



Women Entrepreneurship in Rural India : A Step Ahead to Financial Independence

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Abstract

Rural Entrepreneurship is the model of today's India which provides sustained model of development. Globally, the poverty is linked with rural sector and without development of rural sector, a nation cannot move into league of developed nations. Traditionally Indian society had been dominated by men. However, in this globalized world, economic growth of a country is highly dictated by the participation of women in the rural sector of a country. With taboo of a home maker, it is very complicated for a woman to think about to establish their own startups. Rural Entrepreneurship by way of women has been a recent concern in rural India. Woman Entrepreneur in India faces and accept more challenges of the society than a man and plays much tough role to meet her personal needs and become economically independent. In India, there are approximately eight million women entrepreneurs, with having the highest share of Tamil Nadu state. The present paper will focus on the situation of women entrepreneurship in rural areas of India, government policies for promoting women entrepreneurship especially in rural areas, issues & challenges faced by them and how can the enhancement in the entrepreneurial skill of rural women can boost the women empowerment in India.

Keywords- Women Entrepreneurship, Factors, Challenges, Opportunities, Suggestions

Introduction

A country where a woman is considered as a "devi" it's a wonder that women entrepreneurship in rural India has taken a big step. Today there are approximately 45 million rural women across India who are mobilized into self-help groups under the NRLM (National Rural Livelihoods Mission) umbrella. Some 3.9 million SHGs (Self-Help groups) and their federations have been empowered with skills, access to funding, markets, and business development services. This is triggering a vast change in the lives of the rural women. Indian women have made themselves free from the control of the male dominated society, where women were kept within four walls of the house doing only everyday household jobs like food preparation, washing clothes, giving birth to children and fostering them. The rise of **Entrepreneurship amongst Indian women is latest phenomenon which has been defined by the Government of India as "owning and controlling an enterprise with a woman having a lowest amount financial interest of 51% of the capital and giving atleast 51% of the employment generated in the enterprise to women."**When an enterprise is setup and

controlled by a woman then it leads to scratch down effects in the economy i.e. it not only proceeds to overall economic growth of any country but also pushes the beginning of their social well being and political upliftment. Even our former **PM Mr. Jawaharlal Nehru once had said that —when a woman moves ahead, the family moves, the village moves and the nation moves."**

According to the latest data on MSME's of INDIA (Annual Report 2022-23) Out of 633.88 lakh MSMEs, 608.41 lakh (95.98%) MSMEs were proprietary enterprises. There has been overpowering of male owners in proprietary of MSMEs. Thus, for the purpose of proprietary MSMEs as a whole, male owned 79.63% and female owned 20.37% of enterprises. There was no significant deviation in this pattern in urban and rural areas, although the dominance of male owned enterprises was slightly more pronounced in urban areas as compared to rural areas (81.58% as compared to 77.76%).

Table 1: Percentage Distribution of Enterprises in rural and urban areas. (Male/ Female ownership category wise)

SECTOR	MALE	FEMALE	ALL
RURAL	77.76	22.24	100
URBAN	81.58	18.42	100
ALL	79.63	20.37	100

Source- annual report for the year 2022-23 (ministry of MSME).

Table 2: Percentage distribution of Enterprises by Male/Female Owners

CATEGORY	MALE	FEMALE	ALL
MICRO	79.56	20.44	100
SMALL	94.74	5.26	100
MEDIUM	97.33	2.67	100
ALL	79.63	20.37	100

Source- annual report of 2022-23 (ministry of MSME)

Further male supremacy in ownership has been more prominent for Small and Medium enterprises with 95% or more enterprises being owned by them, as compared to Micro enterprises where 80% were owned by males. If we analyze the above tables carefully then we can understand that Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased investments, creating a place in the export market with considerable employment for others and weaving new ways for other women entrepreneurs in the organized sector.

Review of Literature

Atul Arun Pathak & Sanjeev Varshney (2017) In his study he discussed about the challenges faced by women entrepreneurs in rural India. In developing country, as it faces challenges of 'remoteness from markets, inadequate access to suppliers, lack of skilled labour, etc.' (Galloway and Mochrie, 2006: 174), and poor workers, inadequate infrastructure and 'a culture not supportive of entrepreneurship' (Ozgen and Minsky, 2007: 50). While social entrepreneurship has led to the empowerment of women in India by providing women with 'economic security, development of entrepreneurial behavior, and increased contributions to the family' (Datta and Gailey, 2012: 569), entrepreneurs continue to face a variety of challenges. Kumbhar (2013: 193) has summarized different issues faced by women entrepreneurs in the rural context in India.

