

# **Rural Economic Development Through Women Entrepreneurship**

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**Abstract:** *Majority of the rural women of SHGs are Micro - Entrepreneurs very few are associated with Small Scale Enterprises. Those women are not only developing with sustainable economy but also able to develop other women economically sustainable by providing job opportunities. The rural women entrepreneurs with the sustainable economic development are able to contribute to the family's, community's and the nation's development. Rural women frequently have primary responsibility for agricultural production, in addition to domestic responsibilities and childcare. In developing country like India where economic status of women is very pathetic especially in rural areas and opportunities of earning are very less in this scenario the Self Help Groups (SHGs) have paved the way for economic independence of rural women. This paper reviews concisely the literature in this field and addresses in particular opportunities and challenges faced by women entrepreneurs in rural areas. It examined the impact on women empowerment through micro entrepreneurship development and SHGs. The increasing presence of women in the business field as entrepreneurs has changed the demographic characteristics of business and economic growth of the country. Women-owned businesses enterprises are playing a more active role in society and the economy, inspiring academics to focus on this interesting phenomenon. This paper focuses on the problems, issues, challenges faced by women entrepreneurs, how to overcome them and to analyze policies of India government for and problems faced by them while pursuing their business.*

**Keywords:** Economic Development Through women Entrepreneurship

## **I. INTRODUCTION**

Entrepreneurship can play an important role in rural development. "Entrepreneur means one who creates a product on his own account, whoever undertakes on his own an industrial/trading enterprise in which work men are employed". If entrepreneurship is really encouraged in rural area it would, of course, be instrumental in changing the face of rural areas by solving the problems of unemployment, poverty, economic disparity, poor utilization of rural capacity, low level of standard of living. Majority of the population still lives in rural India and the large chunk of population in urban areas still live through the learning of a village life. For the strength of the country there is a necessity to develop the villages. Development of a country is a choice loaded on its people, whether urban or rural. It is individuals who shape up a society and decide its progress and performance. Entrepreneurship is an innovative and dynamic process, whereby, a new enterprise is created. Entrepreneur is a catalytic agent of change, which generates employment opportunities for others. The emergence of entrepreneurs in a society depends to a great extent on the economic, social, religious, cultural and psychological factor prevailing in the society. Entrepreneurship amongst women is a recent phenomenon. The emergence of the women entrepreneurs and their contribution to national economy is visible in India. The number of women entrepreneurs has grown up in a period of time, especially in the 1990s. The women entrepreneurs need to be lauded for their increased use of modern technology, finding a niche in the export market, creating a sizable employment for others, increased investments and setting the trend for other women entrepreneurs in the organized sector. Indian women business owners are changing the face of the present businesses, both figuratively and literally. The traditional roles of housewives are gradually changing into women entrepreneurs. Some of the factors responsible for these changes are better education, changing socio cultural values and need for supplementary income. When proper exposure, education and knowledge are

imparted to them, Indian women will prove themselves to be highly potential productive force for the development of the nation.

### **1.1 “Women Entrepreneurs” –Opportunities**

A woman who can accept challenges, adventures and an urge to become economically independent can transform into an ‘Entrepreneur’. A woman entrepreneur can contribute positive values to the family, community and the society. Globally women are indulging from teaching to technical areas. In India by breaking the glass ceiling women entrepreneurs are developing and intruding into the male dominated arena as garment manufacturers, farm owners, business women with many commodities, establishing firms like, tiffin centers, milk centers, petty shops etc.

## **II. REASONS FOR WOMEN TO BECOME WOMEN ENTREPRENEURS**

There are several factors which can initiate entrepreneurship characteristics among women, basic Entrepreneurial initiators are: personal motivations, socio-cultural factors, availability of ease finance, government schemes support and business environment. Mallika Das (2000) observed in her study that most common reasons for success of women entrepreneurs is personal qualities such as hard work and perseverance. Some independent factors are market opportunity, family background, idea, challenge, and dream desire of status and economic independence. These factors vary according to parameters such as region, gender, age, family background, and work experience. Several surveys conducted in different parts of the world regarding women entrepreneurship management show that women have provided to be good entrepreneurs for the following reasons:-

- Economic independence.
- Establishing own credit idea.
- Social Identity.
- Achievement of excellence.
- Confidence.
- Status in society.
- Greater freedom and mobility.

