



Research Paper

## Prospects For Women Rural Entrepreneurs in North-East India: A Case Study

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**Abstract:** Entrepreneurship is the key word to Innovation, Creativity and Motivation. Entrepreneurship is critical to the economic growth and social development of a country. An entrepreneur encourages capital production and wealth creation in society. In the developing country like India successful small business are the primary engines of job creation and poverty reduction.

The North Eastern Region of India (NER) is unique in terms of growth opportunities because it has the potential to become India's economic powerhouse, with a thriving source of energy, oil, natural gas, coal, and limestone as well as the world's largest perennial water system in the Brahmaputra and its tributaries. The NER's limitless tourism options, distinct performing arts, and diverse food and handicrafts give the ideal environment for its growth trade and commerce hub with India's eastern neighbours, while also encouraging entrepreneurship. It has become decisive aspect of change in the region, empowering individuals to seek new opportunities.

Rural entrepreneurship is not only important as a means of generating employment opportunities in rural areas with low cost and raising the real income of the people but also it contributes to the development of agriculture and urban industries. Rural entrepreneurship can be considered as solution to reduce poverty, migration, economic disparity, unemployment and develops rural areas. Women entrepreneurship is gaining attention and importance in light of the evidence of the importance of new business creation for economic growth and development in NER.

Emerging entrepreneurial scenario demands the need for a qualitative/quantitative study on the involvement women and different contributors towards entrepreneurship development in the north-east region. This research paper will attempt to investigate the performance and challenges of Assam's and NER Rural Entrepreneurs and economic relevance of women entrepreneurship.

**Keywords:** Entrepreneurship, Economic Development, Opportunities of Women Entrepreneurship and Challenges.

*"India Lives in its Villages"- Mahatma Gandhi.*

### I. Introduction:

The majority of the population in India lives in villages. The economic development of our country largely depends on the progress of rural areas and the standard of living of rural masses. Village or rural industries play an important role in the national economy, particularly in the rural development. Rural entrepreneurship is based on stimulating local entrepreneurial talent and the subsequent growth of indigenous enterprises. It recognises opportunity in the rural areas and accelerates a unique blend of resources either inside or outside of agriculture. Rural entrepreneurship brings an economic value to the rural sector by creating new methods of production, new markets, and new products and generates employment opportunities thereby ensuring continuous rural development.

Rural entrepreneur is one of the most important inputs in the economic development of a country and of regions within the country. Rural entrepreneurs are those who carry out entrepreneurial activities by establishing industrial and business units in the rural areas refers to rural entrepreneurship. Rural entrepreneurship can be considered one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural areas and backward regions.

According to Khadi and Village Industries Commission (KVIC), "Village industry or rural industry means any industry located in rural areas, the population of which does not exceed 10,000 or such other figure

which produces any goods or renders any services with or without the use of power and in which the fixed capital investment per head of an artisan or a worker does not exceed Rs. 1000/- .” The definition of village industry has been recently modified by the Government of India (here in after GOI) so as to enlarge its scope. According to GOI, “Any industry located in rural areas, village or town with a population of 20,000 and below and an investment of Rs. 3 Crores in plant and machinery is classified as a village industry.”

In this era the growth of the entrepreneurship especially in rural areas totally depend on the participation of women. Indian women have made themselves free from the control of male dominated society, where women were treated only as “Luxmi” and keep them in the four walls of the house doing the household everyday jobs like cooking, washing clothes, giving birth to children and fostering them. Women put their footsteps in the corporate world not only as job seekers but also as job givers. Women have finally plunged into the rural business and have become an Entrepreneur. Indian women by becoming entrepreneurs have moved a step ahead from just having a corporate career which gave her financial self-determination and growth to express her abilities. This shift has enabled her to go away from all this and enter into a world where she can build a difference in the corporate world along with creating a nick for herself. Women enter into entrepreneurship due to economic factors which pushed them to be on their own and support them to do something independently. Women prefer to work from their own work or residence, difficulty in getting suitable jobs and desire for social appreciation which motivate them towards self-employment.

