

RURAL WOMEN ENTREPRENEURSHIP IN INDIA – ISSUES AND CHALLENGES

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Abstract:

In recent times, women in India are increasingly empowering themselves through entrepreneurship, playing a crucial role in the country's economic growth and development, particularly in rural areas. However, despite their significant contributions, women entrepreneurship in rural areas remains underdeveloped due to various challenges and problems. This study aims to identify and analyze these issues and explore the necessary supporting elements to promote the growth of women entrepreneurship in rural areas.

The study reveals that several factors hinder the growth of women entrepreneurship in rural areas, including a lack of balance between family and career obligations, limited financial freedom, inadequate entrepreneurial skills, negligence by financial institutions, low self-confidence, inflexible schedules, lack of education, and limited awareness and risk-taking ability. To address these issues, the study suggests providing access to education and training, promoting financial inclusion, and creating conducive policies and regulations that support women's entrepreneurship. Greater awareness and support from successful women rural entrepreneurs can also play a crucial role in inspiring and empowering rural women to pursue entrepreneurial ventures. The development of women entrepreneurship in rural areas is crucial for India's overall growth and development, particularly in light of globalization and economic liberalization. By addressing the challenges and providing the necessary support, India can harness the potential of its rural women to drive economic growth and development.

Key words: Women Entrepreneurship, Social factors, Rural development.

Introduction:

Entrepreneurship holds significant potential in fostering employment opportunities and improving the economic status of rural communities. With increasing interest among women in starting their own businesses, both in rural and urban areas, entrepreneurship has become a vital means of overcoming poverty, generating family income, and enhancing the standard of living. However, rural women in India continue to face numerous social and cultural barriers that hinder their participation in entrepreneurial activities. Despite this, the United Nations has been observing October 15th as International Rural Women's Day since 2008, recognizing the crucial role that rural women play in the social and economic growth of rural India. Rural entrepreneurship refers to the establishment of industries and business units in rural areas, often leveraging agricultural sources. This involves the creation of new enterprises or the expansion of existing ones, with the aim of generating economic growth and development in rural areas. By establishing industries and businesses in rural areas, rural entrepreneurs can not only create employment opportunities but also contribute to the overall economic development of these regions. In India, rural entrepreneurship faces several challenges, including limited access to resources, lack of infrastructure, and cultural and social barriers. Despite these challenges, many rural women are increasingly becoming entrepreneurs, leveraging their skills and knowledge to establish successful businesses in rural areas. These women are breaking down

social and cultural barriers, paving the way for greater gender equality and economic empowerment in rural India.

The celebration of International Rural Women's Day on October 15th serves as a reminder of the critical role that rural women play in the social and economic growth of rural India. By recognizing and supporting the entrepreneurial efforts of rural women, we can foster greater economic growth and development in these areas, ultimately leading to improved standards of living and a more equitable society. 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 defined, "Any business or industry started in rural area, village or town with peoples of 20,000 and below and an investment of Rs.3 crore in any plant and machinery is classified as a village industry".

According to the definition provided, a women entrepreneur is an individual who takes on the challenge of meeting her own financial independence by establishing and running a business venture. This definition, as outlined by the Government of India, specifies that for an enterprise to be considered a women-led business, it must have a minimum economic interest of 51% of the investment and provide at least 51% of employment opportunities for women within the enterprise. In essence, women entrepreneurs are women who take on the role of leadership and ownership in a business, with the goal of achieving financial independence and creating economic opportunities for themselves and other women.

According to J.A. Schumpeter's seminal work, a woman entrepreneur is defined as an individual who establishes, leads, and manages a business or industry, creating employment opportunities for others. In essence, women entrepreneurs are responsible for organizing and leading business enterprises in various sectors, including rural areas. Rural women entrepreneurship, specifically, involves the establishment and management of businesses or industries in rural areas, often leveraging agricultural resources to create employment opportunities for local communities. This type of entrepreneurship is critical for rural development, as it can contribute to the creation of jobs, income generation, and poverty reduction.

- 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.

Objectives of the study:

1. To identify the factors that encourages rural women to become entrepreneurs.
2. To find the issues and challenges faced by rural women entrepreneurs in India.
3. To study the effective support of the government to women entrepreneurship.