## **III. GROWTH OF THE CONCEPT OF SMALL SCALE INDUSTRIES (SSI)**

The growth of modern small scale industries has been one of the most significant features of industrial development. In view of their contribution to income and productive employment, it is appropriate to know the small scale industry. Over the past decades, Government policies have been formulated to develop framework for the revival and development of cottage, tiny and modern small scale industries. The small scale sector in its broad perspective is governed by the following legislative measures (modified from time to time). Most important of them are,

- The Companies Act, 1956.
- The Industrial Development and Regulation Act, 1951
- The Monopolies and Restrictive Trade Practice Act, 1969.
- The Foreign Exchange Regulation Act, 1974.

### **3.1 Institutional Credit for Women Entrepreneurs**

It is important to note that the financing gap is not entirely due to the absence of financial programmes and schemes for women. Many financial institutions and banks provide direct and indirect support to women entrepreneurs for their innovative and creative activities aimed at income and employment generation in different sectors. They are running schemes and programmes i.e. The Credit Guarantee Fund Scheme wherein concessions in margin and interest subventions have been extended to them. Rastriya Mahila Kosh (RMK) is the most important intervention launched in 1993 with the objective of meeting the credit needs of the poor asset less women particularly engaged in the unorganized sector who are not being adequately addressed by the formal financial institutions.

### **3.2 Advantages of women Micro Entrepreneurship**

Sustainable development of women especially rural women is not so easy but it is a challenge. Micro entrepreneurship is an answer to this challenge. Like a Telugu Proverb “Chukka Chukka Sammudramainattu” (water drops will collect as sea) micro entrepreneur is like a water drop will added to the nations economy to solve the nation’s unemployment and other advantages like.

- Develop individual economic independence.
- Enhance the personal and social capabilities like
- Create awareness
- Develop social net working
- Enhance the self confidence
- Improve the standard of living
- Urge to achieve
- Dare to participate in political affairs
- Economic empowerment
- Able to participate in decision making activities.
- Solve the problems of rural women and the village.
- Enhance the leadership qualities.

Sustainable Development of women through micro entrepreneurship fetch many benefits like women's empowerment, socio-economic status, equality, property rights, development of self-esteem, prestige, overall market facilities, community development etc.

### **3.3 Challenges Faced by Women Entrepreneurs**

#### **A. Conflicts between Work and Domestic Commitments**

Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" (Starcher, 1996).

#### **B. Gender Gaps in Education**

While women are making major strides in Educational attainment at primary and secondary levels, they often lack the Combination of education, vocational and technical skills, and work experience needed to support the development of highly productive businesses.

#### **C. Lack of Finance**

Access to finance is one of the most common challenges that entrepreneurs face and this is especially true for women who are further Women Entrepreneurship in India 1145 impeded by lack of personal identification, lack of property in their own name and the need for their husband's countersignature on many documents.

#### **D. Legal Constraints in Family Law**

The institutional and legal environment is critical to the growth of female-owned enterprises. Laws regulating the private sphere specifically those regarding marriage, inheritance and land can hinder women's access to assets that can be used as collateral when securing a loan.

#### **E. Heavy Household Responsibilities**

Leave a demand on women especially those in rural areas who have more children. They are required to perform their traditional role as housewives and therefore, they have fewer hours of free time than men, both during the weekend and

on weekdays. An ILO report on women entrepreneurship identifies the following problems faced by women entrepreneurs.

#### **F. Lack of Family Support**

Sometimes the family may make the women feel guilty of neglecting household duties in her pursuit of business obligations. Cultural traditions may hold back a woman from venturing into her own business.

#### **G. Lack of Capital**

Traditional sources of finance like banks are reluctant to lend to women entrepreneurs especially if they do not have any male or family backing. This is especially true of lower income females. Women do not have adequate finance or legal knowledge to start an enterprise.

### **3.4 Increase Women Entrepreneurship in India.**

The elimination of obstacles for women entrepreneurship requires a major change in traditional attitudes and mindsets of people in society rather than being limited to only creation of opportunities for women. Hence, it is imperative to design programmes that will address to attitudinal changes, training, supportive services. The basic requirement in development of women entrepreneurship is to make aware the women regarding her existence, her unique identity and her contribution towards the economic growth and development of country. The basic instinct of entrepreneurship should be tried to be reaped into the minds of the women from their childhood. This could be achieved by carefully designing the curriculum that will impart the basic knowledge along with its practical implication regarding management (financial, legal etc.) of an enterprise. Here are some suggestions to increase the role of women entrepreneurs:- Women Entrepreneurship in India.

