

Women entrepreneurship in the rural informal sector

Rekhapriyadharshini A^{*} and Reeves Wesley J

VIT Business School, VIT University, India

Abstract: *This study investigated the reason behind the rural women entering into entrepreneurship and the challenges faced by them. A qualitative study has been done with 21 rural women entrepreneurs who are doing entrepreneurship in the informal sector. The findings reveal that rural women enter into entrepreneurship due to some external circumstances such as divorce, widow or gender discrimination. They are using entrepreneurship as a coping strategy to overcome their problems. This study will be admissible in present scenario.*

Keywords: *Women entrepreneurship; Rural informal sector.*

I. Introduction

Informal sector constitutes an important part of Indian economy. In 1972, the term informal sector was first used by the International labor organization (ILO) to denote a wide range of small and unregistered economic activities. The informal sector may be defined as those establishments that employ less than 10 persons with or without use of power. The informal sector consists of all activities that fall outside the formal net registered, taxed, licensed, statistically documented, and approximately zoned business enterprises (Thomas, 1988). ILO defines informal sector as “enterprises with a small scale of operation, family ownership, labor-intensive units, adaptive technology and operating in unregulated and competitive markets”. The National commission on Enterprises in unorganized sector (NCEUS) defines the informal sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sales and production of goods and services operated on a proprietary or partnership basis with less than ten total workers. Around 86% of employees were working in the informal sector as of 2004-2005 in India (NCEUS 2008).

In most developing countries women are the active players in the informal sector (Mbeche, 2002). Despite all social hurdles, many women have been successful in their works. Women entrepreneurs are found in all countries and contribute more and more to the global economy (Bosma and Harding, 2006). Until now, a widespread assumption has been that such women engaged in informal entrepreneurship are necessity-entrepreneurs engaged in low-paid, menial, exploitative work in the absence of alternative means of livelihood (Chen *et al.* 2004; ILO 2002a).

It is estimated that presently women entrepreneurs account for about 10% of the total entrepreneurs in India (Barhate, 2012). Entrepreneurship is traditionally considered to be a male dominated pursuit, but the number of women entering entrepreneurship is increasing comparatively. They have multiple roles and responsibilities in their family and also in their business. Today, the term "entrepreneur" is no longer dominated by males. In 21st century, the autonomy and power of woman have become more obvious and as clear (Purdy 2005). Over the last century, women have substantially infiltrated professional, educational, managerial and executive positions once employed by men (Eisenberg, 2010). An entrepreneur has been dominated or pursued by men, but many women are stepped into the entrepreneurship today. The field of entrepreneurship is increasing its theoretical focus on the unique contributions of women entrepreneurs to business and society (de Bruin, Brush and Welter, 2007). Nowadays, women are not only independent but also have their autonomy in many aspects such as politics, education, socially and economically. They have the liberty of expressing their own ideas and displeasures on a variety of matters (Brindley, 2005). This article intended to find out the reasons for rural women entering into entrepreneurship.

Women entrepreneurship

Women entrepreneurship may be defined as “women achieving economic independency and generates employment opportunities to others by running an enterprise”. In the past fifty years, society shifted their perspectives of women being primarily child bearers and caregivers to include primary breadwinners or co-contributors to the family income (Parker, 2009). Too often, entrepreneurial efforts by women have gone unnoticed, and their contributions have been underappreciated. Lack of recognition or attention, however, does not negate either the significant contribution women’s entrepreneurial efforts have had on wealth creation in economies around the globe (de Bruin, Brush and Welter, 2006). Women entrepreneurs in MSEs are the engine of growth and plays important role in poverty reduction in developing countries (World Bank report, 2003).

II. Methods

The data were collected in the villages around Vellore district. In this study, 21 rural women entrepreneurs were interviewed directly and recorded by the researcher. Those women were engaged in various business like vegetable vendor (4 respondents), flower vendor (5 respondents), petty shop (4 respondents), dairy products (3 respondents), tailoring (1 respondent), beauty parlor (1 respondent) and food products (3 respondents). The average age of the respondent is 35.

III. Results and Discussion

The reason behind women in rural areas to embark entrepreneurship may vary. Some are engaged in entrepreneurship due to external circumstances such as divorce, widow or gender discrimination, some entering into entrepreneurship in order to overcome their poverty, unemployment or loss of family support. As a coping strategy it has become necessary for those women to work in the informal sector to be the bread winners or to support their family income.

