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Rural Women Entrepreneurship and Rural Development

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Introduction

India is a nation of villages, with the vast majority of its citizens residing there. Rural population is facing major challenges like poverty, poor infrastructure facilities, unemployment, because of the migration of young people to metropolitan regions in pursuit of employment, there are less employment prospects in primary industries. This may be solved by promoting of the rural entrepreneurs.

Rural entrepreneurship

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The French verb "Entreprendre" means to undertake, and that is where the word "Entrepreneurship" originates. According to P.P. Drucker, is "someone who constantly searches for change, responds to it, and exploits it as an opportunity." Entrepreneurs are "economic men who try to maximize their profit by innovations," according to E.E. Hagen. Entrepreneurship is the action of an entrepreneur who launches a new business by exercising risk-taking and initiative and develops valuable assets to offer clients value.

An entrepreneur may be described as a person who combines labour and capital to generate things or services for profit by founding a business to carry out their idea. This process is known as entrepreneurship.

A dynamic notion, rural entrepreneurship is typically characterized as the emergence of entrepreneurship in rural areas that contributes significantly to economic growth. Rural entrepreneurship has its roots in rural areas and has a lot of potential to engage in a variety of commercial, industrial, agricultural, etc. endeavors. The businesses typically involve agriculture and similar fields of endeavour. The bulk of people who live in rural areas rely on these activities for their livelihood. In order to complete a project in rural areas, rural entrepreneurship involves mobilizing people, material, and financial resources as well as trying to develop risk-taking management strategies that are relevant to the opportunity (Saxena, 2012). Rural business owners don't come across new venture opportunities because they have unusual perceptions.

⁴ The Khadi and Village Industry Commission (KVIC) defines rural industry or village industry as "any business or industry located in rural areas, population of which does not exceed 10,000 or such other figure which produces and provides goods or services with or without use of power and in which the fixed capital investment per head of a worker or a craftsman does not up to Rs. 1,000." The Government of India has changed the description to broaden its use. ⁵ "Any business or industry started in a rural area, village, or town with a population of 20,000 or less and an investment of Rs. 3 crore in any plant and machinery is classified as," according to the definition provided by the Indian government.

³ The term "rural entrepreneurs" describes those who run their businesses using local resources while living in rural locations. By providing employment opportunities to residents in rural areas, rural entrepreneurs raise the purchasing power and standard of living of the populace.

In the process of economic liberalization and globalization, women entrepreneurs play ⁹ significant role. The concept of women entrepreneurs is crucial for rural development.

Rural Entrepreneurship creates opportunities for economic development and empowerment of women. It provides an opportunity for the advancement of those from rural or semi-rural regions who move to cities in pursuit of employment.

Women who accept the challenge and take on a crucial role in helping themselves to meet their own requirements and achieve financial independence are referred to as entrepreneurs. ⁶ "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" is the definition of the Government of India. This group of people is referred to as women entrepreneurs.

⁵ Any woman who creates, adopts, or reproduces a company industry is referred to be a woman entrepreneur, according to J.A. Schumpeter. Women who organize and run a business or industry and create jobs for others are simply referred to as entrepreneurs. ⁵ Women who start their businesses or industries in rural areas and use agricultural resources to employ rural residents are said to be engaging in rural women entrepreneurship.

The fundamental principles of rural entrepreneurship that were used in rural development were:

- Rural residents should make the most use of local resources when launching an entrepreneurial enterprise to improve the way farm products are distributed in their communities.

- In rural locations, entrepreneurial activities provide alternative work opportunities and lessen discrimination.
- To activate the '6M' basic system—Money, Material, Manpower, Machinery, Management, and Market—to the rural areas.

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 involvement in the industrialization process; unused savings are invested in commercial ventures that produce 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 a businessperson. They generate and offer jobs to others rather than looking for work themselves.
- Improved Living Conditions:** The creation of employment through entrepreneurial activities leads to increased spending power and income on consumer products. Demand for goods and services are rising, which boosts 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 entrepreneurs make a substantial contribution to the rural areas' development and poverty reduction.
- 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. Rural migration can be somewhat curbed since entrepreneurship reduces discrimination by offering alternative employment opportunities.
- i. **Safe guards indigenous art and craft:** A significant source of income for rural communities is the handcraft sector. It employs millions of artisans; many of them are women and individuals from socially disadvantaged backgrounds. Handicrafts currently contribute significantly to exports and the creation of jobs. As a result, they protect local 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.

Rural Women Entrepreneurship: Issues, Challenges, and Problems in India

Rural women entrepreneurs encounter a variety of obstacles and issues in running their businesses. A few problems include a lack of education, difficulty juggling a family and career, a male-dominated society, a lack of funding, a low risk tolerance level, etc. They are discussed below

- a. **Lack of education:** Women in India have very low literacy rates. Rural women in India are still far behind urban women in the area of education even in the twenty-first century. Women in rural places tend to be ignorant. Due to poverty, early marriage, poor socioeconomic standing, and partially as a result of their son's greater education, educated women in rural areas typically have less or inadequate schooling than their male counterparts. One of the main obstacles for rural women who wish to launch their own businesses is a lack of knowledge. Women entrepreneurs who lack a quality education do

not accept new developments in technology, marketing trends, manufacturing techniques, or other government initiatives that would otherwise inspire them.

