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Economics

AN ANALYSIS OF FINANCIAL INCLUSION IN ISSUES AND CHALLENGES OF RURAL WOMEN ENTREPRENEURSHIP IN INDIA

KEY WORDS:

Entrepreneurship, Women entrepreneurs, Socio-Economic development, Rural India, Women empowerment.

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ABSTRACT

Entrepreneurship plays a significant role in the Socio-economic development of a country and today it is a buzzword not only in India but all over the world. Amongst many contributors to the socio-economic development, the rural women entrepreneurs are recognizable ones. Setting up an enterprise is not an easy job for women entrepreneurs and at the same time running the enterprise is the greater task, particularly in the rural areas. Issues and challenges are always there for women entrepreneurs to run their business successfully, to earn profit for their livelihood and to ensure the growth of the enterprises which will severely test their entrepreneurial skill and survival of a business unit in the rural area. In today's Indian context women are entering more in this venture as compare to man to start their own business to make socio-economic contribution to the society in addition to desire of exploring their inner self and fulfill their means of livelihood. This paper is an attempt to study the issues and challenges of rural women entrepreneurs in India.

INTRODUCTION

The economic growth of any nation depends upon the strength and weakness of the country. The economic growth can be achieved through employment and self employment. Self employment it is playas a prominent role in economic development of the nation. Today's era can be called as women entrepreneurship era particularly rural women are interested to carry out their own business to support their families. Rural women entrepreneurs in India said to be an example of inspiration for innovation and success. The family business of India and entrepreneurial zeal has significantly boomed and transformed the industry and business interface of India. Rural women entrepreneurship plays an important role in generating employment opportunity for rural societies, providing self employment for those who interested in start up their own business and to improve the economic status of the rural area. Now women's 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. The rural 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.

Women are described as the better half of men. But in reality, the women in developing countries not enjoying this right. It is well known fact. Rural women have to play a dual role, as a housewife and as income earner. Rural women have the burden of preparing food for the family, besides fulfilling their fundamental role of nurturing and caring for the children and tending to elderly members of the household. Even then they suffer from being economically and socially invisible. There is continued inequality and vulnerability of rural women in all fields like socio economic, political, education, health care, nutrition etc.

Rural women entrepreneurship constitute nearly one half of the world's population having enormous potential but being underutilized or unutilized for the economic development of the nation. Indian situation is not an exception for this. The 2001 census of India estimated 0.53 million females against a total population of 1.02 million. In India, women have remained as a neglected section of work force. They were not considered on par with men. Rural women entrepreneurship is lagging behind men mainly because of the relative absence of economic opportunities and minimal participation in decision making process. Rural women entrepreneurship

access to land ownership is extremely limited. Educational backwardness is another major reason why women are lagging behind men. The latest census reports (Census of India, 2001) revealed that female literacy rate in India was 54 per cent, as compared to the male literacy rate of 76 per cent. However, the life expectancy of female was 65 years in contrast to 64 years of male.

The work participation rate of women was 54 per cent as compared to that of 21 per cent in respect of men. However, the time spent on non-market activity by women was only 65 per cent. The participation of rural women entrepreneurship in professional and technical work force is as low as 21 per cent. Therefore, the organizations concerned with the development of rural women considered empowerment of women as a solution to these problems.

Rural women empowerment is a process of awareness and capacity building, leading to a greater participation and greater decision making power. The process of rural women empowerment strengthens their innate ability through acquiring knowledge, power and experience (Murugan and Dharmalingam, 2000). To raise the status of women, they must be empowered socially, economically and politically. Rural women empowerment can serve as a powerful instrument for women to achieve upward social and economic mobility and to achieve power and status in the society.

Rural women entrepreneurship in India

The Indian economy has been witnessing a drastic change since mid 1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. India has great entrepreneurial potential. At present, rural women entrepreneurship involvement in economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs.

Any strategy aimed at economic development will be lop sided without involving women who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. Rural women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia pacific region propelled by foreign direct investment, technological innovations and manufactured exports has brought a wide

range of economic and social opportunities to rural women entrepreneurs.

Issues and challenges of rural women entrepreneurship

Rural women entrepreneurship in India is a journey from poverty to prosperity, total dependence to equality, agricultural labour to entrepreneurs in industry and in service sectors and finally, as opportunity entrepreneurs. The rural women entrepreneurship problems range from mobilizing various resources including problem of capital, marketing, raw material, sales, labour, technical, competition, new technology, problem of land, shed, water, power, taxes, lack of family support as well as lack of government support and the like.

1. Shortage of Raw materials: Rural women entrepreneurs encounter the problems of shortage of raw-materials and necessary inputs. On the pinnacle of this, is the high prices of raw materials, on one hand and getting raw materials at minimum discount rates are the other.

2. Problem of finance: Finance is one of the most important problems faced by rural women entrepreneurship. As finance is the life blood of a business organization and no business organization can function properly in the absence of adequate funds.

