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## A Study of Rural Women Entrepreneurship in India

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### Abstract

The goal of this study is to conduct an analysis of the challenges that are faced by rural women (RW) who own businesses. Women who reside in rural locations and are interested in expanding their responsibilities beyond those typically associated with family life are the objective of this study. New firms and creative initiatives might be challenging to fund, and there aren't enough resources for people to get the training they need. There is also a lack of help from family. Fifty people took part in a semi-structured survey for this investigation. Quantitative answers are evaluated and rated based on their percentage and the strength of each factor that influences entrepreneurship among rural women. Cultural & social obstacles make it difficult for women to create their own enterprises and flourish, although India is a progressive country in terms of GE (gender equality) and women's empowerment. Different aspects of entrepreneurship are used to talk about the research's results. The research showed that Indian policymakers must think about how to assist women commence businesses so they can make more income for their family and help the economy develop in the area. This can be accomplished in a number of ways. To better understand the problems faced by RW entrepreneurs in India, a study has been conducted.

**KEYWORDS:** *Entrepreneurs, Socio-Economic, Women entrepreneurs, rural area*



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## 1. Introduction

Entrepreneurship among women has been seeing as a crucial component in stimulating the economy. When women begin their own enterprises, they give themselves and other people work opportunities. They also give new solutions to problems in business, management, and organisation. Although they are still not very many business owners.

Women entrepreneurs often have trouble starting and growing their businesses because of their gender. For example, an inaccessibility to formal financing, transportation, and information & networking, as well as discriminatory asset, relationship, and inheritance rights & cultural traditions, are all instances of these kinds of challenges. Women who create their own enterprises can contribute to the overall well-being of their communities and families, as well as to the decrease of poverty as well as the empowerment of women (EoW). Thus, the "Millennium Development Goals (MDGs)" can be achieved. So, governments all over the world and many organisations that work to help people are doing a lot to encourage women to start their own businesses. They do this through a variety of schemes, incentives, and other measures. Entrepreneurship is a means of enabling an individual to provide fresh and distinct contributions to society through the creation of chances for creativity (Stam and Spiegel, 2017)<sup>1</sup>. Therefore, it is the "catalyst in society that gives impetus to new businesses and new ways of making and trading things" (Collins & Moore, 1970)<sup>2</sup>. Entrepreneurship is important for the growth of a modern market economy because it creates new competitive businesses and contributes to the growth of the economy (Jankovand colleagues, 2002)<sup>3</sup>. Economic individuality and competitiveness are integral components of entrepreneurship (Gray, 2002)<sup>4</sup>. It is possible to understand it as "producing and extracting value from the environment" for the purposes of this article (Anderson, 1995)<sup>5</sup>. When it comes to starting up small and large companies, this is the challenge that RW in India face. This study examines the challenges that RW business owners in India confront and makes recommendations for governmental changes which could make it simpler for RW to launch their own companies.



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## 1.1 Women Entrepreneurs

Women entrepreneurs play a significant part in the expansion of small enterprises and are the primary driver of economic activity in economies that are undergoing transformation (Lerner and colleagues, 1997)<sup>6</sup>. Things we know from Iran (Hosseini et al., 2011)<sup>7</sup>, Uganda (Lourenco and colleagues, 2014)<sup>8</sup>, India (Kumbhar, V., 2013)<sup>9</sup>, as well as other advanced nations (De Rosa et al., 2015)<sup>10</sup> demonstrates that women can be the main source of motivation and economic growth. It is generally agreed upon that the economic & social difficulties plaguing Arab nations would become even more exacerbated in the private sector, particularly in the sector of small businesses (Fergani, 2003)<sup>11</sup>. It has become clear that women play a major role in this growth.

The paper is structured as follows: An overview of existing literature on rural and women entrepreneurship, followed by a discussion of women entrepreneurship and the methodological approach used for the study. The results are then discussed and strategic suggestions are made based on what is found.

## 1.2 Benefits of Entrepreneurship to for Rural Women:

Empowerment of women particularly in rural areas is a difficult task. Micro-businesses in rural areas can assist in meeting this difficulty. Micro-enterprises not only boost national productivity and create jobs, but they also assist rural women gain economic independence, as well as personal and social capabilities. The participation of RW in the programme results in the development of the following social & personal competencies.

