

A STUDY ON POTENTIALITY OF RURAL ENTREPRENEURSHIP IN INDIA

With special reference to women entrepreneurs in chittoor district

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Abstract

In India, urban populations, in general, grow about twice as fast as the overall total, and by 2020, they may exceed the size of the rural population. Such a significant demographic trend challenges the capacities of some traditional small-scale businesses to cope with the increasing demands. And this is why Rural Entrepreneurship is becoming increasingly important in India, and already, there is a changing trend in how things happen.

The objective of this endeavor is to find out the Problems and Challenges for the potentiality of rural women Entrepreneurship in India with special reference to women entrepreneurs in Chittoor district. It also focuses on the major problems faced and facing by rural women entrepreneurs especially in the fields of Marketing of products, financial amenities and other primary amenities, i.e. availability of electricity, water supply, transport facilities and required energy etc. and finally to develop guidelines for grooming successful women entrepreneurs Some of the suggestions offered in this write-up include the creation of self help mutually aided groups, institutional support for providing timely credit to women, creating awareness amongst women entrepreneurs about business opportunities, marketing techniques and other managerial inputs.

Keywords: *Rural Entrepreneurship, women entrepreneurs, challenges, Problems, constraints, rural, amenities, micro-enterprises, macro –enterprises.*

Introduction

Arable land in India is limited and further expansion of the area under cultivation has virtually stopped. Mechanization is happening in agriculture in virtually every possible activity — from ploughing to harvesting. Finally, the growth in irrigation is tardy and mired in a wide range of seemingly complex problems. Hence, further growth in net sown area is unlikely to be significant.

As a combined result of all this, further absorption of labour in agriculture is very unlikely. This goes in tandem with the fact that virtually every able-bodied man who can wish and actually gets out of agriculture and migrates for work outside, often in urban centres. This creates the problem of unwieldy if not chaotic urbanization on one hand and a complex problem of managing a very large but footloose workforce comprising seasonal migrants.

In such a scenario, promotion of enterprises and self-employment for rural people is seen as a possible way to further growth in rural India. The possibilities and limits of entrepreneurs and enterprises as a solution to the burgeoning problem of rural unemployment need to be examined in this light.

Rural Entrepreneurship in India

Entrepreneurship based on the welfare and upbringing of the rural areas is **rural entrepreneurship**. One of the major objectives of developmental policies in India is to provide employment to millions of unemployed rural youth. The core of the problem in countries like India is surplus agricultural labour and closure of traditional village industries, resulting in increased unemployment in rural areas and migration of rural youth to urban areas in desperate search of jobs, in turn putting more pressure on the urban infrastructure and amenities. Rural industries generated employment for 47.97 lakhs people in the year 1996-97, as against 37.21 lakhs people in the year 1992-93. There are a large number of products and services available in rural areas, which can be leveraged by entrepreneurs to set-up new and small micro enterprises. In fact, entrepreneurship can be pursued in virtually any economic field.

Rural Entrepreneurship in changing Environment:

The changing global environment raises questions about the ability of traditional, small-scale businesses in rural areas to share the potential benefits offered by the changing environment. The rapid (though declining) population growth, coupled with even faster urbanization, creates increasing demands. In India, urban populations in general grow about twice as fast as the overall total, and by 2020 they may exceed the size of rural populations. Such a major demographic trend challenges the capacities of some traditional small-scale businesses to cope with the increasing demands.

Since globalization is a macro-concept and rural entrepreneurship is a micro-concept, occurring in a very limited area, it is very difficult to establish causal linkages, or to quantify the specific effects of globalization on rural entrepreneurship. However, it is possible to identify a range of different channels through which various aspects of globalization can be expected to change the welfare of rural entrepreneurship in India. The active promotion of enterprises in rural India is a possible way for further growth in the countryside, and there's a need to examine their possibilities and limitations in order to tackle the problem of burgeoning unemployment.

Women Entrepreneurs in India

Government of India has defined women entrepreneur is “an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women”.

In most countries, regions and sectors, the majority of business owner/managers are male (from 65% to 75%). However, there is increasing evidence that more and more women are becoming interested in small business ownership and/or actually starting up in business (as shown in fig-1).