Review of Literature:

Senthilkumar, Vasantha and Varadharajan, 2012: Male dominated society and women are not treated as one and the same partners both inside and outside four walls of the house. A study on women entrepreneurship development is managed and it is found that the Indian women enjoy unfavourable status, literacy rate of the women is low in the society, low work participation rate and our old traditions and limitations arresting to women within four walls of their houses also make their situations for the unfavourable. These factors combine to serve as non-conductive condition for the development of women entrepreneurship in the country.

Parveen, 2013: Development of Rural Women Entrepreneurs by Workshop Training is being planned and it is found that workshops controlled by different NGO's helped rural women to offer financial support, business education and mentorship. The study analyze that trained rural women entrepreneurs have good business skill and abilities. Hence, they can easily entree to the different markets and start business on

sustainable root. As far as untrained rural women are troubled, they have to face a lot of problem in managing their business. Another outcome of this study is that the unmarried rural women entrepreneurs that they can face another problem to take bank loans because there is a possibility of change of their living destination after marriage. So that the unmarried women entrepreneurs when getting married that have more difficulty for the business because they have to bear double responsibilities, at their home and at work. In current scenario the percentage of unemployment among qualified and educated women is increasing in rural areas, it is necessary to support and promote rural entrepreneurship as it will create more opportunities for rural societies.

Priyanaka Sharma (2013): highlighted the development ways for women entrepreneurship. These are providing better educational facilities, adequate training programs, vocational training, and establishing special target groups for women entrepreneurs etc. This study also highlighted the problems faced by women entrepreneurs. These are male dominating society, inadequate financial assistance, women family obligations etc.

Pharm, and Sritharan, (2014): The problem faced by women entrepreneurs in rural areas was being measured and initiates that majority of the women entrepreneurs were rated as absence of strong leadership. Their leadership quality was not good as required for being a successful entrepreneur. There are many women entrepreneurs who face the problem related to finance. Second rank was financial insufficiency. The third rank was absence of systematic development, No awareness about Government scheme, No repayment of loan by the participants, Lack of education and other problems.

P. JayaKumar and J. Kannan (2014) highlighted the challenges and opportunities before women for selfemployment. Main challenges faced by the women are dual role of women overlapping of responsibilities of business and family, illiteracy among rural women, less risk bearing capacity, lack of information and assistance, need of training and development etc. with the increasing interest of government in women entrepreneurship created it as an opportunity for women

Raju and Bhuvaneswari, (2015): A Study on Rural Entrepreneurship in Sivaganga District is being planned and it deals with problems, functions, needs and how to develop methods in rural entrepreneurship. In this situation researcher focuses on identifying the needs to the rural entrepreneurship, types of rural entrepreneurship, issues and problems faced by rural entrepreneurship and the elements encouraging the rural entrepreneurship. The author limitations those are very difficult to encourage and motivate to rural entrepreneurs and with reduced motivation level, rural entrepreneurs face a lot of problems. Thus, it is mandatory for our government to provide entrepreneurial training to women belonging to rural and urban area. As far as rural development through rural women entrepreneurship is concerned it will stand as vehicle to change quality of life of rural people, sustainable development and growth of economy.

Quagrainie et al. (2020) revealed that women entrepreneurs have a significant relationship with cultural factors, namely income generation and economic resources. The government's role in encouraging entrepreneurship is hoped to impact information technology for women entrepreneurs in rural areas

Garcia and Andrade 2022): Scientific production in the field of entrepreneurship is widespread worldwide, and in last decades, there has been a remarkable growth in terms of publications in scientific journals, congresses and other specialized events, as well as in the academic field.

Research methodology:

- **Research design:** The nature of the research is both exploratory and descriptive. It is investigative as the research goals to classifying the problems and motivation of rural women entrepreneurs.
- **Sources of data:** This study is based on secondary source of data. The data collected from books, published reports of RBI, NABARD, DWCRA, Census Surveys, SSI Reports, newspapers, literature review is prepared by online available studies and journals.

