



## Entrepreneurship Development: Issues related with women Entrepreneurship and Rural Entrepreneurship in India

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### ABSTRACT

This paper deals with entrepreneurship development and issues related with women Entrepreneurship and rural entrepreneurship in India. It begins with historical background of the Entrepreneurship development as pre-historic era, economic-base era, and multidisciplinary era and shows the scenario of women entrepreneurship and rural entrepreneurship in India. Some issues which are faced by women entrepreneurship and rural entrepreneur have also been discussed. This study concludes that Government should go for appraisal of rural entrepreneurship development schemes and programmes in order to uplift rural areas and thereby growing economic development. A plan or strategy must be designed and implemented in close collaboration with many development partners in different specialized areas, notably: education, health, human rights as well as environment and energy and entrepreneurship in India for the equivalent participation of women in development.

### KEYWORDS

entrepreneurship

### Introduction:

In the present era, Entrepreneurship has become a term that is increasingly more widespread around the world. Entrepreneurship tends to be connected with economic development and well being of society. It has achieved greater importance at global level under changing economic scenario. Global economy in general and Indian economy in particular is poised for more rapidly growth driven by Entrepreneurship. Various definitions of Entrepreneurship of Entrepreneurship describe common features- unique traits, risk talking, opportunity recognition, motivation and exploitation and innovation. Other characteristics discuss on the output or impact of Entrepreneurship, such as value creation, spill over effects, or high growth.

### Objectives:-

1. To know about Entrepreneurship.
2. To know about Scenario of women entrepreneurship.
3. To know Issues regarding women entrepreneurship
4. To know about rural entrepreneurship Issues

### Research Methodology:-

To achieve research objectives, the descriptive research design is used in the study. The study is based on the secondary data collected mainly from the various journals and websites.

### Historical background of Entrepreneurship development:

In the view of Bernard F. De Belidor Entrepreneurship is being labour and materials at uncertain prices and selling the resultant product at contracted prices. One study of Entrepreneurship development by the 'Institute of management studies' explains the Entrepreneurship development in three parts;

#### Pre -historic Era

- From 1740-1900, discouragement of innovation ideas
- Product oriented, No new market adventure,
- Not attractive era, No customer satisfaction

#### Economics Base Era-

- From 1910-1950's, starting of entrepreneur era, working ideas changed the concept
- People got advanced, industry formed, large scale production
- Entrepreneur got efficient way to make profit, every person took interest, great importance
- on customer, and entrepreneurs excel knowledge to make profit.

### Multidisciplinary Era-

- The era started in 1960 till now
- Customer took command
- Making of the economies
- More customer oriented rather than product or profit
- Technological advancement

### Entrepreneurship in India:

According to Global entrepreneurship Monitor (GEM) India ranks ninth amongst entrepreneurial countries. It shows that it is highest amongst 28 countries in "Necessity based entrepreneurship", while 5<sup>th</sup> from the lowest in opportunity based entrepreneurship". Vaidyanathan Kaushik (2012) in his study explained that Indian entrepreneurs can be divided in three categories. A first category of entrepreneurs are concentrated towards developing world class products which can complete in the international market. like information technology, iron and steel industry, pharmaceutical industry etc. A second category of Indian entrepreneurs are working on products that are modified in design, pricing and quality to the requirements of the Indian people, or the developing countries at large like cell phones, tablets and even laptops. A third and a more distinctive category is the rise of hundreds of social entrepreneurs. The liberal democratic system in India permits and promotes citizens to come together as a group to solve some of the big challenges facing the nation.

According to Indian Census 2011, about 66% of Indian population lives in villages and depend on traditional occupations like agriculture, animal farming etc. Indian social entrepreneurs working on rural development can reduce migration of people from rural to urban areas, leading the creation of a sustainable eco-system. According to the NSS 62<sup>nd</sup> round, in rural India, almost 50 per cent of all workers are self-employed - 57 per cent among males and nearly 62 per cent among females, while the corresponding figures in urban India are 42 for males and 44 for females.