- Economic empowerment
- Enhanced conditions of living
- Self-confidence
- Increased knowledge
- Enhancement in decision-making ability
- A feeling of success and achievement



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- Enhanced interpersonal interactions
  - Enhancement of leadership qualities
  - Counselling should be offered by devoted NGOs, psychologists, management professionals, and technical employees.
  - Providing assistance with marketing and sales from the government.
  - Making microcredit and enterprise credit systems available to women entrepreneurs at the grassroots level.
  - Better educational facilities and programmes should be offered to women people and from the government part.
  - Women in the community should be given with a management skills training programme.
  - A women's entrepreneur mentoring cell has been established to address the different issues that women entrepreneurs face across the state.
  - Entrepreneurial attitudes should be instilled in students as early as high school through well-designed courses.

There has been significant advancement in the field of economics in the current globalised period. Women's participation is more important in this progress. Self-Help Groups have a lot of promise for these women entrepreneurs. In point of fact, the SGHs enable women to achieve at the very least economic self-sufficiency and possibly even financial security. Their voices are becoming more empowered in several different spheres, such as the business. In a broader sense, a woman entrepreneur is someone who takes on a difficult position in order to meet her personal requirements and become economically self-sufficient. In order to meet her family's demands, a woman must overcome several obstacles. After overcoming obstacles, a woman entrepreneur eventually becomes economically self-sufficient. By becoming a successful business owner, a woman shines in both her social life and her family life.



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## 2. Review of Literature

It was claimed by **McElwee and Smith (2014)**<sup>12</sup>, as well as **Henry et al. (2014)**<sup>13</sup>, that the distinction between rural & urban enterprises is made for no logical reason. They consider it to be a rural business if it hires residents of the surrounding region, makes use of and contributes to the provision of local services, and generates financial gain for the surrounding community. So rural businesses contribute "value" to both their local and, in the case of larger ones, global economies & marketplaces.

Women who start businesses tend to do things that have traditionally been seen as women's work, which is often not very entrepreneurial. The topic of RW who establish their own businesses hasn't received a lot of attention in the literature, but a few core themes have emerged. The current literature review (LR) is missing something that relates particularly to Indian women, and that something is a gap in the analysis. This paper will use **Wenneker et al.(1999)**<sup>14</sup> three dimensions of entrepreneurship to explore and frame these issues. These are the conditions that lead to entrepreneurship, the traits of entrepreneurs, and the results of being an entrepreneur.

It is difficult for female entrepreneurs from worldwide to acquire access to finance, resources, and government funding(**United Nations, 2007**)<sup>15</sup>. Many women, especially in developing economies, start their own businesses because they need to survive or improve their way of life. They can depend on the structural factors that are available to them (**Lassale and McElwee, 2016**)<sup>16</sup>.

Women who want to open their own enterprises typically need the help of their families as well as their own inner drive. However, role models as well as mentors can help women make decisions and make career choices (**Brianin and Schupp, 2000**)<sup>17</sup>. Gain management skills, technical knowledge, innovation and work experience, as well as the fact that these things are widely available in society; women who wish to create their own enterprises benefit from all of it(**Sidhu and Kaur, 2006**)<sup>18</sup>. When women begin to behave in an entrepreneurial manner, they



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are more likely than males to wish to improve upon their performance over time. **Mitchell et al. (2004)**<sup>19</sup> link this to the fact that people need to make more money to stay alive.

According to **Brush (1992)**<sup>20</sup>, the main things that stop women from starting their own businesses are not having enough money, not having enough training, and having to answer to their families. This means that governments need to help women by giving them money and training and changing any social norms that stop women from starting their own businesses (**Ganesan et al., 2002**)<sup>21</sup>.

### **3. Aim of the Study**

RW entrepreneurs encounter a wide range of challenges, and this study aims to gain better understanding of these issues and determine the most important characteristics of women entrepreneurs.

#### **3.1 Objectives**

**The following is a list of the goals that this research aims to accomplish:**

1. To investigate the different social and economic backgrounds of the female business owners.
2. To have an understanding of the myriad of challenges that RW business owners in India experience.
3. To investigate the primary advantages and disadvantages held by female business owners.