### **3.5 Infrastructure**

Infrastructure set up plays a vital role for any enterprise. Government can set some priorities for women entrepreneurs for allocation of industrial plots, sheds and other amenities. However, precautionary measures should be undertaken to avoid the misuse of such facility by the men in the name of the women.

### **3.6 Personality Development**

Attempts should be there to enhance the standards of education of women in general as well making effective provisions for their training, practical experience and personality development programmes, to improvise their over-all personality standards.

### **3.7 Self-help Groups of Women Entrepreneurs**

Self-help groups of women entrepreneurs an mobilize resources and pool capital funds to help the women in the field of industry, trade and commerce.

### **3.8 Business Development Training Programs**

It includes basic day-to-day management training like how to keep track of accounts, handle taxes and understand compliance rules and regulations. They can also focus on strategy and the long-range success of a business from writing a business plan to targeting specific markets, along with product innovation within business clusters and incubators.

### **3.9 Access to Finance Programs**

Efforts to facilitate access to finance for women entrepreneurs typically encompass initiatives that reform restrictive bank and regulatory policies. Such reforms accept less traditional forms of collateral, look at a lender's willingness to repay and simplify business registry. They also help financial institutions develop innovative loan and savings products for female entrepreneurs. To establish all India forums to discuss the problems, grievances, issues, and filing complaints

against constraints or shortcomings towards the economic progress path of women entrepreneurs and giving suitable decisions.

#### **IV. THE DEVELOPMENT OF WOMEN ENTREPRENEURS**

The following measures are suggested to empower the women to seize various opportunities and face challenges in business.

##### **4.1 Opportunities and Face Challenges in Business**

1. Awareness programme should be conducted on a mass scale with the intention of creating awareness among women about the various areas to conduct business.
2. Vocational training to be extended to women community that enables them to understand the production process and production management.
3. Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops.
4. Educational institutes should tie up with various government and non-government agencies to assist in entrepreneurship development mainly to plan business projects.
5. International, National, Local trade fairs, Industrial exhibitions, seminars and conferences should be organized to help women to facilitate interaction with other women entrepreneurs.
6. Women in business should be offered soft loans and subsidies for encouraging them into industrial activities. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
7. Making provision of micro and enterprise credit system to the women entrepreneurs at local level.
8. Self-help groups of women entrepreneurs to mobilize resources and pooling capital funds, in order to help the women in the field of industry, trade and commerce can also play a positive role to solve this problem.
9. Counselling through the aid of committed NGO's, psychologists, managerial experts and technical personnel should be provided.
10. Making provisions of marketing and sales assistance from Government part.
11. There are various schemes and plans of government for the encouragement of women entrepreneurs but on ground level their execution is poor, there should be a strong monitoring of these policies at different levels of execution.
12. There is a need on the part of the formal financial sector to build up an effective and efficient financial strategy to improve access of women entrepreneurs to banks and financial institutions. The banks should take up steps to reach the potential women entrepreneurs and encourage them to avail credit and credit plus service from banks.

#### **V. CONCLUSION**

It is observed that women entrepreneur networks are major sources of knowledge about women's entrepreneurship and they are increasingly recognized as a valuable tool for its development and promotion. Efforts are being taken at the economy as equality of opportunity in all spheres to the Indian women and laws guaranteed equal rights and opportunities of participation in political process, education and employment were enacted. The role of Women entrepreneur in economic development is also being recognized and steps are being taken to promote women entrepreneurship. From these suggestions it is quite visible that for development and promotion of women entrepreneurship, in the region, there is a need for multi-dimensional approach from different sector, namely from the government side, financial institutions, individual women entrepreneurs and many more, for a flexible integrated and coordinated specific approach. Women entrepreneurs make a significant contribution to the Indian economy. There are nearly three million micro, small and medium enterprises with full or partial female ownership. Today's women entrepreneur represents a group of women

who have started exploring new possibilities of economic participation. Self Confidence, self-esteem, educational level and knowledge make women handle different tasks in life.

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