Fig-1 Women Creating Jobs Their Way



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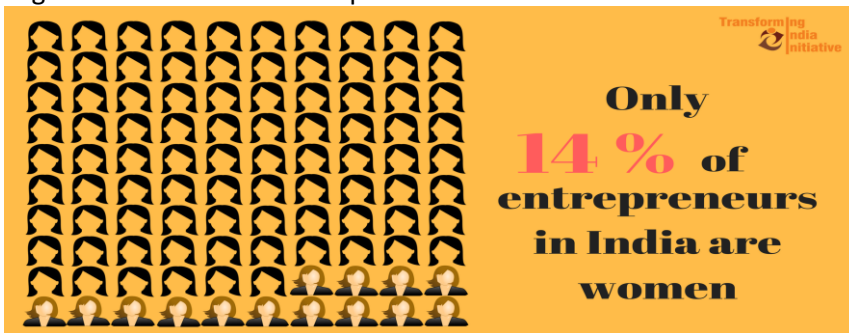
According to the Women’s Financial Network, women start businesses at two times the rate of men. While women are starting more businesses than men, they find it harder at the outset to grow their businesses and access venture capital. Women entrepreneurs constitute 14 % (as shown in fig-2) of the number of entrepreneurs in our country. "

All over the world there is a realization that the best way to tackle poverty and enable the community to improve its quality of life is through social mobilization of poor, especially women into self help groups. Ever since independence a number of innovative schemes have been launched for the upliftment of women in our country. Indian government has taken lot of initiatives to strengthen the institutional rural credit system and development programmes. Viewing it in the welfare programmes of Ninth Five Year Plan (1997-2002) and shifting the concept of Development to Empowerment. The Indian government adopted the approach of Self Help Groups (SHGs) to uplift the rural poor women. The empowerment of women through Self Help Groups (SHGs) would lead to benefits not only to the individual woman and women groups but also the families and community as a whole through collective action for development.

Most women business owners in Indian organization were either housewives or fresh graduates with no previous experience of running a business, These women business owners were in traditionally women - oriented business like garments, beauty care, and fashion designing, which either do not require any formalized training or are developed from a hobby or an interest into a business, The classic example will be

of herbal queen Lady Shehnaz Hussain who started her herbal-based treatment from a relatively small scale. Infact, she started literally from her kitchen domain to a chain of beauty parlors spread out across the nation and world.

Fig-2 Status of women entrepreneurs in India



Source: www.betterindia.com

In this paper researcher aims to find out the Problems and Challenges for the potentiality of Rural Entrepreneurship in India with special reference to women entrepreneurs in Chittoor district. It also focuses on the major problems faced and facing by rural women entrepreneurs especially in the fields of Marketing of products, financial amenities and other primary amenities, i.e. availability of electricity, water supply, transport facilities and required energy etc. follows some suggestions /support that might be most helpful for them in addressing the issues and problems that they are facing.

Research Methodology:

The present study is to be based both on secondary as well as primary data. The secondary data are to be collected from published, unpublished reports, handbooks, journals, magazines, District industries centre. For primary data, researcher chosen Chittoor District which comprises of three regions, namely Tirupathi, Chittoor and Madanapaili. Owing to time constraints, the researcher has randomly selected 150 women entrepreneurs out of 1160 from the list obtained from District industries centre, chittoor. Unfortunately only 98 sample respondents were responded positively to the personal interview and questionnaire. The data to be collected from primary and secondary sources is to be analyze with the help of some statistical tools like average, %ages, standard deviation, 't' test, Gini co-efficient, Garrett's ranking techniques etc.

Respondent Profile and Discussion of Results:

It is evident from the results that about 79% of respondents reside at rural area where as 21% residing at urban. Further results revealed that 72% are married women. Majority of respondents (81%) belongs to age group of 30-45. As per the survey, only 11% had degree education, about 42% have secondary education, 18% are illiterates. Results on family type categories and family size indicate that majority (80%) of respondents belongs to nuclear family type & 68% respondents belong to family size 2-3 children.

Besides results revealed that, 75% of respondents responded that convincing to opt for business over job is not an easy task for an individual. Regarding social challenges, 67% responded Family challenges are always at the top because that is what matter the most but at times social challenges also are very important. 65% expressed their dissatisfaction on Indian education system which lags too much from the Job industry

as a whole but then it lags even more when it comes to online entrepreneurship. Majority of respondents (57%) responded Financial challenges (Difficulty in borrowing fund) are a lot different in India especially for online entrepreneurs.

Moreover results revealed that 36% of women started their business by their own funding. Only 14% started their business by bank loan, 32% borrowing from friends and 26% borrowing from relatives. The data shows that 60% women are working for 5-7 hrs. Only 5% women have only 2-4 hrs for their business. 17% and 18% women gave 8-9 hrs and more than 9 hrs to their business and they have huge family support and husband support.

