

ENCOURAGEMENT TO RURAL WOMEN ENTREPRENEURSHIP

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Abstract:

Economic growth in today's globalized world relies on the active participation of women, particularly in rural development. In India, where a significant portion of the population lives in rural areas, women entrepreneurs face numerous barriers, including financial constraints, lack of education, limited access to resources, and societal restrictions. Despite these challenges, rural women entrepreneurs are emerging as key contributors to India's economic development, driving employment generation and fostering innovation.

A woman entrepreneur is someone who takes on challenges to fulfil personal aspirations, achieve financial independence, and contribute to society. India is home to approximately eight million women entrepreneurs, yet their participation in business remains limited due to deep-rooted socio-cultural and economic challenges. Government policies and initiatives play a crucial role in addressing these barriers, offering financial assistance, training programs, and support networks to encourage women-led businesses.

This study is based on secondary data collected from books, journals, articles, websites, and government reports. It explores various government schemes aimed at fostering women's entrepreneurship and assesses their impact on rural women in business. Additionally, the paper examines the future prospects of women entrepreneurship in India and proposes strategic measures to empower rural women entrepreneurs. These include improving financial literacy, enhancing access to markets, eliminating socio-cultural barriers, and offering capacity-building programs. Strengthening rural women's entrepreneurship is essential for India's economic growth and long-term sustainable development. With the right support, women can transform rural economies, contributing significantly to national progress

Introduction

Indian women have gradually broken free from the constraints of a male-dominated society, where they were traditionally confined to household duties such as cooking, cleaning, and child-rearing. Today, they are not only seeking jobs but also creating employment opportunities by stepping into the entrepreneurial world, including rural business ventures.

Women entrepreneurship in India has gained significant momentum over the past three decades. More women are establishing businesses, contributing to economic growth, and redefining their roles in society.

Many women turn to entrepreneurship due to economic necessity, the need for financial independence, and the desire for professional growth. Factors such as the flexibility of working from home, challenges in securing traditional jobs, and the aspiration for social recognition further encourage them to pursue self-employment. Women from various professional

backgrounds, including engineering, medicine, and law, are also establishing businesses such as hospitals and training centres, contributing to both economic and social development.

Objectives of the Study

The study of women entrepreneurship is essential for two key reasons. First, women entrepreneurs represent an untapped resource for rural economic growth. Second, they not only create jobs for themselves but also generate employment for others while introducing innovative solutions to business, management, and organizational challenges.

The present study aims to achieve the following objectives:

1. To analyse the profile of women entrepreneurs – Understanding their background, motivations, and business ventures.
2. To raise awareness about government schemes – Exploring various programs and initiatives designed to empower women entrepreneurs.
3. To identify the challenges faced by rural women entrepreneurs – Examining the barriers that hinder their growth and success.
4. To suggest strategies for improving the status of women entrepreneurs – Recommending measures to enhance their opportunities and overcome obstacles.

Current Status of Women Entrepreneurship in India

The perception of women in society is gradually shifting, driven by government initiatives and international influence, encouraging greater female participation in economic growth. However, the Sixth Economic Census, released by the Ministry of Statistics and Programme Implementation, highlights some concerning figures regarding women entrepreneurs in India.

- Women entrepreneurs constitute only 13.76% of the total entrepreneurial population, with 8.05 million female entrepreneurs out of 58.5 million total business owners.
- Women-led businesses collectively provide employment to 13.45 million individuals.
- Around 2.76 million of these women entrepreneurs are engaged in the agriculture sector, while 5.29 million operate in non-agricultural sectors.
- On average, each women-owned business provides employment to approximately 1.67 individuals.

While the presence of women entrepreneurs in India is growing, these statistics highlight the need for further support and empowerment to ensure their greater participation in economic development.

Schemes Empowering Women Entrepreneurs in India

To support women in entering the entrepreneurial world, various financial schemes and loan programs have been introduced. Here are some key initiatives designed to empower women entrepreneurs in India:

1. **Sree Shakti Package (SBI)** – A scheme by the State Bank of India offering concessions to women entrepreneurs, including no collateral for loans up to ₹5 lakh and a 0.5%

interest rate reduction for loans exceeding ₹2 lakh. Eligible enterprises must have at least 50% female ownership.

2. **Mahila Udyam Nidhi Scheme (PNB)** – Launched by Punjab National Bank to bridge the gender gap in financing, this scheme provides loans up to ₹10 lakh for small-scale businesses with a repayment period of 10 years, based on market interest rates.
3. **Udyogini Scheme (Govt. of Karnataka & Punjab & Sind Bank)** – Aimed at promoting self-employment among women in trade and service sectors, it provides loans up to ₹1 lakh. The scheme is available for women aged 18-45 years with an annual family income limit of ₹40,000, helping them avoid high-interest private loans.
4. **Dena Shakti Scheme (Dena Bank)** – Supports women entrepreneurs in agriculture, manufacturing, micro-credit, retail, and small enterprises. The scheme offers loans up to ₹20 lakh for retail trade, education, and housing, and up to ₹50,000 for micro-credit ventures. These schemes play a crucial role in empowering women financially, enabling them to establish and expand their businesses with ease.