Table: 1

Type of work	External factors	Self-employment& career	Family business
Vegetable vendor	3	1	-
Flower vendor	4	1	-
Petty shop	2	-	2
Dairy products	3	-	-
Tailoring	-	1	-
Beauty parlor	-	1	-
Food products	1	-	2
Rank	1	2	2

Table 1 show that around 62% of women entering into entrepreneurship due to their external circumstances such as divorce, widow or conflict within their family and is considered to be the major reason for rural women entering into entrepreneurship, only 19% are entering for their career, and remaining 19% women entering for self-employment& Career and family business.

Challenges faced by rural women entrepreneurs

There are several factors that act as a barrier for rural women entering into entrepreneurship. The problem ranges from improper infrastructure, mobilizing, capital, labor, marketing, family and personal obligations, male chauvinism, work-family conflict and lack of awareness about financial assistance, loan facilities and schemes.

Table: 2

Problems faced by rural women entrepreneurs	Number of respondents	Rank
1. Lack of proper infrastructure	15	3
2. Lack of awareness	9	6
3. Lack of mobility	18	1
4. Lack of capital investment	17	2
5. Work –Family conflict	11	5
6. Lack of financial assistance	14	4
7. Lack of family support	5	7

From table 2, it is shown that 81% of rural women entrepreneurs are finding problem in capital investment for their business, 71% of respondents are not having proper infrastructure, 43% of rural women entrepreneurs are unaware of loan schemes and policies that are provided by the government, around 86% of the respondent are facing problem in mobility, 52% of women said that they are finding difficult to balance their work life and family life, 67% are suffered because of not getting proper financial assistance and only 24% respondent said they are not getting proper support from their family members.

Financial constraints of rural women entrepreneurs

Finance is the foremost essential for any enterprise. Government has provided various schemes, policies and loans to extent their maximum support for rural women entrepreneurs. Even though many women entrepreneur in the rural informal sector are unaware of these financial assistance, schemes and policies. Most of the rural entrepreneurs are facing problems either when starting their business or during their operation of

their business enterprise. So the effort taken for rural entrepreneurship development may not reach rural entrepreneurs. Various financial constraints faced by rural women entrepreneurs are shortage of capital, negative attitude of bank towards them, repayment schedule, delay in sanctioning loan, lack of education in financial management

Table: 3

Financial constraints	Number of respondents	Rank
1. Shortage of capital	17	1
2. Attitude of bank towards them	12	3
3. Repayment Schedule	6	4
4. Delay in Sanctioning loan	15	2
5. Lack of education in Financial management	12	3

Table 3 inferred that 81% are finding shortage of capital investment as a serious constraint, 71% of respondent feels delay in sanctioning loan as a serious problem, 57% of respondent feels that negative attitude of banks and lack of financial education are major constraint and 29% rural women entrepreneurs find very difficult towards rigid repayment schedule.

Social constraints

Apart from other problem faced by women entrepreneurs in rural informal sector, women also encounter social problems. Various social problems like dual role of women, lack of motivation and family support, male chauvinistic society, lack of exposure and freedom, social security and self-confidence.

Table: 4

Social constraints	Number of respondents	Rank
1. Dual role of women	18	2
2. Lack of motivation and support	15	4
3. Male chauvinistic society	13	5
4. Lack of exposure and freedom	16	3
5. Social security	17	1
6. Lack of self-confidence	9	6

From table 4, it is shown that 86% of rural women entrepreneurs said that dual role as a major problem., 81% of respondents are facing social security problems, 76% said lack of exposure and freedom was the problem, 71% reported that lack of motivation and support was the constraint, 62% said that male domination was the biggest challenge and around 43% said lack of self-confidence was the constraint.

IV. Conclusion

The contribution of rural women entrepreneurs in the informal sector to the economy was unrecognized till today. The problems and difficulties faced by them are unnoticed.Lack of mobility and capital investment was the major problem of rural entrepreneurs. They are facing various constraints both financially and from the society, Dual role of women increases their work-family conflicts, lack of proper assistance and knowledge acts as the barrier for rural women entrepreneurship to run their business.

This study confesses, rural women entering into entrepreneurship are mainly due to their external circumstances like widow, divorce or gender discrimination. They are using entrepreneurship as a coping strategy to overcome their problems.

Rural women entrepreneurs have various skills towards running a business but the exposure towards business in village is limited. Government should provide proper training and assistance to rural women in order to develop rural entrepreneurship in the informal sector.

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