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 RESEARCH EXPLORER-A Blind Review & Refereed Quarterly International Journal  
 ISSN: 2250-1940 (P) 2349-1647 (O)  
 Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)  
 Volume XII, Issue 39  
 January - June 2024  
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## INFORMAL RURAL WOMEN ENTREPRENEURS - A STUDY WITH REFERENCE TO SALEM DISTRICT

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### Abstract

*Nowadays women empowerment has been increasing so rapidly all over the world and women are starting their own business to seek greater control over their personal and professional lives. They are growing and blooming as successful persons in their own right. They have proved that they are so less than men in efficiency, hard work or intelligence. They are emerging as potential entrepreneurs. They have been making significant impact in all segments of the economy. A strong aspiration to do something positive is in inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the influences of media, women are aware of their own traits, rights and also the work situations. The women entrepreneur development is influenced by many complicated factors including social, economic, cultural and psychological prevailing everywhere in the society. This paper highlighted the motivating factors of informal rural women entrepreneurs with reference to Salem District.*

**Keywords:** Rural Women, Informal Sector, Women Development, Motivating Factors, NGOs.

### Introduction

Entrepreneurs play very imperative task in socio-economic wellbeing of the country. The emergence of entrepreneurs in a society depends to a great extent on the social, economic, religious, cultural, psychological and environmental factors prevailing in a society. The chore of women was naturally detained to the four walls of the home. She was fully occupied with her duties as a mother, wife, sister, daughter, daughter in law, sister in law and so on. The social and cultural role played by women may place an additional burden on them. Women have to perform household duties with simultaneously operating as business owners. The topic of women in entrepreneurship has been largely neglected by both in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men

impel to do. In recent years, women empowerment was given much emphasized by the policy makers and other social workers. In India, central government, state government and other non-government agencies trying hard to develop women entrepreneurship with various schemes, incentives and subsidies exclusively available for women.

In spite of the effort of the government and other agencies, the growth of women entrepreneurs is still not to the expectation due to various problems faced by women such as poor education, lack of family support, non-availability of capital, low awareness about government assistance, lack of motivation and training programmes, marketing problems, improper work life balance, labour problems, male female competition and so on.

### Scope of the Study

Female entrepreneurship is

consistently viewed as beneficial to rural communities. It is seen as a potential vehicle for alleviating the relative hardship of women in rural areas and as a means of utilising the untapped economic development potential of rural women. Furthermore, entrepreneurship is expected to bring women economic independence and, as such, is an important key to both the emancipation of women and national development. Recent research has drawn attention to the contribution of female entrepreneurs to economic development in developing countries; for example, a Malaysian study has found that women's entrepreneurship is increasingly being promoted as a way of creating growth and development. Interestingly, a study of six Arab countries found that women were operating across a range of business sectors and, in some cases, with employment levels ahead of most women-owned firms in Western Europe and North America. Furthermore, the study found that most of the women surveyed were trading internationally and were growth oriented.

The role of women entrepreneurs has changed over the years in the world. Participation and their importance have been commendable in the country's economic growth and development. The World Development Report, 2012 represents that women owned businesses show great potential source of future for economic growth and job creation. Therefore, many initiatives have been started by United Nations to promote and motivate women entrepreneurship in developing and under developed countries, such as efforts in Sub-Saharan African countries. Looking at the above opportunities, India has also supported many women entrepreneurs by providing loans and advances, helping them to establish their business, making them self-sufficient by providing vocational skills, and creating many jobs for other women in the respective areas. These opportunities are need-based in India, and many factors are driving these forces.

In present India, women play many roles very effectively. They can manage home and business equally. They contribute in economic development of India. So, we have to provide development programs for organizational and skill development of women entrepreneurs.

Entrepreneurship which was traditionally described as initiation and

running of a business involving high risks of start-up ventures. An entrepreneur is someone who tries to bring innovation in business and attempts to gain profit through it. Government of India is making rigorous efforts to boost up the number of entrepreneurs in India. Many policies, programmes and schemes have been launched to support and promote this notion, particularly for women entrepreneurs in both urban and rural areas. But still, there seems a gap in endeavors of government of India and actual situations faced by entrepreneurs.

#### **Importance of the Study**

Though there is lots many problems that are creating hurdles for the women entrepreneurship in rural Assam, the prospects of growth cannot be underestimated. The government of India and the banks and financial institutions are playing an important role for the development of women entrepreneur. The prospect for the development of women entrepreneurs is possible, when the government, social and financial institution collectively takes initiative. The central government has introduced several schemes for facilitating the women for setting up their business. Government of India has entrusted the responsibility for the development of micro, small and medium enterprise to Ministry of MSME. Ministry of MSME has launched many schemes for the development of entrepreneurship. More thrust is been provided to the assistance of women entrepreneurs.

