STATUS OF WOMEN ENTREPRENEURSHIP IN RURAL INDIA

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ABSTRACT

Entrepreneurship has gained greater significance at global level under changing economic scenario. The entrepreneurial skills are needed to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. After independence, several entrepreneurship development programs have been started to develop the skill, knowledge, and competence among the entrepreneur. In spite of various entrepreneurship development programmes launched by the Govt. and non-government agencies, the entrepreneurs are encountering a number of problems for establishing economically viable small-scale units. Women contribute significantly to the running of family businesses mostly in the form of unpaid effort and skills. Programmes meant to reach women entrepreneurs can succeed only if they take note of this paradox as well as of the familial and social conditioning that reduces the confidence, independence and mobility of women. Therefore, instead of just schemes (financial and developmental) as the carrot for entrepreneurship development an intensive training needs to be provided to the women and youth in rural India and create an entrepreneurship training system as per integrated rural development program. Rural entrepreneurship is the answer to removal of rural poverty in India. Therefore, there should be more stress on integrated rural development programs. The problem is that most of the rural youth do not think of entrepreneurship as the career option. Therefore, the rural youth need to be motivated to take up entrepreneurship as a career, with training and sustaining support systems providing all necessary assistance.

INTRODUCTION

Entrepreneurship has gained greater significance at global level under changing economic scenario. Global economy in general and Indian economy in particular is poised for accelerated growth driven by entrepreneurship. An entrepreneur is a person who is able to look at the environment, identify opportunities to improve the environmental resources and implement action to maximize those opportunities. The entrepreneurial skills are also needed to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. This is why entrepreneurship is considered a prime mover in development and why nations, regions and communities that actively promote entrepreneurship development, demonstrate much higher growth rates and consequently higher levels of development than
nations, regions and communities whose institutions, politics and culture hinder entrepreneurship. An entrepreneurial economy, whether on the national, regional or community level, differs significantly from a non-entrepreneurial economy in many respects, not only by its economic structure and its economic vigorousness, but also by the social vitality and quality of life which it offers with a consequent attractiveness to people.

As a rapidly growing third world Country, India has been taking careful and measured steps in its diverse development efforts over the years, the small scale industrial sectors has been accorded adequate importance and constitutes an importance and crucial segment of the industry sector. The contribution of Small scale Industrial sector to employment is next only to agriculture. After independence, several entrepreneurship development programs have been started to develop the skill, knowledge, and competence among the entrepreneur. In spite of various entrepreneurship development programmes launched by the Govt. and non-government agencies, the entrepreneurs are encountering a number of problems for establishing economically viable small-scale units like lack of physical facilities like, communication, transport and storage, lack of quality control measures, selection of products, non-availability of right type of raw material, lack of managerial competence, poor linkage with marketing bodies, lack of trained workers, low scale of production, improper communication with other developmental agencies. Long and complicated procedures to avail institutional help, lack of Govt. support and incentives, lack of sufficient finance and working capital and problems in procuring finance as well as loan from different agencies.

RURAL ENTREPRENEURSHIP

The most appropriate definition of entrepreneurship that would fit into the rural development context is the one which defines entrepreneurship as: "a force that mobilizes other resources to meet unmet market demand", "the ability to create and build something from practically nothing", "the process of creating value by pulling together a unique package of resources to exploit an opportunity". However, the existing generation of entrepreneurship also is passing through the transition period. They experience financial resource limitation to promote or to develop a venture and there is also look of research and innovation to meet with marketing challenges. Indian rural economy is also experiencing behaviour of entrepreneurial. Aim of most farmers is to earn profits from farming as from any other business, if he determines the objectives. A farm business necessary requires deliberate decision and proper investment, after assessing risk and available resources to maximize profit. Therefore, entrepreneurship is not simply adoption of new activity but it is transformation of a person from traditional to modern India. Organizations will face seven trends in the next decade as they flight to survive, grow and remain competitive.

- Speed and uncertainty will prevail.
- Technology will continue to disrupt and enable.
- Demographics will dictate much of what happens in business.
- Loyalty will erode.
• Work will be done anywhere, anytime.

