

# Economic Independence among Rural Women Entrepreneurship – A Study with special reference to Ariyalur District

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**Abstract** - In today's world, women entrepreneurs are playing very vital role and they have become important part of the global business environment and it's really important for the sustained economic development and social progress. In India, though women are playing key role in the society, but still their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. However, they still represent a minority of all entrepreneurs. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, etc. Women's entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to the Millennium development goals. Thus, governments across the world as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives and promotional measures. The main purpose of this paper is to find out the Economic Independence of women entrepreneurs in India. This paper includes rationale grounds behind the women entrepreneurship. Another main purpose of this paper is to analyze Role of social and economic factors in rural women entrepreneurship development of women enterprise in Ariyalur district. Main reasons for women to become an entrepreneur, the social and economic factors that are serving the women to put their views into action are also included in this study. On the basis of this study some suggestions are given to encourage and develop the spirit of rural women entrepreneurship to become a successful entrepreneur in Ariyalur district.

**Index Terms** - Women Entrepreneurs, Entrepreneurship, Economic Independence, Empowerment.

## INTRODUCTION

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs in the organized sector. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. Women's entrepreneurship needs to be studied separately for two main reasons. The first reason is that women's entrepreneurship has been recognised during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and also by being different. They also provide the society with different solutions to management, organisation and business problems as well as to the exploitation of entrepreneurial opportunities. The second reason is that the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do.

## STATEMENT OF THE PROBLEM

A core condition to women's security is to cease their dependence and helplessness, whose key factor is to invest women with power: at individual level, to support the creation of their autonomy and economic independence, and at the social level, to promote their equal access to political, social power and to the power enabling the forming of opinion. The economic independence of female entrepreneurs, the deploying of their self-assertion skills, their assuming responsibility for themselves, their own sort will allow for an ever-increasing number of women to recognize their own skills, strength, to acquire economic independence, and to represent for society the values that go beyond the patriarchal set of values: the welfare of children and other helpless persons, caregiving, preserving the environment and security. For women, one of the principal traps of patriarchal society is the message whereby women's security is created by men, whilst in our era, the main source of jeopardy, the source of global problems is precisely the subsistence of the patriarchal set of values based on women's subordination. The key element of social, economic, and environmental sustainability is to extend the women's personal autonomy, their rights, to strengthen their ventures.

The position of women in the social structure affects the way they are regarded in their economic roles as well. First, it has resulted in a pervasive sexual division of labour, which reinforces the notion of the male having more power and relegates low status occupations to women. Secondly, having defined women as solely responsible for family care, their incursion into the labour market, made inevitable by inadequate incomes of males or absence of male earners, is at certain levels seen as deviant behaviour. It results in the pervasive notion of the woman worker as a supplementary earner irrespective of the total resources contributed to the household or the time and energy spent. Thus a woman who earns as much as 50% or sometimes 100% of the household income is still regarded as a supplementary earner.

Women are principally engaged in agriculture or in the unorganised sector. Although many families survive only through the contributions made by women to the family income, paradoxically women have little control over family income and expenditure decisions. As a rule, the men consider their wages as their own income and they give only a certain portion to the

women for family needs. Wages for agricultural work, even when paid to the women, are usually taken over and controlled by the household men. The squandering of women's income by the men on liquor, etc. is a major concern for many women though it affects the family as a whole. The so-called breadwinners consider their income to be private property whilst women are left to manage the household as best they may. However, where the women have some control over the money they earn, they usually spend the bulk of it on the family's basic needs, especially food. Hence, the issue of control over household income is a crucial factor affecting nutritional level of women and children. Women, in addition, have virtually no control over the family assets. In the majority of cases land is in the name of the male head of the household. In Ariyalur district the women especially in the urban area have a great role in the economy. Education and globalization have many effects on the status of the women. Even in the rural areas because of the growth of SHG women are improving their status considerably.

Based on the above-mentioned points, the following research questions were raised.

- What are the problems faced by Women Entrepreneurs in Ariyalur District?
- What are the kinds of funding agencies supporting Economic growth of Women Entrepreneurs?
- How women entrepreneurs surviving with Economic Independence?

In order to answer the questions, the research framed Objectives of the Study based on the data collected for this research.

