

**CHAPTER-09****ROLE AND IMPORTANCE OF ENTREPRENEURSHIP FOR EMPOWERING RURAL WOMEN IN INDIA***Pallavi Singh<sup>1</sup>, Dr Vishakha Singh<sup>2</sup> and Dr Rishi Kumar Singh<sup>3</sup>*<sup>1</sup>Research Scholar Dept. of RMCS, ANDUAT, Kumarganj, Ayodhya, U.P-224229<sup>2</sup>S.M.S Krishi Vigyan Kendra Ranchi, Jharkhand- 834008<sup>3</sup>Assistant Professor, N.N.P.G. College Gonda, U.P-271303**9.1 INTRODUCTION**

Entrepreneurship plays an important role in generating employment opportunity for rural societies, providing self-employment for those who started-up their own business and improving the economic status of the rural area as well. Now women are also interested to start their own business in both the rural and urban areas due to overcome poverty, generate family income and developing Standard of living. Women are participating in the agriculture, business and trade without any social and other boundaries. But in India, there are many social and cultural limitations for rural women. Hence, the women contribution in entrepreneurial activities is less in the social and economic growth of rural India. Now the United Nations has been celebrating 15th October as International Rural Women's Day since 2008 for appraising them and carry out entrepreneurial activity establishing industries, business units in rural areas by using agriculture sources are called rural entrepreneurship. In other word, establishment of industry and business units in the rural areas refer to rural entrepreneurship.

According to J.A. Schumpeter, "Any Woman who builds, adopts or reproduces a business industry is called as woman entrepreneur". Simply we can say that women entrepreneurs are those who organize and lead the business enterprise or industry and provide the employment to other. Rural Women Entrepreneurship is the activity done by women those who establish their own business or industry in rural areas and use of the agriculture sources to create employment for rural people. The basic concepts of rural entrepreneurship which applied in the rural development:

- ✓ 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.

**9.1.1 IMPORTANT DEFINITIONS**

✚ **Empowerment** : "Empowerment is defined as the process of becoming stronger and more confident, especially in controlling one's life and claiming one's rights". The term empowerment will consider the domains of income generation, physical mobility for work, confidence level, decision making power and family respect.

- ✚ **Rural** : A rural area is a geographic area that is located outside towns and cities.
- ✚ **Small Scale Enterprise** : A small-scale enterprise is a business that employs a small number of workers and does not have high volume of sales.
- ✚ **Skills** : Skills are central to improve employability and livelihood opportunities, reduce poverty, enhance productivity, and promote environmentally sustainable development. Coordinated efforts are needed to develop an integrated approach that improves access to relevant, good quality education and training to all rural women and men.



**Figure 9.1** : Skilling Women in Different Segment

### 9.1.2 WHY ACTION IS NEEDED

- Rural people's access to education and training is often limited by financial barriers (e.g., training and transportation costs) and non-financial barriers (e.g., scarce education and training infrastructure, inflexible training schedules).
- Especially for rural women, and adults, the opportunity costs for education and training may be too high to give up their income-generating activities and unpaid duties that help sustain their families.
- Many rural people do not have basic education. This also hampers their access to technical and vocational training or other skills development.



*Figure 9.2 : Women Contribution in our Society in India*

- a) **Role of Government to Develop Women Entrepreneurs in India** : The growth and development of women entrepreneurs required to be accelerated because entrepreneurial development is not possible without the participation of women. Therefore, a congenial environment is needed to be created to enable women to participate actively in the entrepreneurial activities. The Government of India has also formulated various training and development cum employment generations programs for the women to start their ventures. These programmes are as follows:
- b) **Five Years Plans of the Indian Government** : The Government of India started the Women Entrepreneurship Development (WED), training program for the women. This scheme has many development parts, WED training program content wise are no different from general Entrepreneurships Development training for men. The entire WED package consists of pre promotion activity, promotion & identification of entrepreneurs, selection and training, post

training support and follow up. However, special emphasis has to be laid on development of Personal Entrepreneurial Characteristics (PECs) through training as a part of WED. In the seventh five-year plan, a special chapter on the —Integration of women in development was introduced by Government with following suggestion:

- **Specific target group** : It was suggested to treat women as a specific target group in all major development programs of the country.
- **Arranging training facilities** : It is also suggested in the chapter to devise and diversify vocational training facilities for women to suit their changing needs and skills.
- **Developing new equipment's** : Efforts should be made to increase their efficiency and productivity through appropriate technologies, equipment's and practices.
- **Marketing assistance**: It was suggested to provide the required assistance for marketing the products produced by women entrepreneurs.
- **Decision-making process**: It was also suggested to involve the women in decision-making process. The Government of India devised special programs to increase employment and income-generating activities for women in rural areas.