• Employment as we know it will disappear.

The basic entrepreneurial principles should be applied to rural development. This would result in:

a. Better distribution of farm produce resulting in the rural prosperity.

b. Entrepreneurial occupation rural for youth resulting in reduction of disguised employment and alternative occupations for rural youth.

c. Formations of big cooperatives like Amul for optimum utilization of farm produce.

d. Optimum utilization of local resource in entrepreneurial venture by rural youth.

THE SUPPORT SYSTEM

However, there has not been enough development in this area. One of the reasons can be that management modes used were largely governmental. Those who were charged with the responsibility of rural development were either bureaucrats or technocrats, who were using only the schemes as the motivation for developing entrepreneurs, without providing the necessary training for running an enterprise. Wherever we see on oasis of development in the desert of rural underdevelopment, we can trace an imaginative entrepreneur, who has used the correct mode of management of rural entrepreneurial venture to the best.

For example, the case of dairy development in the State of Gujarat. This model is popularly known as “Amul Model”. The Gujarat experiment was started more than 30 years ago. Starting from a small complex of eight societies which originally collected only a few hundred litres of milk it has grown into a huge complex collecting nearly seven lakh litres of milk per day from 240,000 members organized into 840 village societies. Today 90 per cent of the processed butter and cheese market of the organized sector in the country is controlled by Amul. This has helped small farmers. Behind the success of this co-operative venture is that dynamic entrepreneur and leader, Dr. Kurien whose target of opportunity seeking is not financial but social gain, not for himself, not for the enterprise or agency, he works for, but for the people he serves.

Despite impetus provided by government, there has not been much development in the rural area. One of the major reasons why not much headway has been made in this area during the last 50 years is the lack of committed government officials implementing these projects. However, before a profile of these rural Entrepreneurs is carved, it is necessary to review the existing rural scene and the agencies involved in the rural development. Such a review would help us in understanding the problems of rural India in a better way. This would also help us in drawing the profile of the Entrepreneurs for rural development. The term Entrepreneur for rural development is being utilized instead of Entrepreneurs for rural industries.
Rural entrepreneurs should not only look at rural areas as their markets, they should also see the challenges existing in the urban markets. They may not be setting up only an industry they might be bringing about a revolution with their innovative ideas. They may not set up manufacturing units; they may set up a seed-raising farm or carry out the trading for the benefit of millions. Based on our understanding of the need of rural industrial ventures, let us try to draw the profile of rural entrepreneurs.

**PROFILE OF A RURAL ENTREPRENEUR**

a. He should not be an individualist.
b. He should have a group orientation.
c. He should consider the rural society not as his market but as his own large family.
d. He should practice a management style where the concern for people is the highest.
e. He should have a strong commitment for rural development.
f. He won’t be interested in usual perks and entertainment allowance.

**NEED FOR SOWING THE DREAM IN THE MINDS OF RURAL YOUTH**

“Youths in the rural areas have little options”, this is what they are given to believe. This is the reason that many of them either work at farm or migrate to urban land. The need is to plant other options in the minds of rural youth. Entrepreneurship could be the best option. If planted and nurtured in the minds of rural women and youth, it could result in revolutionizing the Indian economy. It should be emphasized that the projects undertaken by these entrepreneurs should not be constrained by its location in rural area. It should enjoy all the advantages of the location. Following are the advantages of rural industrial projects:

a. Tax holidays and other tax advantages given to rural projects.
b. Abundance of cheap labour.
c. Advantage of local and regional resources in case the unit uses them as a raw material.
d. Prestige and respect among the local community.
e. Live example for local youth for taking up entrepreneurial project.
f. Support and motivation from local people.
g. Competitive advantage over the big business due to the proximity to the raw material and labour.
h. Employment generation for local people.
TRAINING FOR RURAL ENTREPRENEURSHIP

The training for development of rural entrepreneurship has to be different from the entrepreneurship development training in urban areas. This is the reason that government initiated the integrated rural development programs. In Integrated rural development programs, apart from providing the training to potential rural entrepreneur, an “industrial area potential survey” is undertaken to estimate the kind of industries that could be set up in that particular rural region. Industrial area potential survey has all the details about the cost of the project, availability of technology, gestation period and return on investment for the projects that could be set up in that region. The District Industrial Centre conducts these area potential surveys for usage of potential entrepreneurs.