### **4. Material and Method**

#### **4.1 Study design**



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The focus of the research is on rural Indian women. For the current study, the total sample size will be 50 women living in Shahjahanpur (UP), India. The survey was aimed at rural women business owners who were registered in rural areas of Shahjahanpur. Participants were identified first by contact with the Regional Office, and subsequently through referrals that had previously been recognized. For the purpose of data collecting, the "snowball sampling" approach is utilised.

## **4.2 Data collection**

Using a well-structured questionnaire, primary data are obtained from women entrepreneurs, the primary source of primary data. Shahjahanpur in Uttar Pradesh is a field of study. An investigation based on fifty people's answers to a questionnaire with a semi-structured format. Quantitative answers are judged and ranked based on their percentage and the strength of each factor that affects entrepreneurship among rural women.

## **4.3 Data analysis**

Well-structured questionnaires are a major tool for data collection. A questionnaire will be prepared to analyse women entrepreneurs. Secondary data is also proposed to be collected from various departments. All this data will be presented in various tables and is proposed for critical analysis with the help of statistical tools. Percentage analysis is an applied statistical tool.

## **5. Result and Discussion**

### **5.1 Socioeconomic Background**

This part discuss about the age, education level, family income, marital status, family income, type of business, size of business, sources of finance, and business expenses.



**Table No. 1**

**Socio-Economic Background of the Women Entrepreneurs**

| <b>Factor</b>                    | <b>Category</b>  | <b>Percentage (%)</b> |
|----------------------------------|------------------|-----------------------|
| <b>Age</b>                       | Below 30         | 22.22 %               |
|                                  | 30-40            | 35.56 %               |
|                                  | 40-50            | 28.89 %               |
|                                  | 50 and above     | 13.33 %               |
| <b>Marital Status</b>            | Unmarried        | 31 %                  |
|                                  | Married          | 69 %                  |
| <b>Educational Qualification</b> | Illiterate       | 5.56 %                |
|                                  | Primary          | 10 %                  |
|                                  | Secondary        | 17.78 %               |
|                                  | Higher Secondary | 46.67 %               |
|                                  | Graduate Level   | 20 %                  |
| <b>Annual Income</b>             | Below 10,000     | 16.67 %               |
|                                  | 10,000 - 20,000  | 35.56 %               |
|                                  | 20,000 - 30,000  | 23.33 %               |
|                                  | 30,000 - 40,000  | 15.56 %               |
|                                  | 40,000 and above | 8.89 %                |

The purpose of this research is to investigate the challenges and opportunities that face female entrepreneurs. For this reason, the study asked 50 women business owners to fill out a survey. In this section, an attempt was made to look at the collected data in terms of what the women entrepreneurs were doing. A more detailed look at the data is given below. According to table no. 1, 35.56 percent of the participants fall into the category of female entrepreneurs between the ages of 30 and 40 yrs. old. The participants' ages range from 40 to 50 yrs. old, which accounts for 28.89% of the total. Only 22.22 percent of the women who responded are under the age of 30, while the rest female participants are beyond the age of 50.46.67 per cent of women entrepreneurs are at the higher secondary level. Of the female respondents, 20 per cent are



graduates, and 17.78 per cent have completed secondary level education. Ten percent of women are at this elementary level and the rest of the participants are illiterate. 35.56 per cent of women belong to families with an income of Rs. 10,000 to Rs. 20,000. 23.33% of female participants paid the family income of the Rs. 20,000 to 30,000 income groups and 8 per cent of female participants are above 40,000.

**Table No. 2: Division of the Participants Based on the Type of Company**

| S. No. | Business  | Participants (%) |
|--------|---|------------------|
| 1      | General stores, Petty Shop                      | 20 %             |
| 2      | Small-unit like Handicraft, Parlour, and so on. | 12 %             |
| 3      | Selling of Vegetables, Agriculture              | 25 %             |
| 4      | Service companies                               | 21 %             |
| 5      | Food-Making like Pickles, Papad, and so on.     | 22 %             |
|        | <b>Total</b>                                    | <b>100 %</b>     |

From the table no. 2 above, it's clear that most women work in the food industry (22%) and in agriculture (25%), which are the two most common jobs for women, rest of the participants work in services, small shops and salons.

