



Development of Rural Women Entrepreneurs through Workshop Training

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Abstract

Rural women are increasingly running their own enterprises, yet their socio-economic contributions and entrepreneurial potential remain largely unrecognized and untapped. NGO's and SHG's are conducting workshops for training the rural women entrepreneurs to enhance their knowledge, skills and abilities in business development skills so that they can manage their small scale businesses on a more sustainable basis. Rural women entrepreneurs face challenges such as access to credit, lack of access to business and marketing information as well as lack of book keeping skills. This paper aims to increase awareness and understanding of micro credit and micro financing to the rural women entrepreneurs. The data is directly collected from the NGO's with regards to training. It is the finance that plays a very important role for the development of rural women entrepreneurs. As they do not acquire or possess property in their own names they have to depend on the males, their father, brother or husband for any funds required by them. And in such cases when they approach the banks or financial institutions for funds, they are rejected as they are not in a position of pledging or mortgaging any property as security. And in case if they are granted with any hand loans or smaller loans and if they fail to repay it back within the stipulated time then they face difficulties in applying for any other loans as the bank never considers them as they had failed in the earlier repayment. Hence, the workshops must train the rural women pay back their loans, big or small in a proper way by training them to fix the prices insuch a way that all the expenses are included and when they receive the sales proceeds the percentage of amount must be saved apart to make the repayment of the loans easier.

Keywords: Rural women entrepreneurs, finance, workshops, training, proper re-payment.

Introduction

Rural women increasingly run their own enterprises, yet their socio-economic contributions and entrepreneurial potential remain largely unrecognized and untapped. They are concentrated in informal, micro-size, low productivity and low-return activities. Enabling the gender responsive policies, services and business environments are crucial to stimulate the startup and upgrading of women's businesses and thereby help generate decent and productive work, achieving gender equality, reducing poverty and ensuring stronger economies and societies.

Skill building and a supportive policy environment are essential for women in rural areas to become successful entrepreneurs and contribute to a dynamic rural economy. The participants noted that harnessing the entrepreneurial talents of women was an effective strategy to fight unemployment and poverty in rural areas. With training in production and processing technologies and marketing tools, they can take advantage of abundant local agricultural raw materials to create value-added products, possibly creating new consumer demand. People in rural areas, especially women, need to learn about tools and techniques for starting and running a business, and training like the ones organized by the APO (Asian Productivity Organization) plays an important role. According to Seyednezhad fahim S. Ret al accounting profit is an important instrument in predicting the stock price or expected profit, therefore it has a great value for investors. By using statistical and quantitative techniques,

accounting would be able to provide necessary information for financial decision makers¹. Hence to make the rural women a little bit graded and trained it becomes necessary to train them in accounting and also teach them the way profit is determined. Without the necessary skills to manage an enterprise, rural women resort to 'feminized' micro businesses using manual work, and since they have no legal recognition as owners of resources, they cannot have access to credit and institutional support of government. At a time when we hear of retrenchment of workers in factories due to economic downturns in markets in Europe and the USA, the first to go are women casual workers. A World Bank study noted that 50-70% of temporary workers are women, whereas permanent workers are mostly men. It is therefore crucial that we find a way to draw more women into entrepreneurship so we can reduce the number of women wage workers who are highly vulnerable to retrenchments. Participants recommended that the APO continue this type of training for women, especially for trainers. Trained women in Asia can establish networks to learn from each other and pass the knowledge along to colleagues and clients through counseling and mentoring sessions. This kind of project, they said, would help a lot in creating a critical mass of trainers and facilitators who work with women, especially in rural areas. Our rural women are illiterate as education was felt not necessary during their childhood days due to the rural scenario not educating girls. But this can be compensated by the training as the emotional quotient can be enhanced through training though the intelligent quotient can be developed only through

education. It becomes impossible for us to educate the rural women now as it is too late. As the only remedy left is training.

Objective: The objective of this paper is to highlight that training is essential to the rural women entrepreneurs as they lack education and it becomes impossible for them to start with education at this age. Through training the Emotional Quotient (EQ) can be enhanced whereas the Intelligence Quotient (IQ) is developed only through education. Alireza Pooya in her paper writes that Emotional intelligence is the perception of feelings in order to create emotion. Emotional intelligence not only contributes in better thinking but also helps an individual to be aware of one's own feelings and emotions. It also enhances emotions along with intelligence by harmonizing affections with emotions. In fact, emotional intelligence is one's ability to be aware of one's own feeling and others which help maintain effective relationship with coworkers². Hence, the NGO's and SHG's must create awareness about the trainings and start training sessions to the rural women intensively. They must give examples to explain the situations and train the women. They must emphasize on the right way of doing business³. The major financial and social constraints encountered by rural women entrepreneurs must be made clear to the women and they must be trained to face all the difficulties and must be motivated to overcome the obstacles in a talented way.