Senthil kumar, Vansantha and Varadharajan, (2012) In his study on women entrepreneurship development found out that the Indian women have an adverse status, in the society due to low rate of literacy, less work participation and low share in urban population of women as compared to their male counterparts. Another limitation of

the society is our age-old socio cultural traditions, taboos arresting and women within four walls of their houses which makes their conditions for the disadvantageous. These factors come together to serve as non-conductive condition for the emergence and development of women entrepreneurship in the country. The growth of women entrepreneurship is expectedly near to the ground in the country. This shows that very few percentages of women are involved in total self-employed persons in India.

Melanne Verveerin (2010), Women entrepreneurs are very important source of growth that can power our economies for decades, yet they face remarkable challenge to their full economic participation. The GEM Women's Report provides important data which is critical to our understanding of women – run SME's

survey conducted by Women's Web (2012)

An interview of 100 Indian women entrepreneurs were taken and some of the findings of this survey were very interesting. Majority were small and medium business owners. Which clearly indicates that women were confident and ready to come forward and contribute to economy with their ideas and start ups.

Kumbher, V (2013) reveals the most serious issues among women entrepreneurs in a rural India. These are lack of particular agenda of life, imbalance between family life and career, poor financial liberty, no direct possession of property, no knowledge about capacities, low accessibility to bear risk, absence of self-confidence etc.

Behara, S.R. and Niranjana, K. (2012) studied that for a women entrepreneur major challenges in India are choices between family and career, low level of education, scarcity of financial assistance, socio-cultural hurdles.

Malyadri, G. (2014) has defined the role and contribution of women entrepreneurs in economic growth and found that women entrepreneurs are the major pillars which contributes in growth of a country by two ways. Firstly, they contribute in the growth of economy like capital formation, improvement in per capita income, employment generation. Secondly, they also play a vital role in social contribution like balanced regional growth, enhancement in standard of living and innovation.

Bitla, S. & Shah, k. (2015). Conducted a study in Bhiwandi city of Mumbai on various business ventures owned by women entrepreneurs like-Ladies Garments & Fashion Boutiques, Beauty

salons, Catering, Coaching classes, Dieticians and Health trainers and Imitation jewelry. The researchers revealed that the major challenges for women entrepreneurs are gender inequality, lack of financial assistance, difficulty in borrowing funds from banks and other financial institutions.

Tyagi, P. (2017) through her study revealed that 57,452 Entrepreneurship units that are registered in India and out of this Women Entrepreneurship units were 18,848 i.e 32.8%. The researcher pointed out the pitiable involvement of females in entrepreneurial activity as they contribute to nearly half of Indian population.

Objectives of the Study

The study is done keeping in view the following factors.

- To study the women entrepreneurs in India specially focus on rural areas.
- To understand schemes for empowering women entrepreneurs.
- To understand issues & challenges of women entrepreneurs in India.
- To suggest remedial measures for uplifting the status of women entrepreneurs.
- To study the factors which are lacking in the contribution of women entrepreneurs in the economy if India

Factors Influencing Women Entrepreneurship

Push Factors- Push factors are the basic elements of necessity such as insufficient family income, displeasure with salaries job, difficulty in finding work and requirement for flexible work schedule because of family responsibilities. These push factors have more importance for women than for men.

Pull Factors- Factors which work as entrepreneurial drive factors relate to independence, entrepreneurial drive, self-fulfillment and desire for wealth, power and social status, co-operation and support of family members and a strong network of contacts. The most prominent factor is self achievement expressed in terms of challenge which helps women to start, run their own business and turn it into a profitable venture. When a muscular need for attainment could not be fulfilled through a salaried position or when there was a desire to convert a perceived chance into a marketable idea, then these factors work for a person to start their own venture.



Schemes which are Empowering Women Entrepreneurs in India

In our country, to give helping hand for women to stepping into the entrepreneurial world it comes to capital, there are various schemes and loans programmes entirely structured for business women. Some of government schemes are as below:

Stree Shakti Package: The State Bank of India (SBI), has run this package which aims to provide finances for women entrepreneurs. The scheme is inclusive of definite concessions as no security is required for the loans up to Rs 5 lakhs for small sector units or the interest can be lower by 0.5 per cent in the case of loan amount exceeds Rs 2 lakhs. The qualification norm for the scheme, is an enterprise share capital should have 50 % share owned by women.