POSITION OF WOMEN ENTREPRENEURS IN RURAL INDIA

Empirical evidence shows that women contribute significantly to the running of family businesses mostly in the form of unpaid effort and skills. The value of this effort is underestimated both by the families that take it for granted and in academic studies. On the other hand, many of the enterprises defined as being run by women (that is, enterprises in which women hold the controlling share) are in fact run in their names by men who control operations and decision-making. Programmes meant to reach women entrepreneurs can succeed only if they take note of this paradox as well as of the familial and social conditioning that reduces the confidence, independence and mobility of women.

Promoting entrepreneurship for women will require an even greater reversal of traditional attitudes than the mere creation of jobs for women would. This does not mean that we should wait for societal change to take place first. But it does imply that the programme should go beyond subsidies and credit allocation to attitudinal changes, group formation, training and other support services.

TRAINING IN SKILLS

Skill development is being done in women's polytechnics and industrial training institutes. Under various schemes like the World Bank sponsored programme to upgrade polytechnics, separate institutes have been set up for women. From the inception, these should have 100 percent quality hostel facilities with adequate security arrangements, as this is a major cause for poor occupancy and parental disinclination to send their daughters to such institutes.

The common practice of selecting occupations for women on the basis that women are only supplementary income providers and, therefore, do not require a full day's wage for a full day's work has resulted in their large-scale exploitation. Activities in which women are trained should focus on their marketability and profitability, and not be routinely restricted to making pickles and garments. Any programme for women entrepreneurs is vulnerable to abuses by individuals who are not entitled to the benefits. These individuals could exploit the programme by using the truly deserving beneficiaries as fronts for their personal interests. This practice cannot be curbed by exhortation or control; women beneficiaries must themselves be induced to claim greater
decision-making authority in family businesses, whether run in their names or not. This can only come from greater confidence induced by greater knowledge and experience of dealing with the external world and from moving with other successful women entrepreneurs.

All this can be achieved in a training environment, especially one in which the woman is distanced from the normal restrictive family environment and is taught to recognise her own psychological needs and express them. Repeated exposure to women who are successfully managing enterprises might encourage some women who are passive now to involve themselves to a greater extent in the enterprises to which they have lent their name.

The teaching profession constitutes a large component of the service sector, and employs large numbers of women. Yet funding is not extended by financial institutions or banks for setting up, equipping or running teaching institutions. Educational institutions can be justified on purely commercial grounds since they have today become crucial determinants in companies deciding to locate themselves in particular places. Software personnel are notoriously unenthusiastic about working in cities where high quality school level educational facilities are not available. It thus makes both economic and social sense to emphasise funding for creating good schools.

PROBLEMS BEING FACED BY WOMEN ENTREPRENEURS IN RURAL AREAS

Several studies around the world have been carried out which throw light on the challenges faced by women entrepreneurs. Though the three major stages in the entrepreneurial process – of creating, nurturing and nourishing – are the same for men and women, there are however, in practice, problems faced by women, which are of different dimensions and magnitudes, owing to social and cultural reasons. The gender discrimination that often prevails at all levels in many societies impact the sphere of women in industry too, and a cumulative effect of psychological, social, economic and educational factors act as impediments to women entrepreneurs entering the mainstream.

Some of the important barriers faced by women are discussed below:

A. ACCESS TO FINANCE

Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers. In addition to this, women entrepreneurs in developing countries continue to suffer from poor overall assets, poor enforcement of financial rights and the existence of unequal inheritance rights and consequently poor access to community and social resources. Gender-based obstacles – conventional thinking, cultural and social values, lack of collateral – all aggravate the difficulties faced by women.
B. ACCESS TO MARKETS

The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts.

