salem district.
2. To examine the problems of the rural women entrepreneurs in Salem district.
3. To study the impact of rural women entrepreneurs units on the socio-economic conditions of Salem District.
4. To recommend appropriate measures for the prospects of rural women entrepreneurs in Salem district based on the findings of the study.

Hypotheses

H₀₁: There is no noteworthy relationship among the acceptance levels of the business owners belonging to different demographic profiles towards problems of the rural women entrepreneurs in Salem district.

H₀₂: There is no noteworthy relationship among the acceptance levels of the rural women entrepreneurs belonging to different enterprise characteristics towards problems they face in Salem district.

Association between types of business and their purpose of starting Entrepreneurial venture.

Chi-Square test

	Value	df	Asymb.sig.(2sided)
Pearson chi-square	8.521	10	.625
Likelihood Ratio	9.319	10	.502
Linear by linear Association	.001	1	.975
No.of valid cases	110		

Association between Martial status and challenges and problem faced by women entrepreneurs.

Chi-Square test

	Value	df	Asymb.sig.(2sided)
Pearson chi-square	.247	2	.881
Likelihood Ratio	.235	2	.886
Linear by linear Association	.014	1	.902
No.of valid cases	110		

Findings

1. The overall influence of all the fifteen factors is considered ‘strongly agree’ in motivating them to operate rural women entrepreneurship 21 per cent of the respondents, as ‘agree’ by 32 per cent of the respondents, ‘neither agree nor disagree’ by 23 per cent of the respondents, as ‘disagree’ by 8 per cent of the respondents and as ‘strongly disagree’ by 16 per cent of the respondents. The average acceptance score reveals that desire for independence is the most important factor (3.36) for the respondents to own and operate rural women entrepreneurship manufacturing units, followed by dissatisfaction with the job (3.12). With regard to focus of control, the respondents assign least acceptance (3.23).

2. There is no significant relationship among the acceptance levels of the respondents belonging to different genders, educational status groups and years of experience towards problems of the rural women entrepreneurship. There is a significant relationship among the acceptance levels of the respondents of different age groups towards problems of the rural women entrepreneurship.
3. There is no significant relationship among the acceptance levels of the types of business and their purpose of starting Entrepreneurial venture.
4. There is no significant relationship among the acceptance levels of Martial status and challenges and problem faced by women entrepreneurs.
5. Male respondents, respondents in the age group 36-45 years, respondents belonging to H.Sc qualification and respondents having experience above 15 years have higher acceptance level towards problems of the rural women entrepreneurship
6. There is consistency among the acceptance levels of the male respondents, respondents in the age group 36-45 years, respondents who have degree qualification and respondents who have 11-15 years of experience towards problems of the rural women entrepreneurship
7. There is no significant relationship among the acceptance levels of the rural women entrepreneurship to varied years of existence, amount of investments and annual sales groups towards problems of the rural women entrepreneurship
8. There exists reliability in the acceptance level of the enterprises having existence 5 and 6 years, enterprises having an amount of investment Rs.1500001-2000000 and enterprises having annual sales Rs.300001-400000 towards problems of the rural women entrepreneurship
9. No noteworthy relationship is found among the acceptance levels of the respondents belonging to different genders, age groups, educational status groups and years of experience towards socio-economic impact of the rural women entrepreneurship Salem district.
10. Male respondents, respondents in the age group upto 35 years, respondents belonging to post graduation and above qualifications and respondents having business experience up to

5 years have higher acceptance level towards socio-economic impact of the rural women entrepreneurship

11. There is consistency among the acceptance levels of the female respondents, respondents in the age group above 55 years, respondents who have degree qualification and respondents who have business experience above 15 years towards socio-economic impact of the rural women entrepreneurship
12. Unattractive market, power cut, lack of financial assistance, inadequate subsidies and concessions, cumbersome formalities and maladministration and problems in marketing of products are the problems of the rural women entrepreneurship manufacturing units ranging from 30 per cent to 45 per cent. Under capacity utilization, inadequate working capital and dependence on private parties for raw materials are the problems of rural women entrepreneurship manufacturing units ranging from 46% to 62% in Salem district.

Suggestions

The following are the suggestions for expanding the scope of rural women entrepreneurship in India.

- The financial institutions and banks which provide finances to entrepreneurs must create special cells for providing easy finance to rural women entrepreneurs.
- The rural women entrepreneurs should be provided finance at concessional rates of interest and on easy repayment basils. The cumbersome formalities should be avoided in sanctioning the loans to rural women entrepreneurs.
- Rural women entrepreneurs should be ensured of proper supply of scarce raw materials on priority basis. A subsidy may also be offered to make the products manufactured by rural women entrepreneurs cost competitive and reasonable.
- Training is vital for the improvement of entrepreneurships. It facilitates the rural women entrepreneurs to commence the venture effectively as it imparts required skills to run the enterprise. Now a days the economically weaker entrepreneurs of the society are organized such training facility under PMRY. For rural women entrepreneurs, individual based EDI' approach is highly significant where the motivation and familiarization processes coupled with promise of bank credit and support by way of escort services

could persuade rural youth with certain basic skills of hands on technology to start small enterprises.

- Suitable encouragement and support should be provided to rural women entrepreneurs for setting up marketing co-operatives. These co-operatives shall help in receiving the inputs at reasonable rate and they are helpful in selling their products at remunerative prices. Hence, third party can be eliminated and rural women entrepreneurs receive the benefits of enterprise. Common production-cum-marketing centers should be set up with modern infrastructural facilities.
- Government provided various schemes and opportunity to the rural women entrepreneurs. Due to their illiteracy they are not alert of the schemes and opportunities offered by the government to them. So they are to be educated by the way of conduct workshop and seminar related with starting business.
- Government of India may lead step to create good infrastructure facilities, logistics arrangements and support to organize the marketing and training program, and offer support to export the goods of rural women entrepreneurs to foreign countries.

Conclusion

In India, about 70 per cent of the households live in villages. This is estimated to grow in the near future, which makes it a big market in the world. In recent times, more and more entrepreneurs are realizing the potential of rural market and have started focusing on it. Therefore, promotion of rural women entrepreneurship is extremely important in the context of producing gainful employment and reducing the widening disparities between the rural and urban population. Rural women entrepreneurship is necessary to minimize poverty and to overcome low productivity in the farm sector. To conclude, monitoring rural development programmes by supplying right information at the right time, providing timely and adequate credit and continuous motivation of bankers, Panchayat union leaders and voluntary service organizations will lead to the development of rural women entrepreneurship.

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