## **II. Review of Literature:**

Rural entrepreneurship is encouraged to reduce pressure on agriculture, curb emigration of rural people, disperse large scale industrialization, reduce investment cost and generate employment in mass scale for skilled and unskilled persons of the community and reduce regional disparity. (Ganesh Bhat and S. Petrin) (1992) in a study observed that to speed up economic development in rural areas, it is important to build up the critical mass of first generation entrepreneurs. Lyson (1995) specified the prospects of small enterprises framework as possible rural development strategy for the economically disadvantaged communities. As risk takers, entrepreneurs bring about new products and services, and indeed, add colours to a society. ( Zimmer and Scarborough, 2005) Thomas Henley (2006) that one of the most crucial components of local economic development is now being largely linked to entrepreneurship. It acts as a vehicle to improve the quality of life for individuals, families and communities in order to sustain a healthy economy and environment. ( Duarte & Diniz), (2011), It is found that entrepreneurial actions promote economic and social conditions which benefit the individuals as well as the entire village. (Saxena, 2012) Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could stimulate the rural development process. (Sharma Swati, Vyas, and Divya (2011), indicated that various social, economic , political and ecological problems in rural areas in developing countries like India create challenges in employment , decreasing agricultural productions and increasing food shortage. This has resulted a huge impact on the domestic production, employment etc. To a certain extent, these problems can be solved by developing entrepreneurship in rural India.

## **III. Objective of the Study:**

The following are the objective of the study:

- To know the various types of rural entrepreneurship in North-East India
- To analyze the performance of rural industries
- To know the importance of rural entrepreneurship in North-east India
- To study the profile of women entrepreneurs in India
- To study the difficulties of women rural entrepreneurs in North-east India
- To aware about the schemes of women entrepreneurs in rural areas

## **IV. Methodology:**

The present study is based only on secondary resources. The secondary data were collected from books, journals, internet websites and annual reports of government.

## **V. Various types of Rural Entrepreneurship:**

Rural/ Village industry can be classified into following categories:

- a. Agro based enterprises: This category includes direct sale or processing of agro products such as jiggery, sugar industries, oil processing from oil seeds, dairy products, fruit juice, spices etc.
- b. Forest based enterprises: These industries include wood products, coir industries, beedi industries, beedi making, honey making, bamboo products, etc.
- c. Mineral based industry: These include stone crushing, cement industries wall coating powders.
- d. Textile industry: These include weaving, colouring, spinning and bleaching.

- e. Handicrafts: These include making of wooden or bamboo handicrafts that are local to that area, traditional decorative products, toys and other forms of handicrafts typical to the region.
- f. Engineering and services: These include agricultural equipments, tractors and pump sets repairs etc.

## VI. Performance of Village and Rural Industries:

The performance of the rural and village industries in respect of production, sales and employment is shown in the table below:

**Table 1: Performance of Village or Rural Industries<sup>1</sup>:**

Year	Production (Crore)	Sales (Crore)	Employment (In Lakh)
2017-18	46454.75	56672.22	135.71
2018-19	56167.04	71076.96	142.03
2019-20	65343.07	84664.28	147.76
2020-21	70330.66	92213.65	154.09
2021-22 (up to 31-12-2021)	60694.43	81375.16	159.10
2021-22 (Project up to 31-03-2022)	83315.41	108446.21	161.47

The above table reveals the performance of village or rural industries in respect of productions sale and employment in India from 2017-18 to 2021-22. The village industry production was worth 46454.75Crore in 2017-18 which increased to 83315.41 crore in 2021-22. The total cumulative employment in the village industry increased from 135.71 lakh persons in 2017-18 to 161.47 lakh persons in 2021-22.

## VII. Significance of Rural entrepreneurship:

The importance of rural entrepreneurship is briefly highlighted as follows:

**7.1 Provides employment opportunities:** Rural entrepreneurship is labour intensive and creates a large scale employment opportunities for the rural people. Rural entrepreneurship provides a clear solution to the growing problem of large scale unemployment in rural India.

- a. Check on migration of rural population: Rural entrepreneurship will bring in or develop infrastructural facilities like roads, power, bridges, etc. It reduces the gaps and disparities in income between rural and urban areas. Rural entrepreneurship can avoid migration of people from rural to urban areas in search of jobs.
- b. Balanced regional development: Rural entrepreneurship controls the concentration of industry in urban areas and thereby promotes balanced regional development in the economy.
- c. Promotion of Artistic Activities: Rural industries also helps protect and promote the art and handicrafts i.e. the age old rich heritage of the country.
- d. Check on social evils: The growth of rural entrepreneurship reduces the social evils like poverty, social tensions, atmospheric pollution, the growth of slums and ignorance of inhabitants etc.
- e. Awaken the rural youth: Rural entrepreneurship encourages young and promising entrepreneurs to develop and carry out entrepreneurial activities in the rural sector.
- f. Improve standard of living: Rural entrepreneurship increases the literacy rate of rural people, their education and self-employment. It will prosper community thus improving their standard of living.
- g. Proper utilization of local resources: Rural industries help in the maximum utilization of local resources like raw materials and labour for productive purposes and thus increase productivity. Efficient and effective use of limited resources by the entrepreneurs leads to overall economic development of an area.
- h. Earnings of Foreign exchange: Rural entrepreneurship plays significant role in increasing the foreign exchange earning of the country through export of their produce.
- i. Improvement in per capita income: Rural entrepreneurship generates more output, employment and wealth by exploiting new opportunities thereby helping to improve the per capita income of rural people.
- j. Produces goods of consumer's choice: Rural industries include cottage and village industries produce goods of individual's consumer's taste and performance, jewellery, sarees artistic products are produced to cater to the needs of different consumer according to their taste preferences and design.