Issues and Challenges of Rural Women Entrepreneurship in India:

There are a number of challenges and problems that rural women entrepreneur's faces in their business are family boundations, time balancing between family and work, education and working experience, Problems of raising start-up capital, suppliers, and clients are some issues. In order to there are some number of the challenges faced by rural entrepreneurs is as follows:

i) **Lack of Education:**

In India, female literacy remains significantly low, with rural women lagging behind their urban counterparts in terms of educational attainment. Despite being in the 21st century, rural women in India continue to face barriers to education, which hinder their ability to access economic opportunities and achieve their full potential. The majority of rural women in India are uneducated, which not only affects their own well-being but also perpetuates cycles of poverty and disadvantage. Several factors contribute to the low literacy rate among rural women in India, including poverty, early marriage, and low socioeconomic status. These factors often result in women receiving less or insufficient education compared to their male counterparts. Additionally, the lack of education hinders women's ability to start their own businesses, as they are less likely to adopt new technologies, marketing trends, and manufacturing methods. Moreover, government schemes and initiatives aimed at promoting women's entrepreneurship and economic empowerment are often inadequate or ineffective in addressing the underlying structural issues that limit women's access to education and economic opportunities. Therefore, a comprehensive approach that addresses the interconnected factors of poverty, gender inequality, and lack of access to education is essential to promoting women's empowerment and economic development in rural India.

ii) **Lack of entrepreneurial skills:**

The dearth of entrepreneurial prowess among rural women poses a significant challenge to their socio-economic empowerment. These women lack an inherent inclination towards entrepreneurship, which hinders their ability to successfully navigate the complexities and uncertainties of business operations. Even after participating in various entrepreneurship training programs, many women entrepreneurs struggle to overcome the risks and obstacles that arise in the course of organizational functioning. This underscores the need for targeted interventions aimed at fostering entrepreneurial mindsets and skills among rural women, in order to promote their economic empowerment and overall well-being.

iii) **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.

iv) **Balance between family and business:**

Women in India have strong emotional ties to their families. They are far from practical. They are expected to undertake all domestic chores and to care for the children and other family members. They have more family obligations for husband, care of children, other family members, and in rules, all of which consume a lot of their time and energy. In such cases, it will be extremely difficult for women to focus and successfully run their businesses. A married woman entrepreneur must strike a healthy balance between home and career.

v) **Male dominated society:**

Although our constitution provides equal rights for men and women, true equality does not exist in rural areas. Women are not regarded on an equal footing with males. People in rural areas usually believe that women are solely capable of home duties. The leader of the family must approve a woman's admission into business. Entrepreneurship has traditionally been viewed as a male-dominated and male-dominated circle. All stages of this type are a barrier to the growth of female businesses. As a result, male entrepreneurs impede the success of female businesses.

vi) Low ability to take risks:

Women in India are often gentle and emotional by nature. Women have a lower ability to endure financial and other risks than men since they have lived a more stable life. To be a successful entrepreneur, an entrepreneur must be willing to take risks. However, women frequently fail to absorb the level of risk required to start a firm. Outsiders' lack of sufficient education, skills, and financial support also reduces their ability to take the risk associated in a venture.

vii) Limited managerial skills:

In an effort to optimize organizational efficiency, management has created a specialized position that is exclusively filled by competent managers. However, this has resulted in a dearth of suitable managerial skills among rural women, hindering their ability to effectively lead and manage businesses. The absence of adequate knowledge and skills in areas such as planning, managing, directing, staffing, controlling, coordinating, monitoring, and motivating has become a significant obstacle for rural women in running their enterprises successfully. This shortfall in managerial abilities has created a formidable challenge for women entrepreneurs in rural areas, making it difficult for them to navigate the complexities of business management and achieve their full potential.

viii) Lack of technical awareness:

Rural entrepreneurs face a severe problem of lack of awareness about technology. Lack of training services and wide services create a difficulty for the development of rural women entrepreneurship.

ix) Shortage of Raw Materials:

The women entrepreneurs have faced more struggles to buy raw materials and other required materials. Women 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.

x) 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.

xi) 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.

xii) 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.

xiii) Absence of motivation:

Motivation is a crucial element in the continuation of a business, as it can significantly impact the success or failure of an enterprise. Despite the inherent potential of women entrepreneurs, they often face challenges in this regard, particularly when it comes to striking a balance between managing a family and running a business. This struggle can result in a decrease in motivation, which can ultimately hinder the success of the enterprise. Rural women, in particular, are often faced with the dual burden of managing a family and an enterprise, which can be a significant source of stress and burnout. This can lead to a decrease in motivation

and a lack of focus, making it more difficult for them to run their businesses successfully. In order to overcome these challenges, it is essential to provide support and resources to rural women entrepreneurs, such as access to training and education, mentorship opportunities, and flexible work arrangements. By addressing these issues, it may be possible to increase motivation and empower rural women to successfully manage their businesses and achieve their goals.

xiv) Legal formalities:

Rural entrepreneurs face significant challenges in complying with legal formalities related to license acquisition due to limitations in literacy and awareness. Specifically, their lack of proficiency in reading and writing, as well as their limited understanding of legal procedures, hinders their ability to navigate the complex regulatory environment and obtain the necessary licenses for their businesses. This results in a substantial obstacle for rural entrepreneurs, who often struggle to overcome these challenges and establish their ventures.

Factors motivate rural women to become Entrepreneurs:

The motivation factors that who enforce to rural women for make themselves as an entrepreneurship. The scheme of Development of Women and Children in Rural Areas (DWCRA), the five-year plans of Indian Government, NABARD, etc. are helping to rural women.

Development of Women and Children in Rural Areas:

In 1982-83, the Government of India initiated the Deendayal Antyodaya Yojana - Rural Landless Employment Guarantee Act (DWCRA) with the primary objective of fostering sustainable development in rural areas through entrepreneurship development programs targeting women. Thousands of rural women have enrolled in these programs, which aim to elevate the socio-economic status of women and children in rural areas, while simultaneously promoting self-employment opportunities among the poorest of the poor. The DWCRA seeks to improve the production of goods and services in rural areas, thereby generating income and improving the overall well-being of rural communities. By implementing these programs, the scheme aims to enhance the productive capacity of rural society and promote economic growth through sustainable means.

Five Years Plans of the Indian Government:

In an effort to foster gender equality and promote women's economic empowerment, the Government of India has introduced the Women Entrepreneurship Development (WED) training program. This comprehensive scheme encompasses various components, including pre-promotion activities, entrepreneur identification and selection, training, post-training support, and follow-up measures. Notably, the WED program places a special emphasis on the development of Personal Entrepreneurial Characteristics (PECs) through targeted training, which sets it apart from more general Entrepreneurship Development (ED) programs for men. By focusing on the unique needs and challenges of women entrepreneurs, the WED program aims to create a more inclusive and supportive environment for women in the entrepreneurial ecosystem.

CONCLUSION:

Current situation is very fast moving with technology development, transformation, industrialization, rural development, education and development. In such situations, employment opportunity enlarged drastically for rural women. Entrepreneurship into rural women, no hesitancy develops the wealth of the nation in general and of the family in individual. India being a socially male dominated country, women are assumed to be economically and socially dependent on male members. Women need to backing and support from the family members, government, society, male colleagues etc., with the right assistance from various groups stated above, they can connect to the main stream of national rural economy and thereby contribute to the rural economic development. The Government should make a plan so that the Indian women entrepreneurs can work more on empowerment by training, development and capacity building programs. It is identical truth that rural women entrepreneurs cannot be developed without suitable training. Therefore, it is necessary to provide training to rural women to enhance their entrepreneurial skill and giving a route of success to rural

women. The Government should offer well education services 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. To overcome of psychological problems is that lack of confidence, low risk-taking capacity, counselling should be provided to the existing and emerging rural women entrepreneurs with the help of NGOs, psychiatrists, technical persons and management experts. The problems of women entrepreneurs cannot be solved only by government intervention. There should be women entrepreneurs who can give great ideas and be able to translate them into reality, persuade fellow entrepreneurs and policy makers. Self-help mutually aided groups must be formulated for overcoming the common entrepreneurial problems.

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