

# Challenges faced by Rural Women Entrepreneur & Entrepreneurship

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**Abstract:** The study attempts to identify key challenge faced by rural women entrepreneur and entrepreneurship. This paper is mostly based on secondary data and some observations in Channagiri taluk. The study shows that there exist multiple business opportunities for rural women entrepreneurs in rural India. Out of all the challenges faced by rural women entrepreneur, social challenge is the key (number one) challenge faced by rural women entrepreneurs.

The educated Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. Despite all the social hurdles, Indian women stand tall from the rest of the crowd and are applauded for their achievements in their respective field. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women. She has competed with man and successfully stood up with him in every walk of life and business is no exception for this. These women leaders are assertive, persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance.

**Keywords:** Rural women entrepreneur, Challenges of women.

## INTRODUCTION

In the advanced countries of the world, there is a phenomenal increase in the number of self employed women after the Second World War. In the Indian context, participation of women as entrepreneurs commenced from 1970s onwards. Earlier, women were associated with 3 K's – Kitchen, Kids and Knitting. Then came 3 P's – Powder, Papad and Pickles. In urban India, women, entrepreneurs are found in 4 E's- Electricity, Electronics, Energy and Engineering. However, women in rural India have confined themselves to petty business and tiny cottage industries. Majorities of rural women entrepreneurs are concentrated in low-paid, low-skilled, low-technology and low-productivity jobs. They have basic indigenous knowledge, skill and potential to establish and manage enterprise.

## OBJECTIVES

An attempt is made in this paper to assess and understand.

1. Concept of rural entrepreneur and entrepreneurship.
2. Business opportunities available for rural women entrepreneurs.
3. Challenges or constraints faced by rural women entrepreneurs.

## Literature review

The literature on female empowerment largely follows two approaches. The first set of studies considers the determinants of female empowerment. The second set of studies examines different proxies for female empowerment. Female empowerment is measured by a woman's ability to make household decisions, relative to her husband's ability to make household decisions. Since this ability cannot be explicitly measured, economists study whether variables such as education, contraceptive use, and asset-ownership are correlated with high female empowerment. These self-reported variables reflect the wide variety of choices and decisions at stake in the household bargain: employment, fertility, and resource allocation. Empowerment itself has been measured by a woman's relative physical mobility, economic security, decision-making ability, freedom from domestic violence, and political awareness and participation.

A large body of literature finds that a woman's access to employment outside the house increases her household bargaining power (for a study in Bangladesh, see Anderson and Eswaran, 2009; for a study in India, see Rahman and Rao, 2004). The ownership of assets, in particular, is one important way through which access to employment helps empower women in developing countries (for example, see Agarwal, 2001, for evidence from India). In addition, several analyses have found that access to credit programs| whether through micro- finance organizations or rotating savings

and credit associations (ROSCA)| has a positive effect on female empowerment (for a study in Kenya, see Anderson and Baland, 2002; for a study in Bangladesh, see Hashemi, Schuler and Riley, 1996).

Studies have also found a positive link between empowerment and contraceptive use (for a Study in Bangladesh, see Schuler and Hashemi, 1994), as well as between the woman's influence on resource allocation and her family's social status (for a study in Bangladesh, see Quisumbing and de la Briere, 2000). In particular, the more educated she and her father are relative to her husband, the more empowered she is. Relative physical mobility is another important determinant of autonomy, defined as degree of control over microcredit loans, since it reflects the woman's access to outside employment opportunities (Hashemi, Schuler and Riley, 1996). A study of the determinants of female autonomy in India finds that a better-educated woman has greater bargaining power, as measured by physical mobility and say in household resource allocation, through the channel of increased information (Rahman and Rao, 2004). The same study also finds culture, as measured by state fixed-effects, to significantly increase bargaining power despite controlling for religion and caste. Further evidence from India shows strong positive correlations between female education as a proxy for bargaining power, and freedom of movement and better maternal health as bargaining outcomes (see Malhotra, Pande and Grown, 2003 for a review of this literature).

## RESEARCH METHODOLOGY

The research is based on secondary & primary data. It's an exploratory & descriptive in nature. The secondary data is collected from review of past researches and other reports. The factors have been identified then classified into three categories factors responsible for hindrance, reasons for starting the business & reasons for success in women entrepreneurship.

### Concept of Rural Women entrepreneur and entrepreneurship.

Entrepreneur is a person who starts a business or an enterprise or a firm. An entrepreneur is the individual who initiates organize, manage and control the affairs of a business unit. While Say (1) and Marshall (2) put him as an organizer and speculator of a business enterprise, whereas Schumpeter referred him as an innovator (3). It means, an entrepreneur starts the enterprise, organizes it, supervises it and engineers long run plan of the enterprise. He / She is especially motivated and a talented person, who implements new ideas, visualizes opportunities for introducing new products, techniques and new source of supply of required goods to consumers. Peter Drucker also agreed that innovation is the specific tool of entrepreneurs. Here, he defines "an entrepreneur is one who always searches for change, responds to it, and exploits it as an opportunity, entrepreneur's innovative" (4). Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence. Thus, "entrepreneurs" represent an owner and organizer and controller of the business. Then, what is rural women entrepreneurship and who is a rural woman entrepreneur?