**Table No.3: Entrepreneurship challenges experienced by women**

| S. No. | Challenges                       | Participants(%) |
|--------|----------------------------------|-----------------|
| 1      | Low Self-Confidence              | 13 %            |
| 2      | Public Relations Issues          | 06 %            |
| 3      | Women's Double Roles             | 38 %            |
| 4      | Male Dictatorship                | 07 %            |
| 5      | Social Security apprehension     | 10 %            |
| 6      | Lack of help from family         | 07 %            |
| 7      | Lacking the Ability to Take Risk | 08 %            |
| 8      | Absence of Economic Liberty      | 11 %            |
|        | <b>Total</b>                     | <b>100 %</b>    |



It is analysed from table no. 3 that most women have to play more than one role in the family, such as mother, wife, sister, etc., which makes it hard for them to run their own businesses. Some of the people who answered have problems, such as male dominance and money problems. Six percent of women said that making public relations with their family makes problems. Only 13 per cent of them are sure of themselves.

**Table No. 4: Rural Women entrepreneurs confront financial difficulties**

| S. No. | Financial difficulties                 | Participants(%) |
|--------|--|-----------------|
| 1      | Complicated loan application processes | 14 %            |
| 2      | Lack of security                       | 26 %            |
| 3      | A lack of financial expertise          | 27 %            |
| 4      | Shortage of own funds                  | 23 %            |
| 5      | Bank employees' behavior               | 10 %            |
|        | <b>Total</b>                           | <b>100 %</b>    |

Table no. 4 analyses that 27 per cent of women are facing problems related to lack of financial knowledge, 26 per cent of women cannot afford any security to get a loan, 23 per cent of women do not have their own capital, 14 per cent of people think that applying for a loan is a long process and so on. Plenty of paperwork is required and 10 per cent are facing the attitude of bank officials.

The majority of women entrepreneurs don't know anything about money or how to get a loan from a bank, according to the survey. An issue for rural businesswomen is that their families' assets are kept in the names of male members of their families, as per a report. A lot of respondents said they were discouraged by the unfavourable attitudes of bank officials and their families at the time of the interview.



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## 5.2 Suggestions

Through the development of rural entrepreneurship, it is vital to improve the chances for self-employment for educated unemployed women, because the self-employed entrepreneur not only provides work for herself, but also for other rural people. The most essential thing is to establish an environment that encourages women to start businesses. The following proposals have been put forward to help women business owners in rural areas deal with the problems they face.

- Governments should make it easier for women entrepreneurs to attend international trade shows, exhibitions, and conferences.
- There is a widespread belief among female business owners that women lack the necessary skills to be successful in the marketplace. As a result, the government should hold regular training sessions on new production techniques, sales techniques, and other topics. Women entrepreneurs should be required to complete this course.
- The first important issue for women entrepreneurs is finance. As a result, the government can offer interest-free loans to women entrepreneurs. The loan subsidy should be enhanced in order to attract more female entrepreneurs.
- The government and non-governmental organisations (NGOs) should develop programmes to discover women with the potential to become successful entrepreneurs.
- Product marketing is one of the most major difficulties for female entrepreneurs. For the purpose of purchasing goods from female-owned enterprises, women's co-operative organisations may be founded in this region. They will assist them in obtaining a fair price for their goods.
- The development of women's entrepreneurship is hampered by poor location and a lack of infrastructure amenities. As a result, distinct industrial estates for women entrepreneurs might be established to decrease the initial investment and create a special environment.



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## 6. Conclusion

According to the report, women are ready to take on the hurdles of starting a business. An entrepreneurial lady is embraced by society and her family. Women go into business to satisfy their innate desire for creation and to demonstrate their ability, not to survive. Women's education is making a significant contribution to social transformation. More women will venture into traditionally male-dominated fields in the future. The socio-economic background of women entrepreneurs, including factors such as the kind and style of business and training programmes, presents considerable hurdles.

Policy and practise outcomes show that women's involvement in entrepreneurship exposes them to obstacles that keep them from obtaining maximum growth. While there is agreement on the level of support required, the availability of capital is the most important concern. Governments and banks need to understand the limitations that women face, as well as the underlying social and cultural norms that support them. Banks & govt. need to recognise the limits that women experience, and also the fundamental societal and cultural practices which sustain them. Businesses can expand their reach into new markets by leveraging government-sponsored networking and marketing efforts. A wide range of providers can assist rural entrepreneurs increase their revenues by using these tools.

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