

# Rural Women Entrepreneurship in India: A Critical Analysis

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**Abstract:** Women entrepreneurs' plays a significant role in the development of economy of the state and country as a whole. This is seen from the fact that a large percentage of micro-enterprises in developing countries are run by women. These women entrepreneurs are making remarkable contributions in urban as well as in rural areas. Rural women have to look after all spheres of life; be it their family and social life or their economic and political life. Over the years, many Government and Non-Government organizations have paved the way for economic independence of rural women through microfinance and other schemes. Now-a-days many leading public and private sector banks are offering schemes exclusively designed for women to set up their own ventures in different sectors. This paper reviews the concept of rural women entrepreneur in India and gives information in particular to the opportunities and challenges faced by them. The rural women can be very effective agents of change for better homes, better society and for robust economy in the present global scenario.

**Keywords:** Microfinance, Rural entrepreneurship, Women entrepreneur.

## I. INTRODUCTION

Women Entrepreneurship is an economic activity of those women who think of business enterprise, initiate it, organize and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise. Women Entrepreneurship is a recent phenomenon. Indian women have entered the field of entrepreneurship in increasing numbers. Women with the emergence and growth of their businesses have significantly contributed to the Indian economy and society by entering many industries in various sectors. Despite of various hindrances, women entrepreneurs are consistently making efforts towards achieving their goals. It is because of the tireless effort of the women entrepreneurs that the government bodies, NGOs,

social scientists, researchers and international agencies have started showing interest in the issues related to entrepreneurship among women in India. Several studies have shown that access to microfinance contributes to alleviate poverty both at the rural and urban level and it also contributes to the socio-economic empowerment of its women participants. Data has proved that a large number of women all over the world are getting self-reliant by pursuing various economic activities with the help of financial as well as non-financial assistance provided by the microfinance providers in rural areas. It is noteworthy to mention that Micro enterprise is an effective instrument of social and economic development. These enterprises are an integral part of planned strategy for securing and safeguarding balanced development of the economy of the poor women. Rural women's participation in agro-based activities is much more than the estimated statistics that has shown from various reports available online and offline. A recent study revealed that around 49% of the entrepreneurs in India are women.

## II. REVIEW OF LITERATURE

Mehta, Anita and Chandra, Mehta Mukund, (2011) found that rural women are not as aware and literate as to handle all the legal and other formalities involving in setting up and running a business enterprise. They also lack confidence in their abilities and need capacity building and training in the various functional areas of business. They suggested that favorable atmosphere should be developed to increase self-employment for women and over all development of the country. Vinesh (2014) suggested that although today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate but still effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. He recommended that for the development and promotion of women entrepreneurship, there is a need for multi-dimensional approach from all the sectors i.e. the government, financial institutions, SHG's, individual women entrepreneurs and many more, for a flexible integrated and coordinated specific approach. Devi, B. Parimala

(2013) presented an overview that there are several factors contributing to the emergence of women as entrepreneurs still the sustained and coordinated effort from all dimensions would pave the way for the women moving into entrepreneurial activity thus contributing to the social and economic development of the members of the family and thereby gaining equality and equal importance for themselves.

Dangi, Neha and Ritika, (2014) found that Women Entrepreneurs are being supported by Micro, Small and Medium Enterprises contributing to the economic growth and development of Indian economy. They have examined that now in modern society women are capable of managing both their family and business. Though they face many problems and challenges in their path of becoming a successful entrepreneur but the government has taken many initiatives for the growth of women entrepreneurs. Finally, it can be said that there is a long way to go for women entrepreneurs and MSMEs in India and their success is the success of Indian economy. Mahajan, Shikha, (2013) recommended that the elimination of obstacles for women entrepreneurship requires a major change in traditional attitudes and mindsets of people in society rather than being limited to only creation of opportunities for women. Hence, it is commanding to design programs that will address to attitudinal changes, exercise training and supportive services for women. The author identified that the basic requirement in development of women entrepreneurship is to make the women aware regarding her existence, her unique identity and her contribution towards the economic growth and development of the country. Arakeri, Shanta V observed that Women are very good entrepreneurs and they prefer to choose the same as they can maintain work life balance. Even though we have many successful Women Entrepreneurs in our country, but as we have a male dominated culture, there are many challenges which women entrepreneurs face from family and society.

### III. OBJECTIVES OF THE STUDY

The study was planned with the following objectives:

- To identify the reasons responsible for encouraging rural women to become entrepreneurs
- To study the problems and challenges encountered by women entrepreneurs in India.
- To study the policies, programs, institutional networks and the involvement of support agencies in promoting women's entrepreneurship.

### IV. RESEARCH METHODOLOGY OF THE STUDY

The study is based on secondary data collected from various published reports of World Bank, RBI, NABARD, SIDBI and from various other books, National & international Journals, Publications from various websites (online) which focused on various aspects of Women Entrepreneurship.