**The following plans are launched during the Eight-Five Year Plan:**

- Prime Minister Rojgar Yojana and EDPs were introduced to develop entrepreneurial qualities among rural women.
- Women in agriculture 'scheme was introduced to train women farmers having small and marginal holdings in agriculture and allied activities.
- To generate more employment opportunities for women KVIC took special measures in remote areas.
- Women co-operatives schemes were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.
- Several other schemes like integrated Rural Development Programs (IRDP), Training of Rural youth for Self-employment (TRYSEM) etc. were started to alleviate poverty. 30-40% reservation is provided to women under these schemes.

**The Government of India has introduced the following schemes during Ninth Five-Year Plan for promoting women entrepreneurship because the future of small-scale industries depends upon the women-entrepreneurs**

- ✚ Trade Related Entrepreneurship Assistance and Development (TREAD) scheme was launched by Ministry of Small Industries to develop women entrepreneurs in rural, semi-urban and urban areas by developing entrepreneurial qualities.
- ✚ Women Component Plan, a special strategy adopted by Government to provide assistance to women entrepreneurs.

- ✚ Swarna Jayanti Gram Swarozgar Yojana and Swaran Jayanti Sekhari Rozgar Yojana were introduced by government to provide reservations for women and encouraging them to start their ventures.
- ✚ New schemes named Women Development Corporations were introduced by government to help women entrepreneurs in arranging credit and marketing facilities.

State Industrial and Development Bank of India (SIDBI) has introduced following schemes to assist the women entrepreneurs. These schemes are:

- ❖ Mahila Udyam Nidhi
- ❖ Micro Cordite Scheme for Women
- ❖ Mahila Vikas Nidhi
- ❖ Women Entrepreneurial Development Programmers
- ❖ Marketing Development Fund for Women

- a) **Entrepreneurship Development of Rural Women through Self Help Groups** : Women comprise half of human resources they have been identified as key agents of sustainable development and women's equality is as central to a more holistic approach towards stabilizing new patterns and process of development that are sustainable. The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. The role of micro-credit is to, improve the socio and economic development of women and improve the status of women in households and communities. The micro entrepreneurs are strengthening the women empowerment and remove the gender inequalities. Self Help Group's microcredit mechanism makes the members to involve in other community development activities. Micro credit is promoting the small-scale business enterprises and its major aim is to alleviate poverty by income generating activities among women and poor.



**Figure 9.3 : Self Help Groups : A Means to Women Empowerment**

- b) **Areas of Micro-Enterprise Development** : Depending on number of factors ranging from landholdings, subsidiary occupations, agroclimatic conditions and socio-personal characteristics of the rural women and her family member the areas of micro-enterprises also differ from place to place. The microenterprises are classified under three major heads:

**1. Micro Enterprise development related to agriculture and allied agricultural Activities:** Like cultivating to organic vegetables, flowers, oil seeds and seed production are some of the areas besides taking up mushroom growing and bee – keeping. Some more areas can be like dehydration of

fruits and vegetables, canning or bottling of pickles, chutneys, jams, squashes, dairy and other products that are ready to eat.

**2. Micro-Enterprise development related to livestock management activities :** Like dairy farming, poultry farm, livestock feed production and production of vermin composting using the animal waste can be an important area in which women can utilize both her technical skills and raw materials from the farm and livestock to earn substantial income and small scale agro-processing units.

**3 . Micro – Enterprise development related to household-based operations:** Like knitting, stitching, weaving, embroidery, bakery and flour milling, petty shops, food preparation and preservation.



