

Rural Women Entrepreneurship and Rural Development

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Introduction

India is characterized by its villages, and most of its citizens live in rural areas. Rural population is facing major challenges like poverty, poor infrastructure facilities, unemployment, reduced employment opportunities in primary industries as a result of migration of young population to urban areas in search of employment opportunities. This may be solved by promoting of the rural entrepreneurs.

Rural Entrepreneurship

The word “Entrepreneurship” is derived from French word “Entreprendre” which means to undertake. As per P.P. Drucker, “Entrepreneur is one who always searches for change responds to it and exploits it as an opportunity”. As per E.E. Hagen, “An entrepreneur is an economic man who tries to maximize his profit by innovations”. Entrepreneurship is the activity of an entrepreneur who starts a new venture by taking risk and initiative, creates useful asset for providing value to the customers.

An entrepreneur may be described as a person who creates a firm to realize their idea, known as entrepreneurship, which aggregates capital and labor in order to produce goods or services for profit.

Rural entrepreneurship is defined as entrepreneurship that emerges in rural areas and contributes effectively to economic development. Rural entrepreneurs are rooted in non-urban areas and have a lot of potential for undertaking numerous endeavors in business, industry, agriculture, and more. Generally, the enterprises are related to agriculture and its allied activities. These activities support the livelihood of the majority of the population living in rural areas. Rural entrepreneurship can be regarded as an attempt to create the management for risk-taking appropriate to opportunity, as well as to mobilize human, material and financial resources in order to fulfill the project in rural areas (Saxena, 2012). Rural entrepreneurs discover new venture

opportunities, not because they have some unusual perceptive ability but because they make conscious investments in risk reducing current specific information (D. Joel Edwinraj).

According to Khadi and Village Industry Commission (KVIC), "The meaning of rural industry or village industries which is any business or industry located in rural areas, population of which does not exceeding 10,000 or such other figure which produces and provide any goods or services with or without use of power and in which the fixed capital investment per head of a worker or an craftsman does not up to Rs. 1,000 ".

The altered description has been given by Government of India in order to increase its scope. Government of India is define, "Any business or industry started in rural area, village or town with a peoples of 20,000 and below and an investment of Rs.3 crore in any plant and machinery is classified as a village industry".

Rural entrepreneurs refer to those who perform the business activities in rural areas with the exploitation of local resources. Rural entrepreneurs expand the purchasing power and Standard of living of the people by offering employment opportunity to the people in rural areas.

A woman entrepreneur plays an important role in globalization and economic liberalization. Women entrepreneurship is an important concept for rural development.

Rural Entrepreneurship creates opportunities for economic development and empowerment of women. It provides an opportunity for the development of rural or semi-rural people who migrate to urban areas in search of job.

Any Women who agrees to take the challenge and play the vital role to meet her individual needs and become financially independent is called women entrepreneur. The Government of India is defined as "An enterprise owned and governed by women having a minimum economic interest of 51% of the investment and giving at least 51% employment created for women in their enterprise" called women entrepreneurs.

According to J.A. Schumpeter, "Any Woman who builds, adopts or reproduces a business industry is called as woman entrepreneur". Simply we can say that women entrepreneurs are those who organize and lead the business enterprise or industry and provide the employment to other. Rural Women Entrepreneurship is the activity done by women those who establish their own business or industry in rural areas and use of the agriculture sources to create employment for rural people.

The basic concepts of rural entrepreneurship which applied in the rural development:

- Best use of local resources in an entrepreneurial project by rural people to better distributions of the farm produce results in the rural society.
- Entrepreneurial occupations reduce discrimination and providing alternative employments against the rural migration in rural areas.
- To activate the basic system of '6M'- Money, Material, Manpower, Machinery, Management and Market to the rural zones.

Need for Rural Women Entrepreneurship

The developing country's future depends upon rural economy. The rural economy in turn depends on doubling of farmers' income and rural Women Entrepreneurship.