#### **Review of Literature**

**Syed Abdul Hameed (2015)**, has studied, "The Problems and Prospects of Women Entrepreneurs in India". The study focused on various factors influencing women entrepreneurship and recommended measures for removal of obstacles to women entrepreneurship from the Indian perspective. The study identified that, it is the need of the hour to motivate women entrepreneurs to harness the unexplored areas of business venture and scale greater heights

**James and Narayana (2015)**, has conducted an empirical study on "Women Entrepreneurship in India - Problems and Prospects". The researcher focused on the status of women entrepreneurs, problems faced by them and also offered suggestions for overcoming the constraints. It has been recommended that, there should be efforts from all sectors to encourage the economic

participation of women and the country should rise to the challenge and create more support systems for encouraging more entrepreneurship amongst women.

**Vijayshree and Hema (2011)**, have conducted a study on, “Problems and Prospects of Women Entrepreneurs in Informal Market in Chennai. The main objectives of the study was to findout the hindrances of Women Entrepreneurs in informal market and also to study their level of satisfaction of women entrepreneurs in conducting their business. Non-probability convenience sampling technique was used and data were collected from 150 respondents using questionnaire.

**Paramasivan C and Subathra S (2016)** Women entrepreneurship has been developed all over the state because the efforts taken by various institutions and schemes of state and central government. Ministry of MSME has provided subsidy to entrepreneurs for promotion of entrepreneurship. It has been granted special benefits to women entrepreneurs for their upliftment, it increases the women enterprises.

**Patel and Chavda (2013)**, have conducted a study on, “Challenges and Problems of Rural Entrepreneurship in India”. The study has stated that, the major problems faced by rural women entrepreneurs are especially in the fields of marketing of Products, Financial amenities and other primary amenities, i.e. availability of electricity, water supply, transport facilities and required energy etc.,

**Statement of the Problem**

The entrepreneurship development is a very noble concept. Such concept can also use to empower the women section of the society. The women in the rural areas are subject to lots of restrictions in Assam. They are not regarded as economic power house, rather they are treated as dependent part of the society. Though they equally possesses the potentialities to become a successful entrepreneur but the problems they face which are not similar to the men’s problems, creates hindrances in the growth of entrepreneurial activities. The women of rural areas face different types of problems in the path of entrepreneurial growth. But, at the same time their also exist opportunity for them in terms like assistances from different institutions in each sphere of entrepreneurial activity.

However, the opportunity is not adequate. The numbers of women entrepreneurs from rural areas is very negligible. To increase the numbers of rural women entrepreneurs, theirs requires a coordinated action from different stockholders of the society. The society has to change its stereotyped mindset over women. The state governments have to take lead role in the development of women entrepreneurship in whole of Assam. Than only, the possibility of increase in entrepreneurial activity by rural women can be achieved.

**Objectives of the Study**

The main objectives of the study are as follows,

- i) To find out the demographic variables and business income details of informal rural women entrepreneurs.
- ii) To know the various entrepreneurial activities performed by informal rural women entrepreneurs.
- iii) To examine the factors motivating rural women to become informal entrepreneurs.

**Research Methodology**

The study is empirical in nature and is based on survey conducted from 110 informal rural women entrepreneurs. The purpose of the study is that know the motivating factors of rural women entrepreneurs in informal sector. Hence, the researcher has chosen the Salem district to informal rural women entrepreneurs for the study. For which, structured schedule was developed and conducted the survey from women entrepreneurs who have running business successfully at the time of interview by using convenience sampling technique.

**Result and Discussions**

In order to study the dimensions which influence the perceived service on behavior intention, descriptive statistics i.e., Mean and t-test were used.

**Mean Score of Demographic Variables of the Respondents**

Demographic Factors		F	%
Age	Below 25	47	42.7
	26-35	22	20.0
	36-45	18	16.4
	46-55	14	12.7
	56 and above	9	8.2
	Total	110	100.0
Educational Qualification	Illiterate	15	13.6
	Up to Eighth	16	14.6

