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# An empirical study on empowerment of rural women through entrepreneurship

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### Abstract

The present study examines the empowerment of rural women through entrepreneurship and examines the concept of empowerment under social and economic dimensions. The study was conducted on rural self employed women of Kurnool district in the state of Andhra Pradesh. The sample size was 200. Descriptive research design was adopted utilizing both primary and secondary data. A statistical tool like chi-square test was applied to test the collected data. The implications of this findings and the importance of this study are discussed.

**Keywords:** Women entrepreneurship, socio-economic background, Kurnool District

### Introduction

The dynamic nature of small business calls for innovative approaches to entrepreneurship education and training and improved management techniques. Dissemination of innovative approaches and new knowledge developed is also extremely important in furthering the cause of entrepreneurship.

Economic growth and revitalization of nation are propelled best by 'Entrepreneurs'. Small business and entrepreneurship in India are the prime-force in generating productive employment and ensuring a more equitable distribution of income in the process of economic development of the country. It facilitates effective mobilization of resources like capital and skills and helps to reduce poverty and unemployment. Entrepreneurs rationally combine the forces of production into a new production organization, "Schumpeter states that entrepreneurial behaviour covers the introduction of a new good, a new method of production, new market, a new source of supply of raw materials or half manufactured goods and a new organization of any industry for certain of a monopoly position or breaking it". In this way, entrepreneur initiates necessary action to reform or revolutionize the pater of production (Shukla, MB, 2007) <sup>[1]</sup>.

In India, women constitute nearly 48% of the population but their participation in quantifiable economic activity is around 25.7%. The effect of this economic inequality is mirrored in the social scenario, where a small percentage of population is becoming more and more prosperous and nearly two-thirds by the population still remains poor and untouched of technological progress (Poonam Syal and Dhameja, 2003) <sup>[2]</sup>. The share of women in the adult labour force is 31% in India; much less compared to China (47%). The female economic activity rate which is defined as the proportion of female population aged 15 years and above, and who furnish or available to furnish the supply of labour for production of goods and services is also very low in India (41%) compared to that of China (74%).

In recent years there has been an upsurge of interest in the role of entrepreneurship and small business development as providers of employment, contributors to Gross National Product, boosters of economic development and troubleshooters to a large number of problems being faced by the community in general and educated youth in particular. A healthy small business sector is rightly considered to be the backbone of any developed economy. Entrepreneurship training in most countries of the world is being increasingly tried to promote local entrepreneurship and accelerate the pace of small enterprise development. Research studies conducted in USA (Brich, 1987) suggest positive link between economic development and entrepreneurship (J.S. Saini, 1998) <sup>[3]</sup>.

Even in the case of rightly controlled economies in Eastern Europe, people are anticipating that small business and entrepreneurship will lead the way to new economic development.

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Most countries in Eastern Europe have already switched over to market –based economy. Developments which took place in USSR in 1991 also provide much scope to small enterprises in reviving the disintegrated economies. Developing economies like India, China, Pakistan, Sri Lanka, Malaysia and many other South Asian countries have always considered the small business sector as an important sector of the economy.

To empower women and attain economic independence, development of women entrepreneurship becomes essential. Gainful employment has been viewed as a critical entry point for women’s participation in income generating activities is believed to increase their status and decision making power. With employment, women do not remain as objects of social change but become agents of it. They cease to be ‘consumers’ of economic goods and services and turn into ‘producers’ They participate in social reproduction as well as reproduction of labour for the next generation (ILO, 1984) <sup>[4]</sup>.

The county’s response to the challenges of equality, development and peace is the empowerment strategy. The challenge before society is to evolve strategies to break the stereotypes of the past by solving problems of poverty, illiteracy, violence and gender inequality. Hence self-employment and entrepreneurship should be seen as a component of a solution to accelerate socio-economic development, particularly of the poor in India (Sinha Archana, 2002) <sup>[5]</sup>.