- Rural Women Entrepreneurs' Contribution to Economic Development :** Rural women serve as catalysts for economic development, social transformation and act as change agents by making efficient and effective local resources. They are critical to economic progress in the following ways:
- Capital Formation:** Rural Enterprises attract investment by presenting attractive commercial concepts, ensuring private participation in the industrialization process; idle savings are channeled for investment in business initiatives that generate a income. As a result, savings are reinvested, creating a multiplier effect in capital development.
- Regional Development:** Entrepreneurs take the benefit of government schemes, subsidies and infrastructure to establish their enterprise in rural/underdeveloped areas, thus contributing to regional development.
- High potential of Employment generation:** This is an inherent quality of becoming an entrepreneur. They are not job seekers rather create and provide employment to others.
- Improved Living Conditions:** The creation of employment through entrepreneurial activities leads to increased income and purchasing power spent on consumer goods. Increased demand for goods and services drives more industrial output. The entrepreneurs' income per capita growth converts resources such as land, labour, and capital into commodities and services, boosting a nation's income and wealth. The growth in national income reflects an increase in the country's net GDP.

- f. **Removes income disparities:** Rural Women Entrepreneurship improves people's economic situations in rural areas and by ensuring that they earn their livelihood in the village rather than migrating to metropolitan and suburban areas for survival. Rural Women Entrepreneurship contributes significantly to the development of the rural regions and reduces poverty levels.
- g. **Rural Women's Self-Sufficiency and Increased Literacy Rate:** The rural women entrepreneurs by establishing their own business, earn their livelihood and support by satisfying their other needs of family apart from basic needs. This will lead to increased literacy rate of rural families
- h. **Reduces migration of villagers:** The foremost reason for rural migration is employment. As the entrepreneurial occupations reduce discrimination by providing alternative employments, the rural migration can be reduced to some extent.
- i. **Safe guards indigenous art and craft:** The handicraft industry is an important source of income for rural areas. It employing millions of craftspeople, many of whom are women and members of the socially disadvantaged. Currently, handicrafts provide a significant contribution to exports and the generation of employment. Thus they safe guards indigenous art and craft.
- j. **Efficient and effective use of local resources:** The rural enterprises are mainly based on supply of local resources. The resource efficiency is a key approach to economic growth as it stimulates innovation, creation of new industries and boosts economic competitiveness.

Issues, Challenge and Problems of Rural Women Entrepreneurship in India

There are a number of challenges and problems that rural women entrepreneur's faces in their business. The Lack of education, Balancing between Family and Career, Male Dominated Society, Shortage of finance, Low Ability to Bear Risk etc., are some issues. They are dicussed blow

- a. **Lack of education:** In India literacy among women is very low. Even in 21st century, rural women in India are lagging far late in the field of education. Mostly women of the rural areas are uneducated. Women in rural areas who are educated provided whichever less or

insufficient education than their male equivalent partly due to poverty, early marriage, low socioeconomic status, partially due to son's higher education. Lack of education is one of the biggest problems for rural women who want to start their business. Due to lack of good education, women entrepreneurs not adopt the new technology development, new trend of marketing, new methods of manufacturing and other government schemes which motivate them.

- b. **Balancing between Family and Career:** Women in India are emotionally attached with their family. They have very less practical. They are supposed to do all the household work, to look after the children and other family members. They have more family responsibilities for husband, care of children, others of family members and in regulations which take away a lot of their time and energy. In such situations, it will be very challenging task for women to focus and run the business successfully. A married women entrepreneur has to make a respectable balance between home and business activity.
- c. **Male Dominated Society:** In our constitution regulation there are equivalent rights for men and women but in real equality does not be present in rural areas. Women are not treated equal to men. People in rural areas generally having a prejudice that woman are capable only for household work. Women entry to business needs to approve by the head of the family. Entrepreneurship usually has been seen as a male circle and male dominated. All phase of this type a barrier in the growth of women entrepreneurs. Thus the male entrepreneurs create problem in the success of women entrepreneurs.
- d. **Shortage of finance:** There are rural women entrepreneurs have to face a lot of problems in raising funds and complete the financial needs of the business. Women and small entrepreneurs suffer this type of financial problem because the ignored by financiers, creditors and financial institutes for less credit worth and more chance of business failure. They lack access to outside funds due to absence of solid security and credit in the market. They also face financial problem due to no property on their own names.
- e. **Low Ability to Bear Risk:** In India, generally women are delicate and emotional by nature. Women have comparatively to man a low ability to bear financial and other risks because they have led a secure life. An entrepreneur must have risk bearing capacity for being successful entrepreneur. But women, occasionally fail to bear the amount risk which is