Government of India (1984) has defined woman entrepreneur as "an enterprise owned and controlled by a women having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of employment generated in the enterprise to women". This definition does not suit to rural women entrepreneurs in India. Any rural woman or a group of rural women which innovates, imitates or adapts an economic activity may be referred as a rural woman entrepreneur. Secondly, rural woman entrepreneur could be defined as "an adult rural woman who creates, owns, and runs an enterprise in rural area".

Rural women entrepreneurship can be viewed as rural women indivisible process which flourishes when the inter-linked dimensions of individual psychological – entrepreneurial traits, social encouragement and business opportunities coverage towards the common goal of opportunity creation and exploitation. From this point of view, rural women entrepreneurship is a frame of mind and a continuous forward societal process. This state in which one does not become entrepreneur or does not act as an entrepreneurship by the mere act of starting or owning an enterprise.

More important is the nature, degree and extent of innovations and involvement that the entrepreneur introduces, establishes, organizes and controls on continuous basis, Rural woman entrepreneur can be described as a dynamic agent of rural economy change, who may be instrumental in transforming rural physical, natural and human resources into production possibilities. Therefore, further it can be stated that rural women entrepreneur and entrepreneurship is not born but can be made as it is neither art nor science but practice. In another words, it can be said that rural women entrepreneur means one who organizes, owns, manage and assumes the risks of business at rural level. The rural women, who innovate, imitate or adopt an economic and commercial activity in rural India can be called rural entrepreneur or entrepreneurship.

It can be said that rural woman entrepreneur is the one who creates something new, organizes production and undertakes risks and handles economic uncertainties, to adjust her personal needs, family life, social life and economic independence. On the other hand, it can also be referred rural as an enterprising rural woman individual with an eye for opportunities and on uncanny vision, gifted with commercial acumen and tremendous perseverance. She is a person

who will like to take risks because of the adventurous spirit she possesses. Thus, rural women entrepreneurs or entrepreneurship can be referred here as the rural women or a group of rural women, who initiate, organize, manage, operate and control a business enterprise in rural India.

### Reason and objective of starting entrepreneurship:

After interviewing most of the respondents, it was found that women empowerment concept is not known to rural women entrepreneurs. There are not aware about Government Schemes to woman entrepreneurs; instead they have the awareness on various other Schemes.

### Challenges faced by rural women entrepreneurs:

The main challenges faced by rural women in business are educational & work background. They have to balance their time between work & family. Rural women entrepreneur's performance is not as much progressive as desired due to various challenges faced by them such as:

1. Personal challenges
2. Social challenges
3. Financial challenges
4. Marketing challenges
5. Managerial challenges
6. Technological challenges
7. Competition challenges
8. Lack of mobility challenges
9. Educational challenges
10. Accounting challenges
11. Lack of Law knowledge challenges
12. Choice between family and career
13. Illiteracy or low level of Education.
14. Dearth of financial assistance
15. Socio-cultural barriers
16. Other challenges

It was asked to the respondents, out of above challenges or constraints, which challenges are faced by them the most.

### Significance of the study

Today, women entrepreneurs play an important role in creating job, wealth and innovation across the countries. This is quite evident from the reports of the Global Entrepreneurship Monitor Study. Any research study that examines the challenges and how these were overcome by women entrepreneurs assumes greater importance given the rising population of women entrepreneurs. Woman entrepreneur should carefully study that problems like concept of business problems, reasons for arising such problems and how to beat business crises and problems and also try to overcome from such problems permanently. On this ground, the present study assumes a great importance to study on problems and prospects of women entrepreneurship.

**Table .** Preference for challenges faced by rural women entrepreneurs (Rank 1 to 12)

| SI.No. | Challenges                   | Percentage | Rank |
|--------|------------------------------|------------|------|
| 1      | Social                       | 89         | 1    |
| 2      | Financial                    | 86         | 2    |
| 3      | Personal                     | 70         | 3    |
| 4      | Marketing                    | 56         | 4    |
| 5      | Technological                | 52         | 5    |
| 6      | Educational                  | 50         | 6    |
| 7      | Competition                  | 27         | 7    |
| 8      | Managerial                   | 20         | 8    |
| 9      | Lack of accounting knowledge | 15         | 9    |
| 10     | Lack of law knowledge        | 12         | 10   |
| 11     | Lack of mobility             | 10         | 11   |
| 12     | Others                       | 18         | 12   |

Table shows that social, financial, personal, marketing, technological changes and educational challenges are the main challenges faced by the rural women entrepreneurs. However, social challenge is the main hurdle in the rural women

entrepreneurship development followed by financial and personal challenges. Lack of accounting knowledge, Law knowledge and mobility are the least constraints of rural women entrepreneurs.