There are some issues which are faced by Indian entrepreneurship, for instance environmental entrepreneurship, female entrepreneurship; rural entrepreneurship etc. Issues related with women entrepreneurship and rural entrepreneurship has been discussed as follows

### Women entrepreneurship

The environments and characteristics that lead to 'high potential' women entrepreneurship arise on multiple levels. Wom-

en entrepreneurs, like their men counterparts, are influenced by the general business environment where they live. If the general business environment is unstable, if the procedures for starting, running or exiting a business are highly regulated or bureaucratic, this would form a hindrance for men and women start-ups alike. But in some cases, formal institutions or cultural conditions make additional barriers for women that make it more difficult to start or grow a business enterprise. Such circumstances can include diminished legal rights (either for all women or with respect to rights that a woman may give up when she marries) or restrictions to a woman's activities outside of the home or her ability to travel within her community, outside her community, or outside her country. This blend of gendered attitudes, social norms and beliefs can result in more limited access to resources critical for development such as education, skills and finance.

Gender- global entrepreneur development index report addressed that "the female entrepreneur education gap is critical". In some countries, the low share of highly educated women entrepreneurs is striking. Malaysia, ranked in 9<sup>th</sup> place, exhibits the highest percentage of opportunity driven female entrepreneurs (85%)but at the same time, has a low percentage of female business owners who are highly educated (just 29%) in comparison with the overall female population (57% of women are highly educated). This is a trend seen in other developing and emerging economics. The lower rates of highly educated women entrepreneurs do not seem related to less favourable opinions regarding entrepreneurship as a career and in terms of overall status in some countries. In Japan, 64% of women entrepreneurs are highly educated, yet only 39% of the women population believes that entrepreneurship is a good career and that entrepreneurs enjoy high status. On the contrary, in France, the majority of the women population believes that entrepreneurship is a good career with good status, yet it is the only high income country in our sample where the percentage of highly educated female entrepreneurs is less than 45%.

The status of women in India has changed over the past few years. From equal position with men in earliest times through the low points of the medieval period, to the promotion of equal rights by many reformers, the history of women in India has been eventful. In modern India, women have adorned high offices including that of the president, prime minister, speaker of the lok sabha and leader of the opposition. As per Government of India, "An enterprise owned and controlled by a women having a minimum financial interest of 51% of capital and giving at least 51% of the employment generated by the enterprise to women."

According to world Bank report 2011-11 and WAVE conference report 2009-10, in 2010-11 women work participation in India is 31.6% whereas in USA it is 45%, UK 43%, Canada 42%, Indonesia 40%, France 38%, Sri Lanka & Brazil both 35%. It shows that India has got the lowest development of women entrepreneurship in the select leading countries.

**Scenario of women entrepreneurship in India**

Data regarding women entrepreneurship development in terms of total number of units registered, number of women entrepreneurs and their percentage in select leading state in India has been shown in the following table. The analysis of data shows that UP has got the highest percentage of 39.84 in number of women entrepreneurs followed by Gujarat which secures 39.72%. The state of Karnataka has the lowest women entrepreneurs, i.e., 26.84% only.

**Table 1 women entrepreneurship in selected leading states**

States	No. of units registered	No. of Women Entrepreneurs	Percentage
Tamil Nadu	9618	2930	30.36
UP	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77

Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
MP	2967	842	28.38
Other States & UTS	21920	5308	24.22
Total	64796	19971	32.82

**Issues regarding women entrepreneurship**

Without doubt, there are a number of problems regarding women entrepreneurship in India, researcher has identified issues relating to social aspects, economic life, skill problems, problems of family support, courage etc.

**Financial Problem:**

Finance is viewed as "life blood" for any enterprise. Women entrepreneurs suffer from shortage of finance. The degree of financial freedom for women is very poor in India, especially in lower educated families and rural families. Women entrepreneurs are bound to rely on their own savings, if any and loans from friends and relatives who are expectedly too little and insignificant. Thus, women enterprises fail due to the shortage of finance.