## V. RURAL WOMEN ENTREPRENEURSHIP IN INDIA

The concept of women entrepreneurship is becoming a global phenomenon playing a vital role in all spheres of business. In India, women entrepreneurship has made a comparatively late entry into business mainly due to the conventional and traditional socio-cultural environment. Although women face various problems in the process of establishing, developing and running their enterprises, nevertheless, their scope of development is very high in India, especially in rural areas with more women making development oriented programs. There are around seven lakh villages in India and more than 70% of our population lives in villages. About 66% of the female population in the rural sector is idle and unutilized. Even after 70 years of the independence women in India are struggling for entrepreneurial freedom. They have to face various socio-economic problems. But now the scenario is changing fast with modernization, urbanization and development of education and business. Thus the opportunities of employment for women have increased drastically.

In our state Uttarakhand, a large of organizations like Himalayan Action Research Centre (HARC), The Self Employed Women's Association (SEWA), Udyogini Uttarakhand are working for the development and growth of women entrepreneurship in rural and backward areas. As a result of their efforts Indian women entrepreneurs are showing their presence in new areas like herbal marketing, food processing, farming, handicraft, readymade garments, dairying and many more.

## VI. REASONS FOR GROWTH IN WOMEN ENTREPRENEURS IN RURAL AREAS

Several factors account for initiating entrepreneurship among rural women. Some of these factors are personal and vary depending on personal motivations and various socio-cultural factors such as region, gender, age, family background, and work experience. Some independent factors are economic independence, status, ability to identify market opportunity, idea generation and risk taking abilities. Several studies conducted in different parts of the India regarding women entrepreneurship in rural areas show that women have proved to be good entrepreneurs for the following reasons:

- Economic independence
- Self Identity and social status
- Creativity in Ideas generation
- Identification of Opportunities
- Confidence
- Greater freedom and mobility
- Risk-taking ability
- Motivation
- Availability of credit
- Government schemes support

## VII. CHALLENGES FACED BY RURAL WOMEN ENTREPRENEURS

Women in India generally have less access to formal education; consequently they have low participation in the formal sector, for that reason many women take up self-employment. In addition, women have limited access to other critical resources such as land, technology and credit facilities. Hence even within the informal sector, they are largely confined to micro-enterprises.

The main challenges faced by rural women in business are educational & work background. They have to balance their time between work & family. Apart from these problems, rural women have to face multiple challenges which include choice between family and career, illiteracy or low level of education, shortage of financial assistance, socio-cultural barriers etc. Some of the challenges faced by rural entrepreneurs are as follows:

- A. *Social Attitudes*: Women have to go a long way to achieve equal rights and position in a male dominated and tradition-bound society like India. The biggest problem of a woman entrepreneur is that the social attitude and the constraints in which she has to live and work. In rural areas, women face lot of resistance not only from males but also from elderly females who have accepted inequality.
- B. *Lack of Education*: The literacy rate of women in India is very low. Due to lack of education rural women are ignorant of new technology, marketing knowledge, maintaining accounts etc. Lack of information and experience creates further problems in the setting up and running of business enterprises.
- C. *Shortage of Finance*: Women entrepreneurs always suffer from inadequate financial resources and working capital. They lack access to external funds. Therefore, they are forced to rely on their own savings, loan from their relatives, family and friends.
- D. *Family Responsibilities*: Indian women give more emphasis to family ties and relationships. It is mainly women's duty to look after the children and other members of the family. It is seen that only a few women are able to manage both home and business efficiently, devoting enough time to perform all their responsibilities in priority.
- E. *Low Ability to Bear Risk*: Women have comparatively a low ability to bear economic and other risks involved in a business unit because they are not self-dependent and have led a protected life.
- F. *Lack of Infrastructure*: Rural women have to manage with inadequate infrastructure, shortage of power and technical know-how and other economic and social constraints.
- G. *Lack of Awareness*: Rural women generally have less awareness about the financial assistance provided by various Govt. and non-government organizations in the

form of incentives, loans, schemes etc. So many sincere efforts have been taken towards women entrepreneurs in rural and backward areas .

- H. *Inefficient Arrangements for Marketing and Sale*: For marketing their products, women entrepreneurs have to depend on intermediaries and the middlemen who charge major part of the surplus or profit.

The conventional social roles assigned to women often proved to be a handicap for their free mobility and freedom to work. It is thus evident that women entrepreneurs have to confront more challenges from their culture, family and society than their male counterparts.