C. ACCESS TO TRAINING

Women have limited access to vocational and technical training in South Asia. In fact, women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of basic primary and secondary education. South Asia is characterized by low enrolment among women in education, high drop out rates and poor quality of education. When training is available, women may be unable to access it because it is held at a time when they are meeting family responsibilities, or the content and method of delivery may not be appropriate. Besides, most technical trainings that are offered to girls at the post-school levels, in the women polytechnic for instance are limited to traditional careers, such as secretarial practice, dress designing, etc. Thus, the exclusivity of training acts as limiting factor itself.

D. ACCESS TO NETWORKS

Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive. There are hardly any women-only or women-majority networks where a woman could enter, gain confidence and move further. Lack of networks also deprives women of awareness and exposure to good role models. Few women are invited to join trade missions or delegations, due to the combined invisibility of women-dominated sectors or sub sectors and of women as individuals within any given sector.

E. ACCESS TO POLICYMAKERS

Most women have little access to policymakers or representation on policymaking bodies. Large companies and men can more easily influence policy and have access to policymakers, who are seen more as their peers. Women tend not to belong to, and even less reach leadership positions in, mainstream business organizations, limiting their input into policymaking through lobbying. Women’s lack of access to information also limits their knowledgeable input into policymaking.
F. OTHER IMPEDIMENTS TO WOMEN ENTREPRENEURSHIP

1. TRADITIONAL VIEWS ON THE ROLE OF WOMEN IN THE SOCIETY

One characteristic that clearly distinguishes most businesswomen from their male counterparts is the added responsibility society often puts upon them in their roles as mothers and wives. The time taken up and the emotional burden created by these dual role responsibilities often interfere directly with the conduct of business for women in ways that do not apply to the majority of men in South Asia.

The often-prevailing attitude that the women’s place is at home and that her first priority is to look after the home and family constrain many married women from venturing into entrepreneurship. Because of this patriarchal bias and role prescriptions, ambition, self-confidence, innovativeness, achievement motivation and risk-taking ability, which are essential for an entrepreneurial career, are inhibited. Women entrepreneurs also face restrictions hampering their mobility.

2. STATISTICAL INVISIBILITY

Most countries do not collect statistics on the sex composition of business owners or operators. Indeed, statisticians would argue that such statistics are methodologically problematic because many businesses have multiple owners and operators, some of whom might be men and some women. In the Asia-Pacific region, for example, only Australia currently undertakes a survey of entrepreneurs, while the Philippines is planning to collect data on the sex composition of business operators. Although few general statistics on the sex composition of business owners and operators are available, a number of comparative studies of women-owned and men-owned or operated businesses show quite distinct differences.

STEPS TAKEN BY GOVERNMENT TO IMPROVE POSITION OF WOMEN ENTREPRENEURS

Keeping in view the contribution of small business to employment generation, balanced regional development of the country, and promotion of exports, the Government of India’s policy thrust has been on establishing, promoting and developing the small business sector, particularly the rural industries and the cottage and village industries in backward areas. Governments both at the central and state level have been actively participating in promoting self-employment opportunities in rural areas by providing assistance in respect of infrastructure, finance, technology, training, raw materials, and marketing. Some of the support measures and programmes meant for the promotion of small and rural industries are discussed below:

NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT (NABARD)

NABARD was set up in 1982 to promote integrated rural development. Since then, it has been adopting a multi-pronged, multi-purpose strategy for the promotion of rural business enterprises in the country. Apart from agriculture, it supports small industries, cottage and village industries,
and rural artisans using credit and non-credit approaches. It offers counselling and consultancy services and organises training and development programmes for rural entrepreneurs.

THE RURAL SMALL BUSINESS DEVELOPMENT CENTRE (RSBDC)

It is the first of its kind set up by the world association for small and medium enterprises and is sponsored by NABARD. It works for the benefit of socially and economically disadvantaged individuals and groups. It aims at providing management and technical support to current and prospective micro and small entrepreneurs in rural areas. Since its inception, RSBDC has organised several programmes on rural entrepreneurship, skill upgradation workshops, mobile clinics and trainers training programmes, awareness and counselling camps in various villages of Noida, Greater Noida and Ghaziabad.

NATIONAL SMALL INDUSTRIES CORPORATION (NSIC)

This was set up in 1955 with a view to promote, aid and foster the growth of small business units in the country. This focuses on the commercial aspects of these functions.

