

Rural Development Through Micro Enterprises

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ABSTRACT

Rural development is more than ever before linked to entrepreneurship. Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process. Furthermore, institutions and individuals seem to agree on the urgent need to promote rural enterprises: development agencies see rural entrepreneurship as an enormous employment potential; politicians see it as the key strategy to prevent rural unrest; farmers see it as an instrument for improving farm earnings; and women see it as an employment possibility near their homes which provides autonomy, independence and a reduced need for social support. To all these groups, however, entrepreneurship stands as a vehicle to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. In this context, Micro enterprise is an effective instrument of social and economic development. The micro finance is agenda for empowering poor women. Micro enterprises are an integral part of planned strategy for securing balanced development of the economy of the poor women. Rural women's participation in agro-based activities is much more than what statistics reveal. This is mainly due to the fact that most of the work done by the women at farm and home is disguised as daily chores. Mechanization and easy availability of labour provide more time to energetic women to engage themselves in self-employment or entrepreneur ventures. Rural women are having human and nonhuman resources to take up an enterprise need one an innovative mind and motivation. In this context the present study concentrates how rural women micro enterprises contribute to develop in rural areas in India.

1. INTRODUCTION

Rural women's entrepreneurship can contribute to economic growth in developing countries and clearly represents an untapped potential. For many rural women, entrepreneurship is part of a broader livelihood strategy, often undertaken on a part-time basis, and where it is difficult to separate production and reproduction tasks, as well as market and non market work. With few employment choices, women often start businesses in highly saturated sectors, in the informal economy and in low-productivity and low return activities, where they benefit from little or no social protection.

REQUIREMENT OF PRODUCTION TECHNOLOGIES AND SKILLS

For women living in poverty, one main concern is access to production technologies that are appropriate for their restrictive conditions, but they are seldom made available. For on-farm enterprises, appropriate production technologies typically include: those that relate to subsistence food crops and small animals; those that take into account women's labour availability and workload as a constraint; and those that consider women's preferences as the intended users of the technologies. Thus, the development of such production technologies would recognize, for instance, the role that women play in weeding and thinning of crops and the increasingly limited time that farm women have for such activities on account of increasing male migration. Similar gender-sensitivity is required in developing production technologies for off-farm enterprises. For example, an improved weaving device in India that required eight hours operation a day to make it profitable was rejected by women who only had two to four hours to spare for this particular activity. However, it must be noted that production technologies that save time and lighten workloads may have the counter-productive impact of displacing rural women altogether. For example, technological attempts to improve productivity in poultry have effectively removed women from poultry businesses in many countries as men were better able to profit from the innovation. This means that care must be taken in innovating with production technologies so that improved techniques really mean improved benefits for women.

In many other countries, improved production technologies are badly needed but on the condition that they make do with local raw materials, local producers' skills, existing market demands, traditional distribution and marketing channels, local institutions and their functioning, and local system of production. Finally, although a number of institutions have been carrying out numerous studies into appropriate and improved technologies for microenterprises, such as for food processing and packaging, fibre extraction, fodder production, firewood production, mulberry cultivation as well as reeling and spinning of silk, strategic gaps in applied research remain in the region.

ENTREPRENEURSHIP DEVELOPMENT AMONG RURAL WOMEN THROUGH MICRO-CREDIT

SHGs are of recent origin in rural India to helping more than 17 million women from villages improve their incomes, educate their children, and buy assets. SHGs have also helped women campaign against oppressive social practices and become a force of development in their villages. Before 1990s, credit schemes for rural women were almost negligible. The concept of women's credit was born on the insistence by women oriented studies that highlighted the discrimination and struggle of women in having access to credit.

Micro credits are enough for innovative and hard working micro entrepreneurs to start small business such as making handicraft items. From the income of these small businesses the borrowers of micro credit can enjoy better life, food, shelter, health care and education for their families and above all these small earnings will provide a hope for better future. There are certain misconceptions about the poor rural women that they need loan at subsidized rates of interest on soft terms, they lack education, skills, capacity to save, credit-worthiness and therefore are not bankable. The experiences of several SHGs reveal that rural women are

actually efficient. Availability of timely and adequate credit is essential for them to undertake any economic activity rather than credit subsidy.