Methodology

The information collected is mainly from the secondary source. The information is from the RUDSETI, NGO's and SHG's, from the surrounding villages of Dharwad District (Karnataka), which have dealt in training the women.

Rural Development and Self Employment Training Institute (RUDSETI), Dharwad was selected because it is a pioneering institute in providing training for unemployed youth for the promotion of self-employment. By understanding the importance of entrepreneurship development for the overall development of the country, this institute is providing EDP training for unemployed youth to promote entrepreneurship through entrepreneurship development programmes.

The women of Dharwad taluka who had taken EDP training from RUDSETI Dharwad during the period 1999-2002 were listed. In these three years the total number of women trained was 276. Later, a list of woman trainees who had established an enterprise was enumerated with the help of RUDSETI, Dharwad. In all 184 women trainees had established enterprises. Women entrepreneurs are emerging in various fields namely Petty Shop, Tailoring, Garment, Handicrafts, Beauty Parlor, Catering Services, Dairy Farming, Poultry, Job Works (Typing, Xerox, Lamination, Computer Center, STD/ISD booth, etc.) and the like. Since most of the women entrepreneurs are running small-scale units, the data regarding the number of women entrepreneurs are not available in the government departments. Hence the data was obtained from

the NGO's and SHG's who train the rural women in some earning activities. A list of financial and social constraints encountered by rural women entrepreneurs was identified. It was felt that the rural women must be trained practically in the training workshops. It was also observed after the analysis of the data collected that the women who had received training were better in all respects compared to the other women who were working without any training.

Social and Financial Constraints of Rural Women Entrepreneurs:

Finance is the lifeblood of any enterprise. Various banks and institutions extend their maximum support in the form of incentives, loans, schemes etc. Even then every woman entrepreneur may not be aware of all the assistance provided by the institutions. Adequate financial support accelerated the success of an enterprise. If an entrepreneur is unable to mobilize the needed finance, her dream will not come true⁴. Finance is essential to start as well as to run a business enterprise. Most of the rural women entrepreneurs are facing financing problems at the time of starting as well as during operation of their business enterprises. Mishra Aswini Kumar et al in his paper says soundness is a key factor in any financial sector. One of the major measures of economic development and financial growth of a country has been the soundness of its banks⁵. Hence, it is important to measure soundness across various banks in the country, identify the weaker sections of the banking sector, devise appropriate strategies and policies to lift these sections and eventually create an environment that leads banks to converge in soundness and result in a consistently stable system. As the rural women are facing banking problems the main aim of the banks would be to find the problems analyse them and find out suitable solutions to help the rural women deal in financial activities. So the sincere efforts taken towards rural women entrepreneurs may reach the entrepreneurs in rural and backward areas.

Rural women entrepreneurs face social and financial difficulties from the village folk and need to resist from the village men and the elderly women. Gender discrimination is prevailing as men have negative attitude towards women. Due to family responsibilities the rural women entrepreneurs have less time compared to men as they have to look after both their family and business activity. They need to balance their work along with the family usually a joint family⁶. The skills of rural women entrepreneurs are not recognized by the society and therefore the rural women lack confidence in their ability. The women entrepreneurs in rural areas are facing stiff competition from their male counterparts in terms of production and marketing of their products and services. And due to which they are losing confidence and trust⁷. Women by their very nature are less mobile and do not easily accept to travel outside their locality and take a quick decision in case they have to travel outside their region. They tend towards low cost and high efficiency which is a very good sign for a successful entrepreneur. Women are generally conservative and so do not dare to undertake risk⁸. Fear of loss and

inferiority complex also hinders them from taking risks. Rural women entrepreneurs lack adequate finance. Women have no share or no equal share in the family properties. Hence, they have limited, access over external source of funds and loans as they need to pledge properties. Long and lengthy processes of bank loans makes women move back from the loans. Financial Institution and Commercial Banks do not come forward to lend loan to rural women members who are basically housewives with less exposure to business and risk. The important constraints faced by the rural women entrepreneurs is that the time taken by the banks and financial institution to process the loan and also complaint the tight repayment schedule given by the term lending institutions⁹. Poor education and lack of exposure in the loan processes and banking knowledge hinders them to move forward. Due to all these difficulties they have to fight against many problems which may hinder their smooth flow of business and may also force them to stop their business activities in between.