	Up to high school	24	21.8
	Degree	38	34.5
	Others	17	15.5
	Total	110	100
Marital Status	Single	44	40.0
	Married	45	40.9
	Divorced	8	7.3
	Widowed	13	11.8
	Total	110	100.0
If married no of children	1	46	41.8
	2-4	58	52.7
	5 and above	6	5.5
	Total	110	100.0
Nature of Family	Nuclear family	74	67.3
	Joint family	36	32.7
	Total	110	100.0
Size of Family	less than 5	66	60.0
	5-8	39	35.5
	6-9	5	4.5
	Total	110	100.0
Earnings Members in the Family	1	34	30.9
	2	50	45.5
	3	21	19.1
	4	4	3.6
	above 5	1	.9
	Total	110	100.0
Family Income	Up to 15000	48	43.6
	15001-20000	23	20.9
	20001-25000	17	15.5
	above 25000	22	20.0
	Total	110	100.0

Among the 110 respondents, maximum 42.7% of the respondents were below 25 years, 34.5% of the respondents were completed degree, 40.9% of the married women doing their business, 52.7% of the respondents were having 2-4 children in their family, 67.3% of the women entrepreneurs families are nuclear, 60% of the respondents family size were less

than 5,45.5% of the respondents earning members in the family are 2 members and out of the total sample size 43.6% of the respondents family income were upto 15000.

**Business Income Details wise Classification**

Business Income Details		F	%
Secondary Occupation	Yes	34	30
	No	76	70
	Total	110	100.0
If yes state the Occupation	Agriculturist	8	7.3
	Coolie	3	2.7
	Any available work	15	13.6
	House maid	6	5.5
	Others	78	70.9
	Total	110	100.0
Income per month from your activity	less than 2000	10	9.1
	2001-4000	19	17.3
	4001-6000	31	28.2
	6001-8000	11	10.0
	8001-10000	20	18.2
	10000 and above	19	17.3
	Total	110	100.0
Family expenditure per month	upto 5000	11	10.0
	5001-10000	41	37.3
	10001-15000	23	20.9
	15001-20000	19	17.3
	20000 and above	16	14.5
	Total	110	100.0
Savings per Month	Nil	26	23.6
	less than 1000	32	29.1
	1000-2000	30	27.3
	above 2000	22	20.1
	Total	110	100.0

Among the 110 respondents, maximum 70% of the respondents were stated there is no any secondary occupation, 28.2% of the respondents opinioned that income per month from business activity were Rs.4001-6000, 37.3% of the respondents were spent Rs.5001-10000 their family expenditure and 29.1% of the respondents were saved less than Rs.1000 per month.

**Entrepreneurial Activities wise Classifications**

Entrepreneurial Activity		F	%
Type of Business	Vegetable Vending	21	19.1
	Flower Vending	16	14.5
	Dairy Vending	5	4.5
	Grocery Shop	6	5.5
	Beauty Clinic	3	2.7

	Fruits Vending	11	10.0
	Fancy Store	7	6.4
	Tailoring Shop	10	9.1
	Tea Stall	5	4.5
	Juice Shop	3	2.7
	Tiffin Stall	7	6.4
	Textile Business	4	3.6
	Petty Shop	9	8.2
	Print/Xerox Shop	3	2.7
	Boutique Shop	0	0.0
	Total	110	100.0
Factors Responsible for Choice of the Product	High Demand	16	14.5
	Future Prospects	27	24.5
	Innovative Product	5	4.5
	Past Experience	18	16.4
	Family Business	22	20.0
	Less Risky	15	13.6
	Less Mobility	2	1.8
	Possess Skilled	5	4.5
Total	110	100.0	
Major Reasons that forced to doing this business	Poverty	13	11.8
	Unemployment	21	19.1
	Profitability	12	10.9
	Family Profession	29	26.4
	Easy to Enter and Exit	6	5.5
	Self Interest	19	17.3
	Local Demand	8	7.3
	Other Specify	2	1.8
	Total	110	100.0
When did you start your Business activity	Below 1 Year	29	26.4
	2-3 Years	27	24.5
	4-5 Years	27	24.5
	Above 5 Years	27	24.5
	Total	110	100.0
Participation in Business	Part Time	35	31.8
	Seasonal	16	14.5
	Full Time	55	50.0
	Others	4	3.6
	Total	110	100.0
Business Place Details	Own Place	62	56.4
	Rented	38	34.5
	Leased	10	9.1
	Total	110	100.0
Sources of Finance for your Business Investment	Own Money	32	29.1
	Family Money	46	41.8
	Banks and Financial Institution	14	12.7
	Friends and Relatives	6	5.5
	Traders and Commission Agents	5	4.5
	Money Lenders	1	.9
	Land Lords and Owners	2	1.8
	Others	4	3.6
Total	110	100.0	