- b. **Balancing between Family and Career:** In India, families have a strong emotional hold over women. They are not particularly useful. They are expected to take care of all domestic chores, the kids, and other family members. They spend a lot of their time and energy caring for their husband, their children, other family members, and complying with regulations. Women will find it extremely difficult to concentrate and efficiently run the business in such circumstances. A married woman in business needs to strike a fair balance between her personal and professional obligations.
- c. **Male Dominated Society:** Equal rights are provided for under our constitution's regulations, however rural areas do not actually have equality. Men and women are not treated equally. Generally speaking, people in rural areas have the misconception that women are only capable of doing domestic chores. The family head must approve a woman's admission into business. Traditionally, entrepreneurship has been considered as a male-dominated and male-circle activity. The development of female entrepreneurs is hampered by all phases of this kind. Male entrepreneurs thereby hinder the success of female entrepreneurs.
- d. **Shortage of finance:** There are many challenges that rural women business owners must overcome in order to raise money and meet their company's financial requirements. This type of financial issue affects women and all company owners since they are disregarded by lenders, creditors, and financial institutions due to their lower credit worthiness and increased risk of failing their businesses. Because there is a lack of reliable security and credit in the market, they are unable to get outside funding. Due to the lack of property in their names, they also experience financial difficulties.
- e. **Low Ability to Bear Risk:** Indian ladies are typically gentle and emotional by temperament. Due to their privileged upbringing, women are less able than men to handle financial and other risks. To succeed as an entrepreneur, one must have the ability to take risks. But occasionally, women struggle to take on the level of risk required for operating a firm. Their capacity to accept the risk associated with an enterprise is also decreased by a lack of appropriate education, training, and outside financial backing.

- f. **Lack of entrepreneurial Skills:** For rural women, fundamental problem is a lack of business skills. They lack an entrepreneurial mindset. Even after enrolling in various entrepreneurship training programmes, female entrepreneurs occasionally struggle to overcome the dangers and challenges that could arise in an organizational setting.
- g. **Limited managerial Skills:** Only skilled managers can fulfill a certain task that management has designed. Women entrepreneurs struggle to succeed in managerial tasks including planning, managing, directing, staffing, regulating, coordinating, monitoring, motivating, etc. because they lack the necessary understanding. Therefore, rural women's low managerial skills have made it difficult for them to handle their businesses successfully.
- h. **Lack of Technological Awareness:** Rural business owners struggle greatly with a lack of technological knowledge. The development of rural women's entrepreneurship is hampered by a lack of training services and comprehensive services.
- i. **Shortage of Raw Materials:** The struggle to purchase raw materials and other necessary materials is greater for female business owners. Women struggle to find raw materials from a variety of sources. They use scarce or handy raw material sources. The lack of sufficient supply of forest-based raw materials in 1971 was a major factor in the demise of numerous women's cooperatives, including those engaged in basket manufacturing. Many raw resources are relatively expensive.
- j. **Finding of Raw Materials:** For rural business owners, locating raw materials is a significant effort. Poor raw material quality and storage and warehousing issues could force them out of business.
- k. **Socio Cultural Barriers:** Indian countries' widespread civilizations and practises towards women can occasionally make it difficult for them to flourish and thrive. Religions and castes govern with one more exception, and they also impede female entrepreneurs. Since they are frequently observed with suspicion in rural places, women entrepreneurs confront greater social and cultural restrictions.
- l. **Social Attitudes:** The biggest issues facing female entrepreneurs are social assertiveness and the limitations placed on their ability to live and work. Despite having legal equality with males, women nevertheless experience discrimination. According to the cultural norms of the society, men have stereotypes about the value and potential of women. In

rural areas, women encounter opposition not only from men but also from senior women who have come to terms with gender inequity.

- m. **Absence of Motivation:** In order for an organization to succeed, motivation is crucial. Because of their inherent character, female business owners can lack the confidence that is essential for driving them to succeed. Striking a balance between maintaining a family and a business is difficult for rural women.
- n. **Legal Formalities:** Due to illiteracy and ignorance, rural entrepreneurs find it incredibly difficult to complete the numerous legal requirements to obtain licences.

Rural enterprises in India:

There is immense scope for small enterprises in rural areas. The rural enterprises generate employment opportunities and provide the rural sector with economic value, ensuring ongoing rural development. The following are the list of some enterprise which can be taken up by the rural women.

- a. **Retail Store:** The retail stores are the greatest choice because village traders can obtain the material fast and cheaply. 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 those loans.
- d. **Seeds and Fertilizer 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/flour mills:** 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

One way to combat poverty, migration, unemployment, and to enhance rural areas is through rural entrepreneurship. By providing employment opportunities to villagers, rural entrepreneurs

may raise the standard of living and purchasing power of rural residents and those at the bottom of the food chain. In addition to this, the other advantages are covered below.

- **Lack of Competition:** The advantage for rural areas is that fewer competitors in rural areas. This makes it easier for the business owners to establish themselves and carve out a niche. Additionally, access to neglected markets or consumer segments that are disregarded by larger competitors may be provided by rural areas.
- **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 supports

female entrepreneurs by setting up programmes for training, growth, and capacity building. It is crucial to develop rural women's business skills and provide them with a path to success. To alter the unfavorable social attitudes towards women, education and awareness programmes should be set up. The structure of the training programmes should be improved while taking into account the socioeconomic status of female entrepreneurs. Emerging rural women entrepreneurs should receive counselling to help them deal with psychological issues including lack of confidence and a limited capacity for risk-taking.

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