The study disclosed that 9% of the respondents are earning an income up to Rs.10000, 23% of the respondents are earning Rs.10000- 15000 monthly, 10% of the respondents are earning Rs.15000-20000 monthly, and the others 58% of the respondents are earning above Rs.20000 respectively. The average monthly income of the women entrepreneurs' family is around Rs 20,000.

Regarding Problem of Rural Entrepreneurship, 77% of respondents responded that they fail to get external funds due to absence of tangible security and credit in the market. 80% respondents expressed their dissatisfaction on loan procedure as the procedure to avail the loan facility is too time-consuming that its delay often disappoints the rural entrepreneurs. 68% opinioned that Lack of finance available to rural entrepreneurs is one of the biggest problems.

Regarding Major difficulties faced and facing by rural entrepreneurs ,21% of respondents responded to low level of purchasing power ,20% to lack of finance to start business, 39% to reduced profits due to competition, 18% to pricing of goods and services , 52% to stringent tax laws,33% to lack of guarantees for raising up of loans, 11% difficulty in raising capital through equity,49% to discriminating interest rates and huge rent and property cost for their loans from small money lenders . 76% to the growth of rural entrepreneurs is not very healthy in spite of efforts made by government due to lack of proper and adequate infrastructural facilities. 32% to rural entrepreneurs have less risk bearing capacity due to lack of financial resources and external support.

Regarding Marketing Problems 58% responded that rural entrepreneurs face severe completion of large sized organizations and urban entrepreneurs. 71% revealed Middlemen exploit rural entrepreneurs.

For Management Problems, the results revealed that 62% of respondents have Lack of Knowledge of I.T, 77% felt Legal formalities rural entrepreneurs find it extremely difficult in complying with various legal formalities in obtaining licenses due to illiteracy and ignorance. 80% for Procurement of raw materials is really a tough task for rural entrepreneurs. They may end up with poor quality raw materials, may also face the problem of storage and warehousing. 72% have Lack of Technical Knowledge. 74% responded to Poor Quality of Products.

The results on Human Resources Problems, 68% respondents responded to Low Skill Level of Workers. As per the survey, Most of the entrepreneurs (66%) of rural areas are unable to find workers with high skills. 64% expressed Negative Attitude. This clearly indicating Continuous motivation is needed in case of rural employee which is sometime difficult for an entrepreneur to Problems in Rural Entrepreneurship.

Suggestions /support that might be most helpful for them in addressing the issues and problems that they are facing:

Household: It should be made easier for women entrepreneurs to get help for their households, and initiatives like the “cheques services” implemented by the Belgian government should be copied. This system would alleviate the work load of the female entrepreneurs and at the same time decrease the number of unemployed persons.

Working time: Self-employed women should be encouraged to employ on a part-time or full-time basis at least one person so that they have more time for their family and can take interest in other occupations, actively participate in decision-making bodies.

Financial Aspects: Special schemes should be implemented whereby women can get bank loans at decent conditions

Childcare: More childcare facilities should be provided to fit women entrepreneurs’ needs. This would entail extended opening hours or flexible opening hours according to the woman entrepreneur’s needs. Alternatively measures should be taken for fathers to be in the position to take parental leave, and men should be encouraged to take the leave.

Training, advice or consultancy targeted solely or mainly at women entrepreneurs

Encouraging and assisting relevant business support initiatives

Wild Women Entrepreneurs (Wild WE), the leading networking organization for women entrepreneurs, announced today that the organization has entered into a partnership with Ready Talk to help area women enhance their professional development without restrictions.. It is also found that compared to men, women were less concerned with making money and often choose business proprietorship as a result of career dissatisfaction. Secondly, women find entrepreneurship as a tool of meeting their career needs and childcare role.

Start up programmes for women, particularly those returning to the labour market.

Special targeting of women in general campaigns to boost levels of entrepreneurship.

Equal opportunities policies aiming for equal access for women to services.

Need to have network with other firms to generate business and access informal advice.

Conclusion:

This study examines the factors motivating rural women to become entrepreneur and income inequality between the entrepreneurs has increased after entering the enterprise. On the development of chittor district women entrepreneurship the income and employment opportunities will increase, the rural and family infrastructure will improve and overall it will act as a catalyst for faster rural economic growth and development. Up to a greater extent the rural women entrepreneurship is directly proportional to the rural growth and development. Government should take initiatives to upgrade their skill and institutions should come up with offering education program for women entrepreneur. The necessary managerial and technical skills are also lacking, which is a barrier to the growth of women's businesses. Training and counseling on a large scale of existing successful women entrepreneurs is a necessity.

Surprisingly, very little attention is being paid to this requirement by any agency, governmental or voluntary. Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel could result in the development of appropriate strategies and enable growth of women entrepreneurs.

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