Mahila Udyam Nidhi Scheme: Punjab National Bank this scheme was started by the Punjab National Bank to meet gender gap in financing. It really motivates women entrepreneurs for setting up of their new tiny/small scale units. The maximum amount granted is Rs 10 lakhs under this scheme and the interest rate totally depends upon the market rates. The repay period of easy-going loans is 10 years.

Udyogini Scheme: Sanctioned by the Government of Karnataka in the year 1997-98, the scheme helps women in gaining self-employment, mainly in the sector of trade and service. The maximum unit cost is rupees 100000/- under the scheme to empower the women has been Offered by Punjab and Sind Bank. The age limit for the beneficiary is 18-45 years. The families whose income Rs. 40,000/- per annum for all women including those belongs to SC/ST can avail this benefit. The scheme implies in preventing women entrepreneurs from private borrowing at the higher rates of interest.

Dena Shakti Scheme:, the scheme Offered by Dena Bank provides financing to Women Entrepreneurs which are working in the fields of retail stores, micro-credit, agriculture,

manufacturing, or small enterprises. The maximum ceiling limits stipulated by RBI for various sectors under priority sector such as loans upto Rs 20 lakhs for education and retail trade. For micro credit and housing it is limited to Rs 50000/-. Bank's specific schemes are circulated to branches /offices from time to time.

Mudra Yojana Scheme for Women: the scheme was Launched by the Government of India with the aims to improvemise the status of women by providing them loans. Further aiming at encouraging them to start new ventures to empower them by providing a financial security of individual income. Under this scheme, the Mudra care is provided to the women entrepreneur for whom the loan is approved. Mudra card will function the same way as a credit card limited to 10 per cent of the loan amount granted to women entrepreneur.

Annapurna Scheme ; this is one of the scheme Offered by State Bank of Mysore in which the loan is provided to women entrepreneurs who are willing to set up small businesses in the food catering Industry, the maximum granted amount under the scheme is Rs. 50,000/-. It can be utilized to fulfill the working capital requirements of business like buying utensils and other equipments.

Orient Mahila Vikas Yojna Scheme: Provided by Oriental Bank of Commerce , the scheme entails to meet the credit needs of women entrepreneurs. The eligibility for the scheme, a women has to grip a 51% share capital individually or jointly in a proprietary concern. The scheme which provides a concession on the interest rate of upto 2% doesn't requires collateral security for loans of 1.0 Million up to 2.5 Million. The repayment period of loans is 7 years under the scheme.

Issues/Challenges of Women Entrepreneurship in Rural India

The major challenges that women faces about Balancing their time share between work and family, Problems of raising start-up capital, Difficulty in borrowing fund, Thought-cut completions endangered existence of small companies, as well as an overall psychological barrier on the part of banks, suppliers, and clients alike, are a few of these challenges are :

Creating a market: In the rural area, have a stable market for the business is one of the biggest challenges. It's important to understand the market need, create a product / service for the market and then reach for that market.

Lack of Raw Materials: Due to weak road connectivity and transportation, it is difficult to make availability of raw materials full time in rural areas which is an essential component of entrepreneurship. Women entrepreneurs in rural areas really faces a tough job in getting the raw material and other necessary items for the enterprises when the prices are high.

Illiteracy, extreme poverty and risk aversion: The ground reality was that most artisans trained under the government's schemes were going back to menial labour or doing other low-value-addition activities. The government's model of only providing training almost never worked. The women-artisans did not have much capital, business wisdom and risk eagerness to become entrepreneurs.

Male Dominated Society: In the constitution of our country there are equal rights for both men and women but in real sense equality for men and women does not exist in rural areas of India. Women are being ignored in many spheres of life. Women are not treated equal to men. In rural areas of our country, people have a mind-set that women are only for domestic work. To enter to business field they need the approval of the head of the family. Entrepreneurship has conventionally been seen as a male dominated. All these factors have put a break to grow up in women entrepreneurs. Thus male entrepreneurs turn out to be hurdle in the success of women entrepreneurs.