In rural areas the women micro entrepreneurs continue to produce the traditional designs for local markets. Women in SHGs produce a large variety of essential products, village crafts and homemade snack foods. Many are engaged in retail trading of groceries and textiles. These enterprises represent a substantial supply resource for semi-urban and urban markets. SHGs are also viable organized set up to disburse micro credit to the needy entrepreneur women and encouraging their promotion of poverty alleviation activities and programmes.

POTENTIAL FOR FOSTERING WOMEN ENTREPRENEURSHIP

Surplus labour, especially among young people and women living in poverty is a great liability but can become an asset once those with potential are selectively groomed for self-employment and enterprise formation, leading to further job opportunities for others. The socio-economic objectives of decentralizing ownership of businesses cannot be served unless non-traditional sources of entrepreneurship are tapped. The entrepreneurial base will have to be widened by making it possible for all to share opportunities for owning businesses. This goal cannot be achieved by credit and promotional efforts alone, given the socio-cultural impediments facing women in developing nations. Interventions through a women entrepreneurship development strategy for poverty alleviation are needed to bring out women entrepreneurs and nurture and sustain them, through efforts such as training and counseling, developing an appropriate environment, and providing support. Women entrepreneurship development is a human resource development task of the highest order in which the process deals with human motivation, skills, competencies, social and economic risks, and investment of financial and physical resources for a target group, which has been subjugated for centuries. The sensitivity required in handling these tasks in creating, nurturing, and supporting women entrepreneurs from traditional and non-traditional sources has to be recognized by all concerned.

Women entrepreneurship development programs for poverty alleviation combining motivation, training, and counseling, are already well known as an effective tool (Shah, 2013). The major thrust now has to be on what more can be done. Improving the effectiveness of the ongoing efforts, simultaneously widening the programs to cover a wider variety of target groups and regions, and new thrust areas should therefore be given prime focus while analyzing future needs for replication.

Women entrepreneurship development, at the same time, cannot be limited to training. Training is only one way of expanding the entrepreneurial base of a country. Other avenues must also be explored. The environment plays a critical role for all entrepreneurs (trained or untrained and new or existing) for their survival and growth. In the latter part of this article, therefore, some issues and needs to improve the environment to facilitate the emergence of women entrepreneurs, nurture and foster their growth of women entrepreneurs in general are also discussed. However, there is a no reliable record of who conducts how many women entrepreneurship development programs in a year and, therefore, what is the total output in terms of number of new women entrepreneurs developed and enterprises set up every year.

MULTIPLE RESPONSIBILITIES OF WOMEN

One other challenge is the responsibility of providing for the extended family and relatives. Most micro-enterprise financial resources are not usually isolated from personal finances and hence these family obligations are met from resources earned in the business. Their demands tend to drain the savings and income made by the business, since such finances would otherwise have been used in the enterprise for expansion and growth. Though some of them do assist in providing services in the enterprise (or in the family), the financial obligations in supporting them usually exceeds the services they provide. Ahmad et al (2011) adds that women are overloaded with business and family responsibilities and may not have the time to join these beneficial associations and this automatically limits the women entrepreneurs' wings of exploration. Common wealth secretariat (2002) adds that when business training is available, women may not be able to take advantage of it because it is held at a time when they are looking after their family. Comparative studies show that women start business at an older age than men, when they have had the family and children (Zororo 2011, Green and Cohen 1995), this becomes a great challenge. The rural women appear not to be driven by profits but rather, by the need to provide for their families. They see enterprises as a means of setting them free from 'begging' from their spouses' money for the basic necessities of their families – food, clothing and health. What they earn is totally spent for the benefit of the entire family. Another key motivating force for women to become business owners has been identified as interest in helping others. Generally women entrepreneurs in small-scale business receive substantial family support at start-up and in the course of running their business. Such support is however, based mainly on social rather than economic consideration. Poor Access to Justice Access to justice is essential for ensuring, smooth business operations, and it spans issues such as enforcing contracts and employment disputes. Further, lower education does not emphasize entrepreneurship skills. It decreases the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth. In education, preference is given to boys, thus the educational level of most women entrepreneurs is very low, creating a barrier to them accessing training and other business developments services.

2. CONCLUSION

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 and gender responsive policies, services and business environments are crucial to stimulate the start up and upgrading of women's businesses and thereby help generate decent and productive work, achieve gender equality, reduce poverty and ensure stronger economies and societies in rural areas.

3. REFERENCES

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