The economic development of advanced countries of the world extent, has been attributed to growth of small and medium enterprises. In advanced countries, women have managed majority of small enterprises and there is a phenomenal increase in the number of self employed women. Women-owned firms represented nearly 40% of all the firms in the United States and employed approximately 27.5 million people (NFWBO, 2001) <sup>[6]</sup>. Across country comparison reveals that, in China, women outnumber men by at least two times, when it comes to starting business. There are over five million women engaged in business in China (Workshop proceedings, 2000). In Japan too, a similar trend prevailed (Shegeko, 2000) <sup>[7]</sup>. In Eastern Nigeria, half the trade is carried out by women and in Ghana 80% of the trading persons are women. In Canada 1/3<sup>rd</sup> of small business are owned by women and in France, it was 1/5<sup>th</sup>. In United Kingdom, the number of self-employed women has increased three folds as fast as the number of self-employed men. In India, the self employed women account for only 5.2% of self employed persons in the country. The participation of women in business in India is low, since it depends upon closely inter-linked economic, social, cultural, religious and psychological factors (Vivek, 1993) <sup>[8]</sup>. It is the quest for economic independence and better social status and sometimes sheer need for the family’s survival that force women into self-employment and entrepreneurship (Pillai and Anna, 1990) <sup>[9]</sup>.

Self –employment raises the confidence of women and earns them status and respect in society. It helps women in improving their position not only in their family but also in the social environment where people treat them with respect. In fact the best non-controversial way to empower women, rich or poor, is to inculcate in them the spirit of self-employment. In other words for the emancipation of women and development of society, self-employment is a very effective mean (Ambiga Devi, 2008) <sup>[10]</sup>.

Some of the noted economists have described the role of the entrepreneur in economic development in different words. Schumpeter considers introducing innovation as the most significant contribution of the entrepreneur in economic development. Parsons and smelser describe the entrepreneur as one of the two necessary conditions for economic development, the other being the increased input of capital. Hirginson considers entrepreneur among the prime movers of innovation and Sayigh simply describes entrepreneurship as a necessary dynamic force (Bisht, Narendra, 1991) <sup>[11]</sup>.

Underdeveloped economics usually suffer from paucity of funds, lack of skilled labour and non – existence of minimum social and economic overheads. Market environment in such economics is less conducive to the emergence of innovative entrepreneurs. In such countries, the non-innovative entrepreneur, namely, imitators, Fabian an drone are noticed to a large extent. In the absence of industrial background and a well developed institutional support, entrepreneurs in such economies try to copy innovations introduced by innovative entrepreneurs in developed countries. Enterprising people possessing high need for achievement in such areas would be noticed as not being satisfied with present status that they have the society. They would, therefore, venture into some new type of enterprises, which usually are imitative in nature. Entrepreneurs play a pivotal role in social –economic development and industrialization of a country needs no further emphasis. Entrepreneurship need not supply be confined to industry, trade and commerce; in fact, pace of development would be far greater when people in general from all walks of life and in all work situations start reflecting entrepreneurial behaviour. Developing economics need greater number of people possessing entrepreneurial qualities and capable of taking decisions under conditions of uncertainties. It is this class of human resource which has the potential of transforming undeveloped economies into developed ones.

Entrepreneurial skills were confining only to some communities/sections and regions in the past. But in recent years this trend has been changed. Individuals from all communities and regions come forward to take up the business/enterprising activities, irrespective of sex, caste, etc. it is a welcoming and notable aspect particularly in the case of women taking up this profession from household work to enterprising activity at this juncture as:

1. Participation of women in economic activity is must for the development of the country. At present, the rate of participation of women is very low; “28% of them are working women and the percentage of self employed women is only 5.7%. The proportion of women entrepreneurs is found to be only 6.7% “out of 16 millions SSI entrepreneurs in India (C Rani 1997) <sup>[12]</sup>.
2. The entering of women into enterprising activity reduces the rate of unemployment among women, as nearly 60 percent of the women are employed in rural areas and 56 percent of the total unemployed in India.
3. In recent years, the general decline of handicrafts, increasing the pressure on population, as agriculture, and development of modern industry with its increasing technology advances forced the women out of the employment market.
4. But this rate of entry form house-hold work to enterprising activity among women is very low due to various reasons like lack of finance, entrepreneurial

skills and family support (Surapa Raju, 2000) <sup>[13]</sup>.

However, a society constrained by the suppressive socio-economic factors cannot generate the much-needed women entrepreneurs on its own (Haridass R, 2009) <sup>[14]</sup>.