Challenges Faced by Rural Women Entrepreneurs:

Rural women entrepreneurs encounter numerous difficulties in starting and managing businesses. These challenges stem from societal norms, financial barriers, and a lack of essential resources. The key obstacles they face include:

1. **Limited Education** – Many rural women have minimal access to education, which affects their awareness of new business strategies, government schemes, and technological advancements. Due to early marriage and financial constraints, they often remain less educated than men, making it difficult to run a business effectively.
2. **Male-Dominated Society** – Despite legal provisions for gender equality, rural women still struggle to gain acceptance in the entrepreneurial world. Many families and communities restrict women's participation in business, seeing entrepreneurship as a male domain. Women often need approval from male family members before starting a business, limiting their independence.
3. **Cultural and Social Barriers** – Deep-rooted traditions, religious restrictions, and caste-based discrimination hinder women from pursuing entrepreneurship. In many rural communities, women who venture into business are met with scepticism, making it harder for them to gain trust and credibility.
4. **Financial Challenges** – Access to funding remains a significant barrier. Banks and financial institutions are often hesitant to provide loans to women due to perceived risks. Additionally, delays in payments from customers and difficulty in managing working capital make financial sustainability challenging.
5. **Intense Market Competition** – Women entrepreneurs often lack exposure to advanced technology and efficient business strategies, making it difficult to compete with established businesses and experienced male entrepreneurs. This lack of resources puts them at a disadvantage in a highly competitive market.

6. **High Cost of Production** – Inefficient management and slow adoption of modern technology lead to increased production costs. Women entrepreneurs struggle to upgrade equipment and processes, which affects the profitability of their businesses.
7. **Low Motivation and Confidence** – Many women lack self-confidence and hesitate to take risks. The absence of strong motivation often results in challenges in managing and expanding their enterprises successfully.
8. **Complex Legal Procedures** – The bureaucratic process of obtaining licenses, approvals, and utilities such as electricity and water can be lengthy and complicated. Corruption and procedural delays further add to the struggles faced by women entrepreneurs.
9. **Limited Managerial Skills** – Managing a business requires planning, leadership, and financial management. Due to inadequate training and education, many rural women lack these essential skills, making it difficult for them to run their businesses efficiently.
10. **Lack of Entrepreneurial Mindset** – Entrepreneurial success requires resilience, adaptability, and strategic thinking. Many rural women lack the necessary exposure and experience to develop these qualities. Even after attending training programs, they may find it difficult to navigate the risks and uncertainties of running a business.

To support rural women entrepreneurs, there is a need for better education, financial aid, mentorship programs, and policies that encourage gender equality in business. Addressing these challenges will help women establish sustainable enterprises and contribute to economic growth.

India offers vast opportunities for entrepreneurs, yet business registrations remain low despite government efforts. The country ranks behind in global entrepreneurial ventures. According to the World Bank, India could achieve double-digit GDP growth if more women, especially in rural areas, participate in economic development.

Women make up 45% of India's population, but two-thirds are not engaged in the workforce. This underutilization hinders national progress. Many women entrepreneurs face challenges such as financial illiteracy, difficulty securing loans, and limited access to business networks due to male-dominated industries.

Encouraging women entrepreneurs is crucial for India's economic growth. Supporting financial access, mentorship, and skill development can help unlock their potential and strengthen India's position in global trade and commerce.

Suggestions for Empowering Women Entrepreneurs in Rural India

Despite several government initiatives, poor implementation hinders the success of these schemes. To strengthen women entrepreneurship in rural areas, the following measures can be taken:

1. **Improved Infrastructure** – Many villages still lack basic facilities like water, electricity, roads, and transport. Developing infrastructure is essential for business growth.
2. **Better Financial Support** – Women struggle to access funds due to limited financial knowledge. Easier access to microfinance and financial institutions can help them expand their businesses.

3. **Skill Development & Training** – Women entrepreneurs often lack managerial and technical skills. Conducting training programs will enhance their efficiency and competitiveness.
4. **Awareness & Outreach** – Rural women are often unaware of their rights and available government schemes. Awareness campaigns can help them explore entrepreneurial opportunities.
5. **Vocational Training** – NGOs and government bodies should organize skill-based training programs to help women understand and manage businesses effectively.
6. **Eliminating Social Barriers** – Deep-rooted socio-cultural restrictions limit women's participation in business. Changing societal perceptions is necessary to create an inclusive business environment.
7. **Clear Government Policies** – A well-defined policy framework, a dedicated women welfare cell, and concessional loans for women entrepreneurs can encourage participation in economic activities.

Empowering rural women with financial support, education, and infrastructure will drive economic growth and create more opportunities for women entrepreneurs in India.

Future of Women Entrepreneurs in India

The path to entrepreneurship for Indian women is filled with challenges, but their active participation is essential for economic progress. Encouraging more women to step into entrepreneurship requires a supportive ecosystem that fosters innovation and growth.

Government, non-government organizations, and regulatory bodies are playing a crucial role in promoting women-led businesses. Recognizing that economic growth cannot be achieved without empowering half of the population, the Indian government has introduced various policies, incentives, and schemes to support women entrepreneurs.

Through dedicated programs and initiatives, the government is ensuring that women have access to financial aid, skill development, and business resources. The inclusion of women in economic development is now a priority in national planning. With continued efforts and a strong support system, the future of women entrepreneurship in India looks promising, contributing significantly to the country's economic growth and social progress.

Conclusion

Rural women often lack awareness and education to navigate the legal and financial processes involved in starting and managing a business. Additionally, many struggle with confidence in their entrepreneurial abilities.

To empower women in rural areas, it is essential to provide training and capacity-building programs focused on finance, literacy, marketing, production, and management skills.

Creating a supportive environment for women-led enterprises is crucial for fostering self-employment and driving overall national development. With the right support and resources, rural women entrepreneurship in India has immense potential to thrive and contribute significantly to economic growth.

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