### Analysis of social challenges faced by rural women entrepreneurs:

The rural women or a group of rural women who initiate, organize, operate and control a retail business enterprise on commercial basis in rural India is referred here as rural women entrepreneurs. It is assumed that social rural environment is not conducive to the development of rural women entrepreneurs or entrepreneurship.

The women entrepreneurial development especially rural women entrepreneurial development should be given top priority because historically initiation and sustenance of economic development depends upon the women entrepreneurs. Better supply of women rural entrepreneurs in any country can be an asset and inspiration for adequate development of Indian economy. The Indian GDP since 2006 is above 6 percent and at present it is 7.5 percent but contribution of women in it is very less. The GDP can be doubled then if women development is at par with men. Hence development of women entrepreneurs is main key of Indian economic development. Today, women entrepreneurs have been in short supply. The reason is - the latest entrepreneurial talent existing in all classes and in all areas and in all caste / community has not been noticed or tried fairly due to traditional social system and its compulsion. In spite of the various measures taken by the government, and preferential treatment given to entrepreneurs to develop the entrepreneurs, the progress is not as much progressive as desired due to various challenges faced. The social challenges still exist and that too of far higher level.

Whether rural women entrepreneurs faced social challenge while conducting entrepreneurship are judged on the basis of whether there exists the traditional role prescription, social behavioral barriers, gender role ideology, psychological barriers, delimiting the outside movement, general social attitude of society and caste consciousness.

The result of opinions is presented in Table 6.

**Table 3 . Social challenges faced by rural women entrepreneur**

| SI. No. | Social Challenges indicators         | Percentage |           |
|---------|--------------------------------------|------------|-----------|
|         |                                      | Yes        | No        |
| 1       | Traditional role prescription        | 89         | 11        |
| 2       | Social behavioral constraints        | 92         | 8         |
| 3       | Gender role ideology                 | 88         | 12        |
| 4       | Psychological constraints            | 82         | 18        |
| 5       | De-limiting the outside movement     | 91         | 9         |
| 6       | Old social attitude of rural society | 85         | 15        |
| 7       | Caste consciousness                  | 96         | 4         |
|         | <b>Average</b>                       | <b>89</b>  | <b>11</b> |

It can be seen from Table 3 that

1. 89 percent rural women entrepreneur's respondents agreed that the rural Indian society expected women in traditional role prescription.
2. 92 percent respondents and 88 percent respondents state that they had faced social behavioral and gender role ideology constraint.
3. Psychological challenge is seen by 82 percent respondents and 91 percent respondents think that de-limiting the outside movement is a constraint.
4. 85 percent respondents faced general social attitude from rural society.
5. 96 percent respondents faced cast challenge.
6. Thus Table 3 clearly shows that 89 percent rural women entrepreneurs faced social challenges which restricted the fast progress of rural women entrepreneurs.

### MOBILITY CONSTRAINTS

Rural women in Indian Society have got restricted mobility. The carrier of women is limited in four walls of kitchen. The women confined themselves to three KS-Kitchen, kids & knitting. There is hardly any opportunities to cross this boundary (Manimakalai & Rajeshwais 2000). The mobility problem has been solved to certain extent by the explosion of Information technology & telecommunication facilities.

### Opportunities for rural Entrepreneurs.

Integrated rural development programme:- The main objectives of Integrated rural development Programme is to increase the income generating power of family who are below the poverty line to alleviate the poverty. They impart technical & entrepreneurial skills & raise the income level of the poor. Some of the major employment & anti poverty programs are

1. Regional Rural Development Centres.
2. Technology for Bank.
3. Fund for Rural Innovation.
4. Social Rural entrepreneurship
5. Entrepreneurship Development Institute of India.

### CONCLUSION AND SUGGESTIONS

On the basis of above analysis it can be concluded that rural women or a group of rural women, who initiate, organize, manage, operate and control a business enterprise in rural India, is referred here as rural women entrepreneur or entrepreneurship. There exist multiple business opportunities to rural women entrepreneurs in rural India. Indian rural women entrepreneurs are facing social, financial, personal, marketing, technological, educational, competition, managerial etc. challenges. Of these, social challenge is the key (number one); followed by financial and personal challenge. Detail analysis of social challenge show that society expects from rural women entrepreneurs (1) traditional role prescription (9%), social behavior (92%), gender role ideology (88 %), prescribed psychological nature (82 %), delimiting the outside movement (91%), old social attitude (85%) and caste system approach(96%). Therefore to understand overall scenario of rural women entrepreneurship and entrepreneurs of rural India, and to suggest corrective measure and action plan, a high power commission should be appointed by Central Government at national level.

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