Private initiative directed towards the growth of entrepreneurs as existing in USA and UK is not wide-spread in India. Consequently the governmental policy, directions and the performance of commercial banks, financial institutions and training institutions engaged in promoting and developing the women entrepreneurship become very crucial for the country. The liberalization policy of the government has thrown open a vast area of the economy for private entrepreneurship. Under such circumstances, special efforts to develop women entrepreneurship is more keenly felt.

Most women in India as well as other developing countries are increasingly being compelled to take up low skill, low paid, monotonous jobs because of economic hardships. Some of the main hurdles which delimit women's transgression from their narrow range of activities are lack of opportunities for skill training and development, low levels of literacy, lack of mobility as well as family and institutional support. The planners today, especially with the liberalization and opening up of the Indian economy cannot afford to overlook nearly 50% of the population where a large pool of entrepreneurial talent might be lying latent. However, while making national and sectoral plans the emphasis is on welfare schemes, for women are viewed only as beneficiaries and not contributors. It is high time that it is realized that the issue of women is one of development and not of welfare. They are generally targeted for anti-poverty and welfare schemes whereas men are provided with productive inputs like education and training. To focus on the former women need to be provided with either meaningful employment or motivated and trained to set up enterprises of their own. The latter course appears more feasible in view of the rampant unemployment amongst the youth of the country. Identifying and developing women entrepreneurship will not only result in economic benefits of growth, job creation and wealth distribution but also societal benefits of increased independence for women as well as job enrichment and satisfaction. A natural corollary of this would be their increased strength to fight violence, discrimination and oppression (Jyothsna Sethi, 1994) <sup>[15]</sup>.

In the general society, high and middle class women tended to confine themselves to the biological and social roles of rearing children and keeping the house. But in the case of economically lower class women, besides their bio-social roles, they had equal or more than equal share in the economic activities of the family. In the recent past, the increase in women's education, industrialization, urbanization, social and occupational mobility, the emergence of nuclear families, westernization, politico social movements and changes in the value system, some educated women have taken to certain careers. Some, compelled by economic necessity, have taken to small business and trade.

Woman has been the economic partner of man in several fields. but when it comes to entrepreneurship man seems, outwardly, at any rate, to dominate the entrepreneurial world. Woman too, is equally endowed with the psychological qualities and managerial abilities that matter in successful entrepreneurship. Sometimes, the environment

and opportunities are the same both for men and women. But interestingly, the entrepreneurial activity in the traditional developing activities has been restricted to man. Time has come when one starts thinking, exploring and working towards the women entrepreneurship.

### **Need for the study**

Women involvement in economic activities is marked by low work participation rates, excessive concentration in the unorganized sector of the economy and in low skill jobs. There is a greater dynamism in the rate of growth of female employment. However, in rural areas, agriculture has provided more employment for women. Their literacy rate, which itself is the cause for low economic conditions, creates a vicious circle of low social and economic status. It is in this specific context, that the emergence of women entrepreneurs is to be viewed as a socio-economic emancipation of women.

The inequalities inherent in the Indian traditional social structure, based on caste, community and class have a significant influence on the low status of women in different spheres. Thus, the main issue which is still being debated is the kind of strategy to be evolved for raising their status and participation in the process of development. Hence, the emergence of women as entrepreneurs in India should be seen as a resurgence of the right fully respectable socio-economic status of women.

The gaps identified in the earlier studies depicts that Specific studies are not made to identify the problems of Women entrepreneurs in rural and tribal areas, there are little efforts to examine the level of Women empowerment through entrepreneurship in small / micro enterprises in rural areas, Role of Socio-economic and demographic factors in determining the status of Women entrepreneurs, Role of stress and living conditions of Women entrepreneurs before and after starting the micro enterprise in rural economy.

Not only the number of women entrepreneurs is less in India, but also the women entrepreneurs enterprise is small in traditional manufacturing activities with low investment, low turnover, minimum number of employees and with no professional assistance. In India, the traditional business activities of women entrepreneurs are popularly identified as pickles, pappads, powder, garments and block printing, etc., This reflects the feminine psyche, social and economic, educational, financial and legal limiting factors that contribute to the gender status in industry today.