Low risk-bearing ability: In India, generally women are weak and emotional by nature. To become successful, an entrepreneur must have to get risk bearing capacity. But women, sometimes not succeed to bear the quantity risk which is essential for running an enterprise. Some important factors such as, Lack of proper education, financial support and training from outsides also reduces their ability to bear the risk involved in an enterprise.

Limited Mobility: In rural India, women mobility is very low which becomes a problem due to tradition and inability to drive vehicles. Going alone and to stay out in the night for business purposes are still looked upon with suspicious eyes. Sometimes, younger women feel rough in dealing with men who show extra attention in them than work related aspects. Thus, security of rural women entrepreneurs is main challenge.

Social Barriers: The traditions and customs prevailing in Indian societies towards women stands as a barrier before them to grow and do

well. Religion and castes dominate with one another and hinder women entrepreneurs too. In rural India, women face more social and economical barriers in growing as they are always seen with doubtful sights.

Present Status of Women Entrepreneurship in India

According to the Sixth Economic Census released by the Ministry of Statistics and Programme Implementation, women constitute around 18% of the total entrepreneur (MSME) base in India. As of August 3, 2022, 17,96,408 enterprises were women-oriented MSMEs out of the total 99,58,903 MSMEs registered on the Udyam portal, according to the data shared in the Rajya Sabha by Bhanu Pratap Singh Verma the Minister of State for MSMEs. The share of women-oriented MSMEs in the total MSME count has goes up marginally from 16.6 per cent in December last year, 60.38 lakh MSMEs were registered on the portal during December 12, 2021.

Top five states in women entrepreneurship are Tamil Nadu (13.51%), Kerla(11.35%), Andhra Pradesh(10.33%) and Maharashtra (8.25).

Suggestions and Conclusion

In male dominated society in India, women are assumed to be dependent on male members economically as well as socially. Various factors Pull and Push factors influences women entrepreneurs. Now Women are contributing immensely in the development of their region in rural India as well. It's the result of their hard work, perseverance, talent and through some Government measures that they are able to achieve all this. However, still there is a lot of untapped talent is lying in rural areas. Thus, the following steps can be taken into consideration to uplift and promote women entrepreneurs:

- Government is taking a lot of initiatives for rural women to make Independent. Many of the schemes and Yojnas are focused to promote the women entrepreneurship in rural India. But still the need of the hour is to create awareness about the existing schemes to target group either by NGOs or government marketing. Because of the poor implementation of such initiatives, the required benefits are not conceded on to target group. Thus, all the departments should come together at the ground level and the schemes should be strongly monitored time to time.

- SHG (self help groups) are doing their level best to reach and channelize the talent of rural women. So Government should more focus on helping and promoting them.
- The most important factor for women entrepreneurs is —finance. So, monetary help should be given to women entrepreneurs through micro financing, giving them grants, loans at subsidized rates, free insurance, a part of their production can be taken by government at fixed prices, banks should encourage women entrepreneurs to avail credit facilities, organizing free trade fairs for them, etc.
- Latest data provided by the official website of MSME India showed that Under PMEGP higher subsidy is provided to women beneficiaries. Since inception (i.e. 2008-09 to 31.10.2018), a total of 1,49,031 projects have been assisted to women entrepreneurs under PMEGP. Data on number of women beneficiaries over the past seven years is as under:

Table 3: Women beneficiaries under PMEGP since inception (i.e. 2008-09 – 31.12.2020)(Micro Enterprises / Projects: in Numbers)

YEAR	Women entrepreneurs (Beneficiaries) Under PMEGP
2008-09	4930
2009-10	10845
2010-11	12072
2011-12	14299
2012-13	13612
2013-14	13448
2014-15	13394
2015-16	11356
2016-17	14768
2017-18	15669
2018-19	25434
2019-20	24720
2020-21 (upto 31.12.2020)	11823
Total Since Inception(UP TO 31-12-2020)	186370

Source-(Annual

Report 2018-19 of ministry of MSME)

Women in rural areas have a lack knowledge and technological awareness thus vocational training

should be given to them about production and process management. Also, there is a necessitate to train them with leadership skills, managerial skills, marketing skills, sales assistance, organizing free seminars and workshops for them, etc. so that they can become more and more knowledgeable and to survive in competitive environment.

Thus we can say that Women have the potential and determination to setup, uphold and supervise their own enterprise in a very systematic manner, appropriate support and encouragement from the society, family, government can make these women entrepreneur as a part of majority of national economy and they can contribute in the progress of India.

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