## REVIEW OF LITERATURE

1. Mathivanan and Swaminathan (2005) the study suggested that entrepreneurial education and entrepreneurial development programmes should be provided like EDP, WEDP and TRYSEM. There is a need of proper provisions to impart the training and re-orient the rural entrepreneurs in specific products to improve the technical and managerial skills. Tax incentives, liberalized credit policy, flexible repayments, transport, advertisement and warehousing facilities should be provided with minimum changes. Venkatapathy (2006) in this paper purposive sampling technique studied 75 first generation and 58 second

generation entrepreneurs. The results of the study suggested that first generation entrepreneurs perceive the father as a loving person and parents as encouraging and overprotective. They are influential by the father attribute greater importance to friendship, initiative venture to promote self employment, desire to be a model to others. They consider social awareness and involvement as essentials for a business venture which are the second generation entrepreneurs perceive the father as being dominant, are not influenced by them.

Rani (2006) studied women entrepreneurs in the city of Visakhapatnam. The findings of the study shows that different women have different attitudes towards entrepreneurship and the growth profitability and survival of the enterprise depend on this attitude or view towards entrepreneurship. Some women consider “business as a challenge” were ambitious “career oriented” and “innovative”. Entrepreneurship was their first priority and they were prepared to take risks.

Nair (2006) received the strategies and approaches in training women entrepreneurs in the Indian rural sector. The review stresses the incorporation of gender in policy making and implementing agencies as gender has a direct bearing not only on the access to resources and the ability of individuals to realize their productive potential but also on the entire socio-cultural fabric of societies. The nexus between gender and economic deprivation is so complex that policies and schemes addressing these issues need to be extra-sensitive and flexible to the social and cultural echoes of the communities before resolve their economic problems.

#### OBJECTIVES OF THE STUDY

- To assess the factors contributing financial strength of rural women Entrepreneurs.
- To study the problems faced by the women entrepreneurs.
- To identify the needs of Women Entrepreneurs in Rural area.
- To explore the Funding Agencies for Women Entrepreneurs.
- To exhibit the encouraging and discouraging factors in an enterprise.

#### PROBLEMS FACED BY WOMEN ENTREPRENEURS

##### *1. Family restriction*

Women are expected to spend more time with their family members. They do not encourage women to travel extensively for exploiting business opportunities.

##### *2. Lack of Finance*

Family members do not encourage women entrepreneurs. They hesitate to invest money in the business venture initiated by women entrepreneurs. Bank and other Financial Institutions do not consider Middle Class Women Entrepreneurs as proper applicants for setting up their projects and they are hesitant to provide financial assistance to unmarried women or girls as they are unsure as to who will repay the loan — Either their parents or in-laws after their marriage. This humiliates unmarried women and they generally leave the idea of setting up their ventures. For example, Kiran Mazumdar Shaw initially faced many problems regarding funds for her business. Banks were hesitant to give loan to her as biotechnology was a totally new field at that point of time and she was a woman entrepreneur, which was a rare phenomenon.

##### *3. Lack of Education*

Women are generally denied of higher education, especially in rural areas and underdeveloped countries. Women are not allowed to enrich their knowledge in technical and research areas to introduce new products.

##### *4. Role Conflict*

Marriage and family life are given more importance than career and social life in Indian society.

##### *5. Unfavorable Environment*

The society is dominated by males. Many businessmen are not interested to have business relationship with women entrepreneurs. Male generally do not encourage women entrepreneurs.

##### *6. Lack of persistent Nature*

Women generally have sympathy for others. They are very emotional. This nature should not allow them to get easily cheated in business.

##### *7. Lack of Mental strength*

Business involves risk. Women entrepreneurs get upset very easily when loss arises in business.

##### *8. Lack of Information*

Women entrepreneurs are not generally aware of the subsidies and incentives available for them. Lack of knowledge may prevent them from availing the special schemes.

#### 9. *Stiff Competition*

Women face lot of competition from men. Due to limited mobility, they find difficult to compete with men.

#### 10. *Mobility*

Moving in and around the market, is again a tough job for Middle Class Women Entrepreneurs in Indian Social system.

### WOMEN ENTREPRENEURS IN INDIA – INSTITUTIONS ASSISTING WOMEN ENTREPRENEURS

#### 1. *Association of Women Entrepreneurs of Karnataka (AWAKE):*

AWAKE was established in 1983. The main objective of its establishment was to help women to start their own business. It is one of the premier institutions in India which is working in the areas of training and helping the women to become entrepreneurs. The basic idea of this association is to empower women and join them in the economic mainstream. AWAKE is focusing its attention on both rural and urban women who have social and economic backwardness to make them self-reliant. AWAKE designs EDPs.

#### 2. *Federation of Indian Women Entrepreneurs (FIWE):*

This was founded in the year 1993 on the eve of 4th International Conference of Women Entrepreneurs held at Hyderabad. The objective of it is to interact with various women associations of the country through its network to help the members in different activities.