## VIII. Status of Women Entrepreneurship in India:

The perception of society is changing towards women. Also, because of government and international pressure women start to take part in economic growth. The sixth economic census, released by ministry of statistics and program implementation, presents a worrisome picture of the status of women entrepreneurs in the country.

<sup>1</sup> Source: Compiled from MSME Annual Reports.

- The survey shows that women comprise only 13.76% of the total entrepreneurs, i.e., 8.05 million out of the 58.5 million entrepreneurs.
- Total business owned by females provides employment to 13.45 million people.
- Out of these entrepreneurs, 2.76 million women (34.3% of the total entrepreneurs) work in agriculture sector whereas 5.29 million females (65.7% of the total entrepreneurs) work in non-agricultural sectors.
- In the agriculture, livestock ahead (with a share of 31.6 %) among all other farming activities. Among the non-agricultural activities owned by female entrepreneurs, manufacturing and retail trade are dominant ones with 29.8% and 17.8% respectively.
- Out of the total establishments under women entrepreneurs, percentage share of various social and religious groups OBC: 40.60%, SC: 12.18%, ST: 6.97% and others (40.25%); Hindus: 65.6%, Muslim: 12.84% and Christian: 5.2%.
- Average employment per establishment for women owned establishments is 1.67%.

## 8.2 Data of Women in Business:

### 8.2.1 Women Business Owners in the World:

- 252 million women entrepreneurs
- Represent 1/3 of entrepreneurs
- Highest Women entrepreneurs in World are from: Angola, Saudi Arabia, Oman and Kuwait

### 8.2.2 Women entrepreneurs in the India:

- 15.7 million women entrepreneurs in the India
- 20% of MSME are women owned
- 69% are solo entrepreneurs
- Total employment generation by women entrepreneurs is 27 million.

### 8.2.3 Popular Business owned by women entrepreneurs are:

- Home decor
- Food
- Fitness
- Clothing
- Beauty Cosmetic Online Tuitions
- Art

**Table 2: Data of MSME**

Micro	20.44%
Small	5.26%
Medium	2.67%

**Total:** 20.37% of this 16% is Agri-entrepreneurship.

**Table 3: Status of Women Employment in India: 2011-12 to 2018-19:**

Status of employment	2011-12	2018-19
Self Employed	55.6%	52.9%
Own Worker	19.6%	22.2%
Helper	13.4%	30.8%
Casual labour	30.3%	24.2%
Total	100	100

Source: Computed from NSS PLES Unit Level Data 2018-19

**Table 4: Women Owned Establishment during 5<sup>th</sup> and 6<sup>th</sup> Economic Census:**

Establishment	5 <sup>th</sup> Economic Census	6 <sup>th</sup> Economic Census
Total Entrepreneurship (in million)	37.34%	52.29%
Women Owned	3.54%	8.05%
Women Rural	74.1%	65.12%
Women Urban	25.9%	34.88%

(Source: Calculated from 5<sup>th</sup> and 6<sup>th</sup> Economic Census)

**1. Problems of Women Rural entrepreneurship:** Developing entrepreneurship especially rural entrepreneurship or women rural entrepreneurship is not so easy. It is constrained by several problems. Some of the problems faced by rural entrepreneurs as follows:

- a. **Lack of Finance:** Finance is the blood of the business. Most of the rural entrepreneurs are mainly struggling to raise the finance for their business. Non-availability of adequate collateral security often mars the chances of rural youth in obtain adequate funds in the time to set up their own venture. Due to this, the entrepreneurs are forced to take credit from village money lenders charge exorbitant rates of interest.
- b. **Lack of knowledge:** There is a distinct lack of adequate knowledge of entrepreneurial opportunities among the rural youth. The educated and trained youths mostly leave in search of jobs.
- c. **Lack of technical knowledge:** Due to faulty education system rural youth lack managerial professional, technical knowledge which is an impediment in developing the spirit of enterprise; consequently not many people come forward to establish entrepreneurial employment units.
- d. **Male Dominated Society:** In our constitution there are equal rights for men and women but in real sense equality does not exist in rural areas. Women are being neglected in all spheres of life. Women are not treated equivalent to men. As far as rural areas are concerned, people have a set outlook that women are only for household work. Their entry to business requests the approval of the head of the family. Entrepreneurship has traditionally been seen as a male conserve and male conquered. All these put a smash in the growth of women entrepreneurs. Thus male entrepreneurs become obstacle in the success of women entrepreneurs.
- e. **Social Barriers:** The traditions and customs are common in Indian societies towards women. Sometimes stand as a hurdle before them to develop and make money. Religions and castes dominate with one another and hamper women entrepreneurs too. In rural areas, they face more social barriers as they are always seen with doubtful eyes.
- f. **Absence of enterprising skills:** Most of the rural people in India lack risk bearing ability. Reluctant to involve oneself in business inclination towards wage employment, lack of creative thinking are five reasons which have restricted the growth of self employment in rural area.
- g. **Lack of infrastructural facilities:** Rural areas are characterized by poor infrastructural facilities viz. Roads, water, market, electricity, street light, road-transport, storage and communication etc. which hamper the smooth movement of various industrial activities.
- h. **Adverse Socio-cultural and Industrial Environment:** A social evil, caste system, religious superstition particularly in the country side proves as hindrance. Lack of skill and expertise in labours their tendency to migrate to cities and consumer's habit to buy goods produced by big companies create problems for entrepreneurs.
- i. **Lack of Market and poor communication:** The absence of effective communication and access of information among rural entrepreneurs makes difficult to understand market trends and policies of government.
- j. **Non availability of skilled labours:** In rural areas skilled labours is difficult to find by rural entrepreneurs.
- k. **Quality of Products:** Rural entrepreneurs cannot produce quality products due to poor quality of raw materials and lack of standardized tools and equipments.
- l. **Investment Fear:** Rural entrepreneurs have low risk bearing ability due to lack of financial resources and external support.
- m. **Competition:** Rural entrepreneurs are facing tough competition from urban entrepreneurs and large organisations. They cannot compete with the urban entrepreneurs due to branding of products.
- n. **Middlemen:** Rural entrepreneurs are dependent on middle men for marketing of products.
- o. **Lack of motivation:** Women entrepreneurs feel less confident and motivation for administration of enterprise due to lack of family support.
- p. **Legal formalities:** Legal formalities to run an enterprise restrain a women entrepreneur to start an enterprise. Procedural delays, licence, electricity, water, and site allotment are some of the issues which are restraining the women entrepreneurs.

**2. Various Schemes to Promote Rural Entrepreneurs in North-East India are:**

- Entrepreneurship Development Institution Scheme
- Rajiv Gandhi Udyami Mitra Yojana (RGUMY)
- Stree Shakti Package
- Mahila Udyam Nidhi scheme
- Self-help Group
- Bandan Bank scheme
- Mudra Yojana Scheme
- Provision of Urban Amenities to Rural Areas (PURA)
- Khadi Karigar Janashree Bima Yojana for Khadi Artisans

- National Program for Rural Industrialization(NPRI)
- Prime Minister Employment Generation Programme(PMEGP)
- Rejuvenation Modernisation & Technology Upgradation of Coir Industry(REMOT)
- Deendayal Antyodaya Yojana NRLM
- Product Development Design Intervention & Packaging (PRODIP)
- Marketing Assistance Scheme

### **IX. Suggestions:**

In the light of the above problems, the following suggestions can be put forth to develop the rural enterprises:

- Separate financial assistance for women rural entrepreneurs should be provided by the government.
- Timely financial assistance should be provided by banking institutions.
- Special training programs needs to be provided for women rural entrepreneurs.
- Rural youth needs to be motivated for entrepreneurship.
- Modernize technology is to be provided to women rural entrepreneurs so that quality of products can be maintained.
- An infrastructural facility is to be provided to women rural entrepreneurs.
- Market support is to be provided to women rural entrepreneurs.

### **X. Conclusion:**

Rural women are not aware and literate as to handle all the legal and other formalities involving in loan taking and establishing an Industrial Unit. They also lack confidence in their ability to run the entrepreneurship. They need capacity building and training in functional areas such as finance, literacy skills, marketing, production and managerial skills. The only urgent need is to create a favourable atmosphere to increase self employment for women and over all developments of the country. Rural entrepreneurship is important not only as a means of generating employment opportunities in the rural areas with low capital cost and raising the real income of the people, but also its contribution to the development of agriculture and urban industries. Without rural industrialization, it would not be easy to solve the problem of unemployment in rural areas. Rural entrepreneurship can be considered one of the solutions to reduce poverty, migration, economic disparity, unemployment and develop rural areas and backward regions.

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