Figure 9.4 : Micro Enterprise Development (MED) Model

## 9.2 ADVANTAGES OF ENTREPRENEURSHIP AMONG RURAL WOMEN

Empowering women particularly rural women is a challenge. Micro enterprises in rural area can help to meet these challenges. Micro – enterprises not only enhance national productivity, generate employment but also help to develop economic independence, personal and social capabilities among rural women. Following are some of the personal and social capabilities, which were developed as result of taking up enterprise among rural women.

- ✓ Economic empowerment
- ✓ Improved standard of living
- ✓ Self confidence
- ✓ Enhance awareness
- ✓ Sense of achievement

- ✓ Increased social interaction
- ✓ Engaged in political activities
- ✓ Increased participation level in gram sabha meeting
- ✓ Improvement in leadership qualities
- ✓ Involvement in solving problems related to women and community
- ✓ Decision making capacity in family and community

Economic empowerment of women by micro entrepreneurship led to the empowerment of women in many things such as socio-economic opportunity, property rights, political representation, social equality, personal right, family development, market development, community development and at last the nation development.

### 9.3 ISSUES, CHALLENGE AND PROBLEMS 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 there are some number of the challenges faced by ruralentrepreneurs are as follows-



*Figure 9.5 : Challenge and Problems of Rural Women Entrepreneurship in India*

**a) Lack of education-**In India literacy among women is very low. Even in 21<sup>st</sup> century, rural women in India are lagging farlate in the fieldof education. Mostly women of the rural areas are uneducated. Women in rural areas who are educatedprovided whichever less or insufficient education than theirmaleequivalent partly due to poverty, early marriage, lowsocioeconomicstatus, partially due to son's higher education.Lackof education is one of the biggest problems for rural womenwho want to start their business. Due to lack of

good education, women entrepreneurs not adopt the new technology development, new trend of marketing, new methods of manufacturing and other government schemes which motivate them.

**b) Balance between Family and Career-**Women in India are emotionally attached with their family. They have more family responsibilities for husband, care of children, others of family members and in regulations which take away a lot of their time and energy. In such situations, it will be a very challenging task for women to focus and run the business successfully.

**c) Male Dominated Society-**In our constitution regulation there are equivalent rights for men and women but in real equality does not be present in rural areas. Women are not treated equal to men. People in rural areas generally having a prejudice that women are capable only for household work. Women entry to business needs to approve by the head of the family. Entrepreneurship usually has been seen as a male circle and male dominated. All phase of this type a barrier in the growth of women entrepreneurs.

**d) Shortage of finance-** Women and small entrepreneurs suffer this type of financial problem because they are 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.

**e) Low Ability to Bear Risk-**In India, generally women is delicate and emotional by nature. Women have comparatively to man a low ability to bear financial and other risks because they have led a secure life. An entrepreneur must have risk bearing capacity for being successful entrepreneur. But women, occasionally fail to bear the amount risk which is needed for running a business. Lack of proper education, training and financial support by outside also reduce their ability to bear the risk involved in an enterprise.

**f) Lack of entrepreneurial Skills-**Lack of entrepreneurial skill is a major issue for rural women. They have no entrepreneurial bent of mind. Sometimes even after joining various entrepreneurship training programs, women entrepreneurs fail to tide over the risks and difficulties that may come up in an organizational working.

**g) Limited managerial Skills-** Due to absence of proper knowledge women entrepreneurs not successes in managerial responsibility like planning, managing, directing, staffing, controlling, coordinating, monitoring, motivating etc. of a business enterprise. Hence, less and limited managerial skills of rural women have become a problem for them to run the business successfully.

**h) Lack of Technological 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.

**i) 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.

**j) Finding of Raw Materials**-Finding of raw materials is really a solid task for rural women. They may close up with poor quality of raw materials, may also face the problem of storage and warehousing.

**k) Socio Cultural Barriers**-The civilizations and customs prevalent in Indian culture 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.

**l) 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 faced 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.

**m) Absence of Motivation**-Motivation plays an important role in succession of an enterprise. Inherent nature of the women entrepreneurs, sometimes feel less confident which a motivation factor in running an enterprise successfully is basically. This is struggling hard for rural women to strike a balance between managing a family and an enterprise.