3. Problem of marketing: Rural women entrepreneurs incessantly face the problems in marketing their products. It is one of the core problems as this area is mainly dominated by males and even women with adequate experience fail to make a dent. For marketing the products rural women entrepreneurs have to be at the mercy of middlemen who pocket the hunk of profit. Although the middlemen exploit the rural women entrepreneurs, the purging of middlemen is tricky, because it involves a lot of running about. Rural women entrepreneurs also find it difficult to capture the market and make their products popular.

4. Family Conflicts: Rural women also countenance the conflict of performing of home role as they are not available to spend enough time with their families. Because in India, mainly a woman's duty is to look after her children and manage the other members of the family. In business they have to spend long hours and as a result, they find it difficult to meet the demands of their family members and society as well. Their incapability to attend to domestic work, time for education of children, personal hobbies, and entertainment adds to their conflicts.

5. Problem of under utilization of capacity: The rural women entrepreneurship suffering from the problem of under utilization of capacity. Units are making only 40 to 50 percent use of the installed capacities due to various reasons such as shortage of finance, raw materials, power and under developed markets for the products.

6. Outdated technology: Rural women entrepreneurship is depend upon old techniques and equipment. These units find it very difficult to modernize the plant and machinery due to limited capacity and capital. The quality of products and productivity tend to be low in the absence of modern technology and that too at higher cost.

7. Managerial problem: Rural women entrepreneurship is managerial inadequacies. Modern business demands vision, knowledge, skill, aptitude and whole hearted devotion. The managerial competence of the entrepreneur is very important for the success of any venture.

8. Problems of socio-personal: Women, especially in our country, face certain problem, which are different from their male counterparts, in the course of starting and managing

their own businesses. The management of domestic commitments and child care support are the two issues where women have to play a greater role.

9. Lack of Confidence: Other problems' like society's attitude towards rural woman entrepreneurship, unequal opportunities between men and women and very important amongst all the 'Lack of Confidence' in women are also haunting entrepreneurs.

10. Lack of Education: In India around 60% of rural women entrepreneurship is still illiterate. Illiteracy is the root cause of socio-economic problem. Due to the lack of education women are not aware of business, technology and market knowledge. Also lack of education causes low achievement motivation among women.

11. Problems of Government Assistance: The rural women entrepreneurs were exasperated by the indifferent attitude of government officials of all the small industry related departments like taxation, labour, power, etc. i.e. when the authorities come to know that the unit is being run by a woman, they discourage allotting sales tax number and giving electricity connection. Above all they have ignorance about various procedures, laws, and complicated bureaucratic set-up while dealing with entrepreneurial support organizations.

12. Problems of Production: Production in a manufacturing enterprise involves coordination of a number of activities. While some of these activities are in the control of entrepreneur there are others over which she has little control. Improper coordination or unintended delay in execution of any activity is going to cause production problems in the industry.

13. HR related Problems: Growth & prosper of any business depends on efficient management of people is an important factor. This is particularly true in case of small industry where the owners have to forge a close and more personal association with their employees. The women entrepreneurs also expressed their inability to change the negative attitude of labour force while some of them complained of unionism amongst them. Moreover the women entrepreneurs admitted the lack of experience and self-confidence on their part to deal with personnel working in their organizations.

Measures to foster rural women entrepreneurship in India

The following are three key strategies that can help to foster rural women entrepreneurship in India

- An increasingly large number of rural women entrepreneurship in India is engaged in the informal economy and operating in the small scale sector, cottage industries, and micro enterprises. With proper governmental and societal support, these women can create sustainable, organized and growth oriented enterprises with a vision.
- Government policies and regulations regarding business and industry can be formulated with the intent to encourage rural women entrepreneurs.
- The first part of the approach must be to review the existing regulatory framework, and make necessary modifications.
- The second part should be to take vital steps to reduce the administrative hurdles especially for rural women entrepreneurs. The third part must be to include easy and subsidized financing for rural women's entrepreneurial projects.
- Another key part of the strategy must be to facilitate the entry of rural women entrepreneurs into areas where high growth is expected. Special incentives, tax rebates, duty cuts and subsidized land and machinery can be provided to encourage women in emerging sectors. Special

recognitions and award can be instituted for women participating in such targeted industries.

CONCLUSION

Rural women entrepreneurship among women has picked up momentum in recent years. The policies of the central and state governments have undergone sweeping changes in the recent past, particularly in the post liberalization era. The great encouragement, support, assistance, guidance and counseling extended by a number of rural women entrepreneurs association at national, regional and local levels have spread throughout the country. They are the great morale boosters to the rural women entrepreneurs that enable them to muster their courage and boldly set up a large number of industrial and commercial units throughout the country.

At present when we talk about 21st century, and rural women empowerment, we feel very embarrassing when we see women in a very pitiable condition in our society on the want to realize rural women empowerment. Firstly we will try to minimize the literacy gap between men and women and give priority to educate women. So that education plays a crucial role in accelerating the rural women empowerment.

It is true that much effort has been made in recent years for the development of women's business in India, but the irony of the situation is that some rural women entrepreneurs still have their woes, grievances and harrowing episodes. Several of the women entrepreneurs, who have set up industrial and commercial units with great optimism, are not able to achieve all their targeted goals.

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