needed for running a business. Lack of proper education, training and financial support by outsiders also reduce their ability to bear the risk involved in an enterprises.

- f. **Lack of entrepreneurial Skills:** Lack of entrepreneurial skill is a major issue for rural women. They have no entrepreneurial bent of mind. Sometimes even after joining various entrepreneurship training programs, women entrepreneurs fail to tide over the risks and difficulties that may come up in an organizational working.
- g. **Limited managerial Skills:** Management has developed a specific job which performs only capable managers. Due to absence of proper knowledge women entrepreneurs not successes in managerial responsibility like planning, managing, directing, staffing, controlling, coordinating, monitoring, motivating etc. of a business enterprise. Hence, less and limited managerial skills of rural women has become a problem for them to run the business successfully.
- h. **Lack of Technological Awareness:** Rural entrepreneurs face a severe problem of lack of awareness about technology. Lack of training services and wide services crate a difficulty for the development of rural women entrepreneurship.
- i. **Shortage of Raw Materials:** The women entrepreneurs have face more struggles to buy raw materials and other required materials. Women's are facing the problem in searching raw materials from many sources. They use limited or convenient sources of raw materials. The failure of many women cooperatives in 1971 such as those involved in basket making was mainly due to the insufficient availability of forest- raw materials. The prices of many raw materials are quite high.
- j. **Finding of Raw Materials:** Finding of raw materials is really a solid task for rural entrepreneurs. They may close up with poor quality of raw materials, may also face the problem of storage and warehousing.
- k. **Socio Cultural Barriers:** The civilizations and customs prevalent in Indian cultures towards women sometimes stand as a problem before them to grow and flourish. Castes and religions rule with one extra and hinder women entrepreneurs too. The women entrepreneurs face more social and cultural barriers or restrictions as they are continuously seen with suspicious eyes in rural areas.
- l. **Social Attitudes:** The largest problem of a woman entrepreneur is the social assertiveness and the restrictions in which she has to live and work. Despite beside legal equality, there

is women face discrimination against man. In the cultural tradition of the society, women suffer from male reservations about a woman's role and capacity. In rural regions, women face conflict not only from males but also from elderly females who have accepted gender inequality.

- m. **Absence of Motivation:** Motivation plays an important role in succession of an enterprise. Inherent nature of the women entrepreneurs, sometimes feel less confident which a motivation factor in running an enterprise successfully is basically. This is struggling hard for rural women to strike a balance between managing a family and an enterprise.
- n. **Legal Formalities:** Rural entrepreneurs find it extremely difficult in fulfilling with many legal formalities in obtaining licenses due to illiteracy and unawareness.

Rural enterprises in India:

There is immense scope for small enterprises in rural areas. The rural enterprises generates employment opportunities and bring an economic value to the rural sector and thereby ensuring continuous rural development. The following are the list of few enterprise which can be taken up by the rural women.

- a. Retail Store:** The retail stores are the best option as traders in villages get the material quickly at a low cost. These stores can be established with low investment and provide the essentials to villagers locally. Ex.: Kirana store, electronics shop, salons, sweet shops, mechanic and plumbing services, electronics repair shop etc.
- b. Dairy Farming:** The dairy farming is a lucrative business idea in rural areas especially for the farming community. It is high margin business and it is a daily used product which has no recession time. One can earn money by selling the milk products viz., pure butter, paneer, ghee apart providing nutrition to the family and farm yard manure to the farm.
- c. Poultry Farming:** This is another productive rural enterprise which requires less investment, land and labour. Many government schemes are also helping people to set up livestock and poultry businesses by giving them loans.
- d. Seeds and Fertiliser shop:** Agriculture is the primary occupation in Indian villages. Therefore, agriculture-related products like fertilizers and pesticides are always in need and demand. It is more beneficial for farmers as the seeds are available locally. This can reduce the expense of going to the town to buy seeds and fertilizers.