Problems faced while Starting their Business Activity	Nothing Problems	22	20.0
	Lack of Capital	30	27.3
	Lack of Experience	17	15.5
	Low Demand	8	7.3
	Non Availability of Proper Place and Building	9	8.2
	Lack of Information	4	3.6
	Right Contacts for Business Venture	10	9.1
	Combining family and Work Life	10	9.1
	Total	110	100.0

Among the 110 respondents, maximum 19.1% of the respondents were doing vegetables vending business, below 25 years, 24.5% of the respondents selected factors responsible for choice of the product were future prospects of the business, 26.4% of the people said major reason that forced to doing their family business, 26.4% of the respondents were start

their business within below 1 year, 50% of the women doing full time business participation, 56.4% of the people doing their business with own place, 41.8% of the respondents said their sources of finance of business activity were family money and 27.3% of the respondents faced problem during starting their business were lack of capital.

**Factors Motivating to become Entrepreneur**

One-Sample Statistics					Sig. (2-tailed)
Factors	N	Mean	T value	df	
Earn Money from Livelihood	110	4.17	-8.144	109	.000
Get Economic Independence	110	4.01	-10.299	109	.000
Attain Social Status	110	3.91	-10.277	109	.000
Achieve Self Identify	110	3.86	-10.335	109	.000
Meet Family Necessity	110	3.55	-11.283	109	.000
Become Role Model in Profession	110	3.74	-11.982	109	.000
Provide Employment Opportunity	110	3.46	-13.411	109	.000
Face the Challenges in Life	110	3.67	-10.948	109	.000
Offer Financial Assistance to Others	110	3.43	-12.803	109	.000
Achieve better Entrepreneurial Experience	110	3.66	-12.615	109	.000
Maintain Traditional Business	110	3.42	-14.014	109	.000
Achieve the Business Ambition	110	3.16	-15.027	109	.000
Revive the Sick Unit	110	3.23	-13.048	109	.000
Attain Market Potential	110	3.29	-12.713	109	.000
Attain Independency from Family	110	3.65	-12.413	109	.000
Instigate Aspiration in Children	110	3.50	-11.086	109	.000
Gather Technical Knowledge	109	3.30	-12.222	108	.000
Utilize the Ideal Funds	110	3.56	-12.169	109	.000
Develop Organizational Skills	110	3.43	-11.586	109	.000
Encourage Family Members	110	3.75	-10.448	109	.000

The above table showed that the agreement level on the Factors motivating to become an entrepreneurs. The mean ranges from 3 to 4. Therefore, the women entrepreneurs are agreed with the factors motivating becoming an entrepreneur.

This initiative requires appropriate efforts from all expected and related areas for the development of women entrepreneurs. Government of India has provided few policies and programmes to assist women

entrepreneurs but intergrated and operational efficiencies are still to be looked upon.

**Suggestions to Development of Women Entrepreneurs in Rural Informal Sector**

Here are few of the suggestions that could be taken into consideration for advancement and development of women as an entrepreneur:

- ★ Women particularly living in rural areas should be exposed to awareness programmes related to entrepreneurship.

- ★ Government should come up with better schemes for women entrepreneurs, keeping in mind their challenges and constraints.
- ★ New hands on training programmes should be framed and provided to women.
- ★ Entrepreneurship could be taught as a mandatory or optional subject at school level.
- ★ Counseling through the medium of successful women entrepreneurs or NGOs or specialists could be provided.
- ★ A separate entrepreneurial guidance cell for women could be set up for all time assistance of information at district level.
- ★ Women entrepreneurs could be given provision of credit system at micro or enterprise level.

### Conclusion

In the present paper an attempt has been made to explore problems faced by the women who are involved in the entrepreneurial activities in the informal sector. Total 110 women entrepreneurs have been interviewed with the help of well-developed interview schedule in the different rural areas of Salem. The basic problem faced by women entrepreneurs was lack of funds. The need of the time is to make such schemes by the government which could actually benefit these women entrepreneurs working in the informal sector. The major problem for women entrepreneurs has been finance. Hence, the government can provide interest free loans to encourage women entrepreneurs. To attract more women entrepreneurs, the subsidy for loans should be increased. Most of the women entrepreneurs are of the opinion that because of lack of training, they are not able to survive in the market. Hence, the government should conduct frequent training programmes with regard to new production techniques, sales techniques, etc. Improper location and inadequate infrastructure facilities are the hurdles in the way of development of women entrepreneurship which is also responsible for the exploitation of the women entrepreneurs in informal sector. Therefore central as well as state government should take such steps which could improve the status of women entrepreneurs working in informal sector as the contribution of informal sector in the economy cannot be ignored.

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