



# drishti

## What Stops Rural Women from Getting Involved in Entrepreneurship?

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(The editorial is based on the article “What stops rural women from getting involved in entrepreneurship?” which appeared in Indian Express for 21st February 2019. In this article, we will discuss the issues related to women entrepreneurs in rural India.)

The need to improve women’s participation in the economy has been a long-standing priority and is also crucial towards achieving the Sustainable Development Goals. In recent years, entrepreneurship has emerged as an ideal way for rural women to contribute, by taking a few hours out of their day they can engage in small businesses and bring home additional income. Besides, due to lack of education women are less likely to get employment. Further, low family income also requires that women go for self-employment i.e. entrepreneurship.

However, **recent data released by the Ministry of Statistics and Programme Implementation shows that women constitute only 14 percent of the total entrepreneurs in the country.** So, what is stopping more rural women from getting involved in entrepreneurship?

### Challenges

- **Personal Challenges:** In developing countries like India women work long hours daily, carrying out family chores such as cleaning, cooking, bringing up children along with concentrating on their income generating activities. Such family responsibilities prevent them from becoming successful entrepreneurs. ex: a choice between family and career.
- **Social Challenges:** The biggest problem of a woman entrepreneur is the social attitude and the constraints in which she has to live and work. Despite constitutional equality, there is discrimination against women. In a tradition-bound society, women suffer from male reservations about a woman’s role and capacity. In rural areas,

women face resistance not only from males but also from elderly females who have accepted inequality.

- **Financial Challenges:** When it comes to financing, women in developing nations have little access to finance because they are concentrated in poor rural communities with few opportunities to borrow money. Lack of access to credit is still worsened by a lack of information on where credit can be sought and requirements for loans. According to a report by the United Nations Industrial Development Organization (UNIDO), despite evidence that women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit often due to the discriminatory attitudes of banks and informal lending groups. Women and small entrepreneurs always suffer from inadequate financial resources and working capital. They lack access to external funds due to the absence of tangible security and credit in the market. Women also generally do not have property in their names.
- **Marketing Challenges:** Because of inefficient arrangements for marketing and selling their products, women entrepreneurs are often at the mercy of the intermediaries who pocket large chunks of profit.
- **Managerial Challenges:** Often high cost of production undermines efficiency and restricts the development of women enterprises.
- **Competition Challenges:** Many of the women enterprises have imperfect organizational setup. They have to face severe competition from organized industries and male-centric entrepreneurship.
- **Lack of Mobility Challenges:** One of the biggest handicaps for women entrepreneurs is mobility or traveling from place to place. Women on their own also often find it difficult to get accommodation in smaller towns.
- **Educational Challenges:** In India, literacy among women is very low. Due to lack of education, the majority of women are unaware of technological developments, marketing knowledge, etc. Lack of information and experience creates further problems in the setting up and running of business enterprises.
- **Shortage of Raw Materials:** Women entrepreneurs find it difficult to procure raw materials and other necessary inputs. The failure of many women cooperatives in 1971 such as those engaged in basket making was mainly due to the inadequate availability of forest-raw materials. The prices of many raw materials are in any case quite high.
- **Low Ability to Bear Risk:** Women have comparatively a low ability to bear economic and other risks because they have led a protected life.
- **Low Need for Achievement:** Need for achievement, independence, and autonomy are the prerequisites for success in entrepreneurship. However, women are often found (and limited) to be only proud of the achievements of their parents, husbands, sons, etc.
- **Other Challenges:** In addition to the above problems, inadequate infrastructure, shortage of power and technical expertise and other economic and social constraints

have retarded the growth of women entrepreneurship in India.

## Suggestions

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- Most of the women entrepreneurs are of the opinion that because of lack of training, they are not able to survive in the market. **Hence, the government should conduct frequent training programmes with regard to new production techniques, sales techniques, etc.; this training should be made compulsory for women entrepreneurs.**
- Finance is the first major problem for women entrepreneurs. Hence, the government can provide interest-free loans to encourage women entrepreneurs. To attract more women entrepreneurs, the subsidy for loans should be increased. Making provisions of microcredit system & enterprise credit system to the women entrepreneurs at the local level.
- **Women entrepreneurs should be encouraged to start their ventures as joint stock companies rather than as a sole trader or partnership** to avail the advantages of large-scale operation.
- Parents of unmarried potential women entrepreneurs should be encouraged in spending money on setting up business rather than giving preference to their marriage.
- **Marketing products are one of the main problems for women entrepreneurs.** Here, women, co-operative societies can be started to procure products from women entrepreneurs. These societies could help women entrepreneurs in selling their products at a reasonable price.
- **Improper location and inadequate infrastructure facilities are the hurdles in the way of development of women entrepreneurship.** Hence, separate industrial estates may be set up exclusively for women entrepreneurs to reduce the initial investment and to create a special environment.
- **Better educational facilities and schemes should be extended to women from rural areas.** Training Programme on management skill should also be provided.
- A women entrepreneur guidance cell can be set up to handle the various problems of women entrepreneurs all over the country/states. Training entrepreneurial attitudes should be given at the High School level through a well-designed course.

## Conclusion

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- **The government should draw up a plan to help Indian women entrepreneurs.**
- Empowering women entrepreneurs through training and capacity building programs is a must for the holistic development of the country.
- Our universities and institutions can also join this resolve with an increasing focus on women's business education.

## **Government Measures**

- MUDRA Yojana
  - Startup India
  - Stand up India
  - Mahila Bank
  - Mahila e-haat
  - National Rural Livelihood Mission
  - Mahila Coir Yojana
  - Prime Minister's Employment Generation Programme (PMEGP)
  - Start-up Village Entrepreneurship Programme (SVEP), the sub-scheme under the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)
  - Women Entrepreneurship Platform (WEP)
  - Support to Training and Employment Programme for Women (STEP) Scheme
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