## VIII. POLICIES, SCHEMES AND INSTITUTIONAL SUPPORT FOR WOMEN ENTREPRENEURS IN INDIA

The government of India, many state governments and various other organizations has come up with policies and programs to assist women entrepreneurs and help in solving the above stated challenges and problems which they face. Some of the supporting institutions are as follows:

- A. *The World Bank Group*: The World Bank Group helps women entrepreneurs overcome the constraints that they face in achieving full economic participation, and in maximizing their full potential contributions to the economy and to society.
- B. *National Bank for Agriculture & Rural Development (NABARD)*: As an effort to institutionalize the Entrepreneurship and Skill Development initiatives, NABARD provides support to specialized institutions viz., Rural Development and Self Employment Training Institutes (RUDSETI) which provide entrepreneurship development and training to rural youth/women on various skills which can generate better livelihood options needs to play active participation.
- C. *Small Industries Development Bank of India (SIDBI)*: There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs. SFCs, SIDCs, Commercial Banks, State Co-operative bank and RRBs are the eligible institutions for the schemes of SIDBI.
- D. *State Bank of India-Stree Shakti Package*: SBI's Stree Shakti Package scheme is aimed at supporting entrepreneurship among women by providing certain concessions.
- E. *Federation of Indian Women Entrepreneurs (FIWE)*: FIWE is a National-level organization, founded in 1993, is one of India's Premier Institution for Women thoroughly devoted towards Entrepreneurship Development in the country functioning in full swing. FIWE regularly

organizes Enterprise Development Programs and Skill Development Programs in various Trades such as IT, computers, garment stitching and cutting, retail, spinning and weaving, etc. in various cities across the country for Below Poverty Line (BPL) youth to give them awareness in this area.

- F. *National Mission for Empowerment of Women (NMEW)*: The Indian Government has also launched the National Mission for Empowerment of Women (NMEW) for comprehensive empowerment of women. This is a centrally sponsored scheme, coordinating all the women's welfare and socio-economic development programmes across ministries and departments. The Mission contributes to empowering women socially, economically; erase crime and violence against women, to educate women, establishment of policies and programmes and spreading awareness.
- G. *Ministry of Women and Child Development*: The organization plays an important role for all round development of women and provides support to women to empower themselves. The schemes includes. Support to Training and Employment Programme (STEP) for women. STEP has been operational since 1986-87 with the objective to provide skills that give employability to women and to provide competencies that enable women to become entrepreneurs.
- H. *Micro, Small and Medium Enterprises Development Organization (MSME-DO)*: It is the apex body for assisting the Government in formulating, coordinating, implementing and monitoring policies and programs for MSMEs in the country. MSME-DO provides a comprehensive range of common facilities, technology support services, marketing assistance, entrepreneurial development support among others, to women entrepreneurs.
- I. *Other Schemes Operated by Different Departments and Ministries*: 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 like Udyoginetc.

## IX. SUGGESTIONS FOR THE GROWTH OF WOMEN ENTREPRENEURS IN RURAL INDIA

Development of women entrepreneurship in rural India has been one of the prime objectives of the government since independence. Despite of the efforts being made, right efforts from all areas are still awaited and required in the development of women entrepreneurs. The following measures are suggested to enable greater participation of rural women in the entrepreneurial activities:

- A. Women entrepreneurs should be motivated and encouraged to take up entrepreneurial ventures.

- B. Timely awareness programs should be conducted on a mass scale with the intention of creating awareness among rural women to conduct business.
- C. Attempts should be made to provide better educational facilities as well as making provisions for their training, practical experience and personality development programs.
- D. Organize training programs should be provided to develop professional competencies in managerial, leadership, marketing, financial, production process, profit planning, maintaining books of accounts and other skills development programs. This will encourage women to undertake business.
- E. Women in business should be offered soft loans & subsidies for encouraging them into industrial activities. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
- F. Information on schemes and incentives provided by various NGO's and government organizations should be provided time to time.
- G. Self-help groups of women entrepreneurs to mobilize resources and pooling capital funds, in order to help the women in the field of industry, trade and commerce can also play a positive role to solve this problem.
- H. Easy availability of finances and making provisions of micro credit system will encourage women to take up entrepreneurial ventures.
- I. A guidance and counselling cell with the help of committed NGOS, Psychologists, managerial experts & technical personnel should be established to discuss the problems, grievance and issues towards the economic progress of rural women entrepreneurs.
- J. Women should be educated and trained constantly to acquire the upgraded skills in the current dynamic environment by adapting the latest technology benefits.

## X. CONCLUSION

Women entrepreneurship in India has gained sharp momentum in recent years. Today we are in a better position wherein women entrepreneurship in rural areas is increasing at a considerable rate. Still the rural women are not as aware and literate as to handle all the legal and other formalities involving in loan taking and establishing a business unit. They need capacity building and training in functional areas such as finance, marketing, production and other managerial skills. At this stage, effective steps are needed to create a favorable atmosphere to increase self-employment for women and over all development of the country. Empowering female entrepreneurs, especially those in high-growth sectors, has the potential to create jobs, increase incomes, lift thousands of households out of poverty, and lead to greater economic and social transformation. Thus, there are bright prospects for rural women entrepreneurship in India.

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