Functions of FIWE:

- a. It provides network facilities to women entrepreneurs in the country and abroad to develop their ventures.
- b. It provides facilities to member associations in the field of marketing, quality control, export management, standardisation etc.
- c. It helps the member associations to participate in national and international seminars, trade fairs, exhibitions to offer new exposure.
- d. It helps member organization a better access to different business opportunities.

e. It helps member organizations to expand their business.

#### 3. *Self-Help Groups (SHGs):*

A self-help group is a voluntary association of women in rural or urban areas formed to take care of group welfare. The group with the help of commercial banks and other NGOs get its needs satisfied. Each member of the group, according to byelaw, contributes little amount to cover seed money. The other part of Fund' will be taken care off by a financial institution or NGOs. Sometimes, governments also undertake to provide finance through financial institutions. In Karnataka, "Stree Shakti Sangh" scheme become very popular. It is providing funds to women entrepreneurs through financial institutions.

#### 4. *Mahila Udyog Nidhi (MUN):*

Mahila Udyog Nidhi and Mahila Vikas Nidhi (MVN) of SIDBI have been assisting women entrepreneurs. MUN is an exclusive scheme for providing equity (i.e. seed capital) and MUN offers developmental assistance for pursuit of income generating activities to women. SIDBI has also taken a step to setup an informal channel for credit needs on liberal terms giving special emphasis to women.

#### 5. *The Trade Related Entrepreneurship Assistance and Development (TREAD):*

This is a scheme envisaged by Ministry of small-scale industries, Government of India. It helps women entrepreneurs to become economically strong. To achieve this objective, it provides trade related training, information, counselling and extension activities related to trades, products, services etc.

#### 6. *Bank of India's Priyadarshini Yojana:*

Under this scheme the banks provides long term and working capital assistance under various categories.

#### 7. *Swarna Jayanthi Gram Swarojar Yojana:*

This scheme has been in operation since April, 1999. The main objective of this scheme is to provide proper self-employment opportunities to rural women who are living below poverty line. The idea behind this is to improve the social and economic standard of rural women. Under this programme, forming a group of 10-15 women was adopted and encouraged them to take up an economic activity accounting to their skills and locally available resources.

#### 8. *Rashtriya Mahila Kosha:*

This fund was setup on March 30, 1993 to facilitate credit support to poor women for uplifting their socio-economic status. The Support is being extended

through NGOs, Women Development Corporations, Dairy Federations, Municipal Councils etc., RashtriyaMahilaKosh is planned to extend loan facilities through these organisations at 8 percent per annum interest. The financial assistance from this fund is totally security free and it doesn't insist for any kind of collateral security from organisations taking loan from it.

7. Other Schemes:

In addition to the above assistance, women entrepreneurs are also entitled to financing under other government sponsored schemes where capital subsidy is available and the rate of interest is much lower.

They are:

- (a) Indian Mahila Kendra
- (b) Mahila Samiti Yojana
- (c) MahilaVikasnidhi
- (d) Indira MahilaYoj ana
- (e) Working Women's Forum
- (f) Women's Development Corporations
- (g) Marketing of Non-Farm Products of Rural Women
- (h) Assistance to Rural Women in Non-Farm Development Schemes
- (i) Prime Minister's Rozgar Yojana (PMRY)
- (j) Self-Employment Programme for Urban Poor (SEPUP)
- (k) Integrated Rural Development Programme (IRD P)

METHODOLOGY

1. Data Collection

The study is purely based on Primary Data. A well framed Questionnaire was prepared and responses were gathered from Women Entrepreneurs in Ariyalur District through Interview Schedule. Totally 150 responses were collected.

2. Sampling Technique

The Study is completely focusing on Convenient Sampling method. A convenience sample is a type of non-probability sampling method where the sample is taken from a group of people easy to contact or to reach.

3. Area of the Study

The study is based on Ariyalur District. Ariyalur District is located in central Tamil Nadu and is 265 K.M. away from Chennai. The district has an area of 1949 Sq.Km. It is an inland district without any coast line. The district has Vellar River in the North and

Kollidam River in the South and it has no well-marked natural divisions.

(iv) Tools and Techniques Used

The data were collected through the structured Interview schedule and then the data were classified and tabulated for analysis. The statistical tools applied in the study are Percentage analysis, Factor Analysis etc.