- e. **Organic Vegetables and Fruits Business:** This is the most uncomplicated and ordinary business for anyone, primarily for native villagers. Every farmer does not grow fruit and vegetables and villagers also need to buy fruits and vegetables. Organic farming can make a massive profit if organically grown fruits and vegetables are sold in supermarkets through tractors.
- f. **Rental Agriculture Machinery:** Recently, renting farm machinery is the most economical way of using Agriculture Machinery for marginal farmers. So, this rural business idea is affordable and beneficial for villagers. This can make enormous profits to the entrepreneur.
- g. **Oil/flourmills:** The Oil/flour mills are a demanding shop because everyone wants refined oil, organic oil, and their grains to be milled. Hence it has great scope in rural areas.
- h. **Agarbatti/candle making:** Agarbatti and candle are the need of every home and shop and temple. This rural business idea can be profitable because of its demand. These enterprises need minimum investment and other resources as well as human resources also. So, it can be an excellent option for a startup.
- i. **Handmade Items:** Villagers are very creative in making bags, cotton chunnis, decorating items for home and many more. By selling in the market these items at an affordable range can attract customers and also you can start an online business of selling handmade items to make a good reach.
- j. **Roti/chutney powder making:** The rural women are born with skill of cooking. They can utilize the skill and start such enterprise with zero investment. They can earn money by working at home.

Benefits of Rural Enterprises

Rural entrepreneurship is one of the solutions to reduce poverty, migration, unemployment, and to develop rural areas. The rural entrepreneurs may increase the standard of living and purchasing power of the rural people and bottom of pyramid by offering employment opportunity to the people in villages. Apart from these, the other benefits are discussed below

- **Lack of Competition:** The advantage for rural areas is that fewer competitors in rural areas. This allows the entrepreneurs to carve out a niche and establish themselves more easily. In addition the rural areas may offer access to underserved markets or customer segments that are overlooked by larger competitors.
- **Low Budget Start-Up:** Another benefit of starting a business in villages is that it is much cheaper than in cities. The land is more economical, be it on rent or on lease. And other things like materials, products, labour etc., are economical in almost every way.
- **Loyalty of Community:** Villagers are more trustworthy, and their friendly attitude continues to be your buyer if you keep the same quality and service they want.
- **Minimum Investment Required for Rural Business:** For starting a rural business, there is no fixed amount. But we can take an approximate amount that will be around 50,000. And here you get to know about how to operate businesses, their investment provisions, other involvements, necessities and more. Also, Rural Marketing Strategies are helpful, making it easier for you to decide on your business.
- **Tax advantage:** The burden of Tax burden in rural areas is low, which increase the competitive strength of rural industry.
- **Low investment:** As the rural industries are small scale industries, they can be started with low investment. Further the production can be carried out at a lesser cost due to easy availability of resources.

Conclusion

Rural Women Entrepreneurship is not a novel notion in India. The concept of village self-rule (gram-swaraj) is indigenous to India. The rural Women Entrepreneurship will accelerate India's economic development because most of the population still lives in villages. They

contribute to rural economy there by contributing to national economy. The Government encourages women entrepreneurs by organizing training, development and capacity building programs. It is essential to enhance their entrepreneurial skill and give a route of success to rural women. The education and awareness programs should be arranged to change the negative social attitudes towards women. The training programs should be made more structural taking into consideration the socio economic background of the women entrepreneurs. The counseling should be provided to emerging rural women entrepreneurs to overcome of psychological problems viz., lack of confidence, low risk taking capacity.