- Supply indigenous and imported machines on easy hire-purchase terms.
- Procure, supply and distribute indigenous and imported raw materials.
- Export the products of small business units and develop export-worthiness.
- Mentoring and advisory services.
- Serve as technology business incubators.
- Creating awareness on technological upgradation.
- Developing software technology parks and technology transfer centres.

A new scheme of ‘performance and credit rating’ of small businesses is implemented through National Small Industries Corporation (NSIC) with the twin objectives of (i) sensitising the small industries about the need for credit rating and (ii) encouraging the small business units to maintain good financial track record.

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

This has been set up as an apex bank to provide direct/indirect financial assistance under different schemes, to meet credit needs of small business organisations. It coordinates the functions of other institutions in similar activities; recommend measures considered necessary for improving the productivity of small enterprises in the informal sector; generate more employment opportunities on a sustainable basis, particularly in the rural areas and enhance the competitiveness of the sector in the emerging global environment.
RURAL AND WOMEN ENTREPRENEURSHIP DEVELOPMENT (RWED)

The Rural and Women Entrepreneurship Development programme aims at promoting a conducive business environment and at building institutional and human capacities that will encourage and support the entrepreneurial initiatives of rural people and women. RWE provides the following services:

- Creating a business environment that encourages initiatives of rural and women entrepreneurs.
- Enhancing the human and institutional capacities required to foster entrepreneurial dynamism and enhance productivity.
- Providing training manuals for women entrepreneurs and training them.
- Rendering any other advisory services.

WORLD ASSOCIATION FOR SMALL AND MEDIUM ENTERPRISES (WASME)

It is the only International Nongovernmental Organisation of micro, small and medium enterprises based in India, which set up an International Committee for Rural Industrialisation. Its aim is to develop an action plan model for sustained growth of rural enterprises.

Apart from these, there are several schemes to promote the non-farm sector, mostly initiated by the Government of India. For instance, there are schemes for entrepreneurship through subsidised loans like Integrated Rural Development Programme (IRDP), Prime Minister Rojgar Yojana (PMRY), schemes to provide skills like Training of Rural Youth for Self Employment (TRYSEM), and schemes to strengthen the gender component like Development of Women and Children in Rural Areas (DWCRA).

SCHEME OF FUND FOR REGENERATION OF TRADITIONAL INDUSTRIES (SFURTI)

To make the traditional industries more productive and competitive and to facilitate their sustainable development, the Central Government set up this fund with Rs. 100 crores allocation to begin within the year 2005. This has to be implemented by the Ministry of Agro and Rural Industries in collaboration with State Governments. The main objectives of the scheme are as follows:

- To develop clusters of traditional industries in various parts of the country;
- To build innovative and traditional skills, improve technologies and encourage public-private partnerships, develop market intelligence etc., to make them competitive, profitable and sustainable; and
- To create sustained employment opportunities in traditional industries.
THE DISTRICT INDUSTRIES CENTERS (DICS)

The District Industries Centers Programme was launched on May 1, 1978, with a view to providing an integrated administrative framework at the district level, which would look at the problems of industrialisation in the district, in a composite manner. In other words, District Industries Centers is the institution at the district level which provides all the services and support facilities to the entrepreneurs for setting up small and village industries.

CONCLUSION

It is quite clear that rural entrepreneurship cannot be developed without significant training. Therefore, instead of just schemes (financial and developmental) as the carrot for entrepreneurship development an intensive training needs to be provided to the youth in rural India. What’s required is to create a devoted team to take up rural entrepreneurship training as per integrated rural development program.

To manage agricultural sector and non-enclave projects in rural areas, rural entrepreneurs need to apply entirely different management and administrative concepts. Otherwise, we shall be only creating islands of apparent prosperity in the ocean of rural poverty. Rural entrepreneurship is the answer to removal of rural poverty in India. Therefore, there should be more stress on integrated rural development programs. The problem is that most of the rural youth do not think of entrepreneurship as the career option. Therefore, the rural youth need to be motivated to take up entrepreneurship as a career, with training and sustaining support systems providing all necessary assistance.

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