**n) Legal Formalities**-Rural entrepreneurs find it extremely difficult in fulfilling with many legal formalities in obtaining licenses due to illiteracy and unawareness. 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.

#### **9.4 SMALL SCALE INDUSTRIES (SSI) AND EMPLOYMENT**

Small Scale Industries (SSI) constitutes an important role in employment creation. They constitute an important and crucial segment of industrial sector. Even they play an important role in resource utilization and income generation and helping to promote changes in a gradual and phased manner. They have been given an important place in the framework of Indian planning since beginning both for economic and ideological reasons.

Small scale enterprises are generally more labor intensive than larger organizations. As a matter of fact, small scale sector has now emerged as a dynamic and vibrant sector for the Indian economy in recent years. It has attracted so much attention not only from industrial planned economists, but also from sociologists, administrators and politicians. Generally, small scale industry is defined in terms of investments ceiling on the original value of the installed plant machinery. But in earlier times, the definition was based on employment.



**Figure 9.6 : SMALL SCALE INDUSTRIES (SSI) AND EMPLOYMENT**

The Small-Scale Industries Board in 1965 defined, small scale industry as a unit employing less than 50 employees, if using powers and less than 100 employees, if not using power and with a capital asset not exceeding Rs 5 lakhs.

For SSI, the Planning Commission of India uses terms, “village a small-scale industry”. These include modern small-scale industry and the traditional cottage and household industry.

#### **Characteristics of Small-Scale Industries**

- **Ownership:** - Ownership of small-scale unit is with one individual in sole- proprietorship or it can be with few individuals in partnership.
- **Management of Control:** - A small scale unit is normally a one man show and even in case of partnership, the activities are mainly carried out by the active partner and the rest are generally sleeping partners.
- **Area of operation:** - The area of operation of small-scale unit is generally localized entering to the local or regional demand. The overall resource at the disposal of small-scale unit is unlimited as result of this, it is forced to confine its active to the local level.
- **Technology:** - Small industries are fairly labor intensive with comparatively small capital investment than the larger unite. Therefore, these units are more suited for economics where capital is secure and there is abundant supply of labor.

- **Flexibility:** - Small Scale units as compared to large scale units are more changed susceptible and highly reactive and responsible to socio-economic conditions. They are more flexible to adopt changes like new method production, introduction of new products, etc.

#### 9.4.1 OBJECTIVES OF SMALL-SCALE INDUSTRY

- ✚ To create more employment opportunities with less investment.
- ✚ To remove economic backwardness of rural and less developed regions of economy.
- ✚ To reduce regional imbalance.
- ✚ To mobilize and ensure optimum utilization of unexploited resource of the country.
- ✚ To improve standard of living of people.
- ✚ To ensure equitable distribution of income and wealth.
- ✚ To solve unemployment problem.
- ✚ To attain self-reliance.
- ✚ To adopt latest technology aimed at lower costs.



Figure 9.7 : Small-Scale Industry in India

**Few Products of Small-Scale Industries :** Products that are produced under small scale industries are:

*Cotton Products (suit, saree, shirt, etc.)*



*Leather Products (purse, belt, shoes etc.)*



*Basket Cane*



*Polythene Bag*



*Bangles*



*Spices*



*Handicraft*



*Pickles*



*Pottery*



*Weaving*



*Cake Production*



*Dairy Production*





## 9.5 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 back 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. Women's entrepreneurship is both about women's position in society and about the role of entrepreneurship in the same society.

Women entrepreneurs faced many obstacles specifically in market their product (including family responsibilities) that have to be overcome in order to give them access to the same opportunities as men. Increased participation of women in the labor force is a prerequisite for improving the position of women in society and self-employed women. Particularly the entry of rural women in micro enterprises will be encouraged and aggravated.

Rural women can do wonders by their effectual and competent involvement in entrepreneurial activities. The rural women are having basic indigenous knowledge, skill, potential and resources to establish and manage enterprise. Now, what is the need is knowledge regarding accessibility to loans, various funding agencies procedure regarding certification, awareness on government welfare programmers, motivation, technical skill and support from family, government and other organization. This will motivate other rural women to engage in micro entrepreneurship with the right assistance and they can strengthen their capacities besides adding to the family income and national productivity.

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