Findings: A successful Bank and a Business School for Rural Women Entrepreneurs has made way for Mann Deshi Bank to set up a Chamber of Commerce at Mhaswad in Satara, 180 km away from Pune. It has been formed in partnership with 'President Clinton Foundations' initiative-Clinton Global Initiative (CGI) based in New York, USA. It aims at providing mentorship, knowledge and support. It will organize monthly workshops to train the rural women entrepreneurs and will help to provide access to markets, a network of like-minded peers, etc. Mann Deshi Bank are operating in Maharashtra and Karnataka. Such types of workshops are welcomed for the change.

An NGO has turned into a garment cluster in Karnataka. There is a 10,000 sqft rented facility that has a manufacturing unit and a factory outlet on Hubli-Dharwad main road. There are 375 women working here and some 300 handling job-workers (part time). Garments are sold under a common brand name – Dave Export Garments and Apparel Manufacturers. The brand supplies shirts to Aditya Birla Group's brand Peter England, T-shirts and export quality shirts for the Karnataka's Handloom Development Corporation (KHDC); and casual shirts and formals to Priyadarshini Handlooms, a state government initiative. Very soon they will build their own facility on an acquired one-acre plot. They intend to invest Rs.10 crore to buy 500 machines and employ 1000 women. They aim at working hard and chasing quality to be followed by money.

Another workshop organized by Rural Women Development and Health Initiative (RUWDHI), a Non-Governmental Organization with funding from African Women Development Fund, an African-wide grant-making foundation under the theme, "Promoting enterprises resources for effective local economic development and sustainable poverty reduction" was to enhance the knowledge, skills and abilities of the rural women in business development skills so that they can manage their small scale businesses on a more sustainable basis.

An NGO, Sisters of Charity, Dharwad, arranges for exhibition for the products made by the rural women and arrange for sales which promote the women to have a good network and expansion of market.

Suggestions: The following suggestions are given in order to overcome the constraints of rural women entrepreneurs and to elevate the socio-economic status of women, which in turn will lead to the economic growth and overall development of the nation: i. Identification of the potentialities prevailing in our rural women entrepreneurs is not properly done. Hence, the Government and NGOs should conduct programmes to identify the potentialities of women who could become successful entrepreneurs and they need to identify those qualities of the rural women which will turn them into good entrepreneurs. ii. Though the rural women are aware of the banking procedure to acquire loan, they feel that the procedures are complicated and time consuming. Hence, the procedure and formalities of the bank should be simplified and the required documents should be minimized and proper man support must be available with the banks to help the rural women. Moreover, all the documents should be in regional language or both in English and the regional language. iii. Rural Women generally do not have their own money. In such cases, women with similar interests and economic background can form groups so as to share knowledge and investment instead of establishing independent enterprises. They may deal with group activity namely group entrepreneurship, Self Help Group, etc. iv. When women work outside their home, they face the problem of dual role and they are in a conflicting frame of mind whether to give priority to home or career. Hence, husbands and other family members should share the household activities. v. Usually, there are no associations of women entrepreneurs. Hence, they can form an association and meet at a central place on a regular basis so as to discuss their needs, problems, experiences and achievements which would create an exposure¹⁰. vi. Husbands and men folk should be made to realize the significance of women entrepreneurship. Then, their attitude, role and expectation will change and they will provide the necessary capital, guidance and moral support needed by the rural women entrepreneurs. vii. The women must realize the fixing up of prices for their products. They must be trained in including all the expenses which they have incurred in the production of the final products. They must be given the knowledge of Cost Accounting also. viii. The women entrepreneurs must be given the knowledge of packing the product which will enhance the quality of the products. ix. The women entrepreneurs must be trained to keep aside in a separate container, a part of the sales proceeds after every sales transaction. So that the accumulated money can help them in paying back the monthly EMI's to the banks. If they are used to pay the installments regularly then the banks are encouraged to grant more and large amount of loans to rural women entrepreneurs.

Conclusions

Some unmarried women entrepreneurs feel that they can face problems of availing finance from the banks because of chances of possible change of their destination which arises after the marriage. Entrepreneurs approaching State Finance Corporation only for machinery, mainly in case of electronics, are not financed or discouraged. In order to achieve the objective of social justice, it is necessary to harness the latest skills and potentials of women, especially the rural women.

Now the scenario is fast changing with modernization, urbanization and development of education and business. Thus, the opportunities of self-employment for rural women have increased drastically. It is found that the percentage of un-employment among educated and qualified women is increasing. Thus, it is necessary to increase the opportunity of self-employment for educated un-employed women through the development of rural entrepreneurship. It should be stated here that the self-employed entrepreneur creates not only her employment but also creates employment opportunities to other rural people. It is most important to create a favorable atmosphere for a healthy development of entrepreneurship.

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