ANALYSIS AND INTERPRETATION

Table 1: Demographic Profile of the Sample Respondents

Demographic Characteristics	No.of Respondents	Percentage
Age		
Below 25 yrs	47	31
Below 35 yrs	57	39
Below 45 yrs	28	19
Below 55 yrs	16	11
Marital Status		
Married	80	53
Unmarried	35	23
Widow	20	14
Divorced	15	10
Occupational Status		
Agriculture	65	43
Business	40	27
Private Sector Employee	30	20
Government Sector Employee	15	10
Family Income		
Upto 10000	50	33
Upto 20000	45	30
Upto 30000	25	17
Upto 40000	20	13
Upto 50000	10	7
Total	150	

Table 1 depicts the demographic profile of the sample respondents in Ariyalur district in Tamilnadu. It is observed that 39 percent of the sample respondents are below the age group of 35yrs; 53 percent of them are Married and 43 percent of the sample respondents are engaged in agriculture sector and 33 Percent of their family income are upto Rs 10000.

Women Empowerment is possible only if they are having liberty in financial literacy and its utilisation. The main objective of the study is to assess the factors contributing financial strength of rural women in

Ariyalur district. For such analysis of the main objective, factors contributing financial empowerment of rural women are taken into account and five point Likert scale has been employed.

Table 2 :Factors indicating Financial Strength

Factors	Total	Very High	High	Moderate	Low	Very Low	Total sum	Weighted Mean	Rank
Knowledge about Financial Concepts	150	16	60	46	15	13	498	2.84	4
Awareness about Government Policies	150	4	14	73	4	54	358	2.05	8
Knowledge about Family or Spouse Income	150	21	62	44	9	15	514	2.94	2
Deciding Capacity in buying consumer durables	150	13	53	41	15	28	457	2.61	6
Deciding Capacity in buying Fixed assets	150	8	35	61	30	8	438	2.50	7
Participation in Financial Decision making	150	5	74	45	23	3	504	2.88	3
Freedom to be a member of SHG	150	5	15	50	29	51	345	1.97	9
Long Term Financial Planning	150	26	45	42	20	18	490	2.80	5
Decision on Savings	150	24	68	33	9	17	522	2.99	1

Table 2 indicates the various factors influencing the sample respondent’s financial strength. Among the different variables, Decision on savings holds FIRST Rank, Knowledge about Family or Spouse Income holds Second, Participation in Financial Decision Making Holds Third, Fourth is Knowledge about Financial Concepts, Fifth is Long Term Financial Planning, Sixth is Deciding capacity in buying consumer durables, Seventh is Deciding capacity in buying Fixed assets, Eighth is awareness about government policies and Nineth is Freedom to be a member of SHG or Social Group.

applied to measure relationship among factors contributing financial strength and interrelated factor variables are examined and represented in terms of a few underlying factors.

KEY RECOMMENDATIONS AND SUGGESTIONS

Table 3: Factors Analysis - Summary

Factors	Weighted Mean	Standard Deviation
Knowledge about Financial Concepts	2.84	0.911
Awareness about Government Policies	2.05	0.989
Knowledge about Family or Spouse Income	2.94	0.952
Deciding Capacity in buying consumer durables	2.61	1.068
Deciding Capacity in buying Fixed assets	2.50	0.888
Participation in Financial Decision making	2.88	0.741
Freedom to be a member of SHG	1.97	0.979
Long Term Financial Planning	2.80	1.060
Decision on Savings	2.99	1.006

The key policy recommendations to help the women to participate in entrepreneurial activity are as follows:

Factor analysis is one of the statistical techniques widely used in analysing Psychological, Social Sciences and Business data. In business research, factor analysis is usually applied to correlate the variables. In current research, factor analysis has been

1. Ensuring the availability of affordable childcare and equal treatment at the workplace to increase the ability of women to participate in the labor force
2. Improving the position of women in society and promoting entrepreneurship by making easy access of women to finance
3. Creating government offices for women’s business ownership with the responsibilities of providing women’s business centers, organizing information seminars and meetings, and providing web-based information to those wanting to start and grow a business.
4. Incorporating a women’s entrepreneurial dimension in the formation of all SME-related policies
5. Promoting the development of women entrepreneur networks
6. Evaluating periodically the impact of SME-related policies on the success of women-owned businesses and the extent to which such businesses take advantage of them
7. Improving the factual and analytical supporting of our understanding of the role of women entrepreneurs in the economy.

## CONCLUSION

Success of women and satisfactory progress can be achieved only by honest, sincere and dedicated efforts by all. And joint efforts of both men and women can change developing India into a fully developed country. The greatest revolution in a country is the one that affects the status and living conditions of its women. Promotion of women empowerment ensures economic independence. Social emancipation of women gains social status. It creates more respect in the family and give self – prestige, avoids gender bias and eliminates dowry deaths. It promotes leadership qualities among women and swells the family income. Promotion of women empowerment trains the future generation of women and it will also solve tomorrow's unemployment problem. And women empowerment inspite of their trails and hardships are a satisfied and confident lot in society and a model to other women.

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