**Low Capacity to bear risk:**

In the view of Mehta and Mehta, 2011, women in India live protected lives. A Woman is taught to rely on the male members of her family from birth. Still many great women proved that they have risk bearing capacities and attitude to take risks in entrepreneurial activities. They have become aware of their rights and potential situations and therefore entered different fields of businesses.

**Mobility Constraints:**

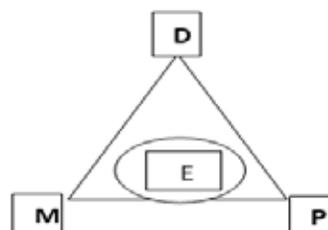
Mobility is one of the main problems in women entrepreneurial development. They are not ready to leave their place for business activities and have a preference staying only in their residential areas. These characters are important as entrepreneurs tend to start their businesses in their current local area and are thus unreasonably found in their region of birth.

**Require of Professional Education:**

Poverty and illiteracy are the essential causes of the low rate of women entrepreneurship in our country. We are providing education to the women but not providing professional education. If we observe rural-urban ratio of enrolled women in professional education we realize that there are small number of rural female students enrolled in this type of education. Sometimes it happens, however, that many women taking the training by attending the entrepreneurial development programme do not have an entrepreneurial set of mind.

**Rural Entrepreneurship**

Rural entrepreneur broadens the base of a farm business to (i) comprise all the non agriculture uses, and (ii) make major changes in land uses or level of production other than those related specially to agriculture. Thus, a rural entrepreneur is the one, who prefers to stay in the rural area and contribute to the formation of local wealth. Rural entrepreneurship development programme (REDP) is one such programme that goals at promoting entrepreneurship and self-employment avenues in rural areas. Rural entrepreneurship is more likely to equip in those rural areas where the two approaches of rural development, the bottom up and top down, complement each other. Currently, the quantum of business and economic opportunities for economic upliftment in rural sectors are enormous. The following chart presents the model for rural development.



### **The enterprise (E) includes the sectors: Production (P), Marketing (M) and Development (D)**

This model is created for the development of rural areas by Banergee (2011) NABARD, the enterprise (E) is in the centre and includes three sectors as Production (P), Marketing (M) and Development (D). The entrepreneurship (E) is woven around production (P), Marketing (M) and Development (D). From the production centre, products have to develop and those goods and services have to be sold. This finally rests on prices and quality. Thus, the enterprise has to develop from marketing. The beginning has to be quality development. Three steps of development are introduced for upgrade of the enterprise. The basis for development is marketing of produced good. Through the sale of the product, the enterprise has to stabilize financially to such an extent that a basis for future development will be build up.

### **The rural entrepreneur in rural areas faces the following issues for development:**

- Ⓜ Government policies: Licensing, taxes and tariff
- Ⓜ Management: In various small firms same individual is responsible for production and management
- Ⓜ Finance acts: The entrepreneur has to make a decision relating to each of the above functions
- Ⓜ Information: Scarcely there is any information on prices, technology etc.
- Ⓜ Technology: Lack of awareness on processing technology
- Ⓜ Marketing: Large firms can pay for transport, storage facility, advertising and product development efforts which an individual, more often cannot.
- Ⓜ Credit: Mostly forced to depend on personal savings, borrowing from friends, relatives and money lenders
- Ⓜ Lack of storage and warehousing facilities
- Ⓜ Poor quality raw material and other inputs

### **Conclusion:**

Entrepreneurship plays an important role for economic development in developing countries such as that of India. Rural entrepreneurs and women entrepreneurs are the facing many problems. Rural entrepreneurship helps in developing the backward regions and thereby eradicating poverty. Government should go for appraisal of rural entrepreneurship development schemes and programmes in order to uplift rural areas and thereby growing economic development. To respond to the requirements of women to materialize their economic potential and thereby to improve their standard of living, it is necessary to design programmes by applying a mainstreaming strategy. This requires formulating measures to fit in women as decision makers, participants and beneficiaries in all relevant development activities, irrespective of the sector or type of the activity. It is also essential to address totality of problems women face as entrepreneur, due to the wide spectrum of elements affecting the equivalent participation of women in development.

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