For women to be empowered they should be financially, socially, educationally, professionally, politically, and legally, independent. Among the above variables, economic empowerment is the basis of all other variables in order to enhance their financial stability either by seeking job or doing self-employment or becoming an entrepreneur. In this context the researcher has raised two pertinent questions: whether women have become empowered or not. Does entrepreneurship help women to become empowered? In this context, it is proposed to undertake a study on "an empirical study on empowerment of rural women through entrepreneurship" and to examine the impact of various factors, namely, personal, rural, governmental, economic and social responsible for the empowerment of women.

### **Scope of the study**

The present study examines the socio-economic

characteristics of women entrepreneurs in the select district and it verifies the relationship with entrepreneurial skills of the women entrepreneurs. This study further tests the effectiveness of training and development programs in empowering the women entrepreneurs and it further explores and experiments the relationship between entrepreneurship and empowerment among the women entrepreneurs in the select district. Thus the study brings out the inferences based on the examination of the impact of various factors that contributes to the process of empowering the rural women.

### Objectives of the study

1. To study the socio-economic background of the rural women entrepreneurs in Kurnool District.
2. To correlate the socio-economic factors with entrepreneurial aspects of rural women entrepreneurship.

### Research Methodology

Rural Women entrepreneurs who are the main source of primary data are collected from the women entrepreneurs through a scheduled method. As the area of study is limited to Kurnool District in Andhra Pradesh and as the total women population is numerable, the researcher has proposed the sampling techniques for the selection of respondents. Finally 200 respondents were selected through selective random sampling technique and included in the study from various sub-divisions of Kurnool District who have engaged to start an enterprise and running successfully. Personal interview is the major tool of data collection Interview technique is to be made at rural women entrepreneurs. The secondary data are also proposed to collect from various departments. All these data are to be arranged in various form of tables and proposed to critically analyze with the help of statistical tools. Percentage Analysis and Chi-Square Test are the various statistical tools applied.

### Data analysis and findings

#### Socio-Economic background

The personal characteristics of the selected respondents like age, educational status, marital status, annual family

income, business type, size of the business and financial sources are discussed in this section.

**Table 1:** Socio – Economic Background of the Respondents

Factors	Category	No. of Respondents	Percentage (%)
Age	Below -30	40	20
	31-40	74	37
	41-50	62	31
	Above 50	24	12
Marital Status	Unmarried	52	26
	Married	148	74
Educational Qualification	Illiterate	10	5
	Primary	18	9
	Secondary	32	16
	Higher Secondary	94	47
	Graduate Level	46	23
Annual Income	Below 10,000	30	15
	10,001-20,000	74	37
	20,001-30,000	52	26
	30,001-40,000	28	14
	Above 40,000	16	8
Business Type	Manufacturing	84	42
	Trading	58	29
	Servicing	28	14
	Combination of the above	30	15
Size of Business	Below 1 Lakh	94	47
	1 lakh to 5 lakhs	60	30
	Above 5 lakhs	46	23
Financial Sources	Spouse Income	74	37
	Personal savings	64	32
	Loan from Banks	46	23
	Other Sources	16	8

### Chi-square analysis

The opinion of the respondents and socio – economic characters relationship is applied for chi-square test. The selected variables are only applied in this model. Table 2 reveals the summary of the respondents. The Chi-square analysis reveals that the factors of Age and Education are significant at 1% level. Marital Status, business type and sources of finance are significant at 5% level of significance. The remaining factors of family income and size of the business are not significant at 5% level.

**Table 2:** The Summary of Opinion of the Rural Women Entrepreneurs

S. No.	Factors	Chi-Square Value	Degree of Freedom	Table Value	Result
1	Age	18.24	6	17.26	Significant**
2	Educational Qualification	15.84	4	14.46	Significant**
3	Marital Status	13.64	2	6.92	Significant*
4	Family Income	4.76	6	13.68	Not Significant
5	Business Type	12.72	4	10.48	Significant*
6	Size of the Business	8.56	4	10.36	Not Significant
7	Sources of Finance	14.72	6	13.28	Significant*

**Note:** \* - Significant at 5% Level, \*\* - Significant at 1% Level.

### Summary of findings

1. 37% of the respondents are belonging to 31-40 years age group of the entrepreneurs. 31% of the respondents are between the age of 41-50 years. 20% of the respondents are below the 30 years age group and rest of the respondents is above the 50 years.
2. 47% of the respondents are belonging to higher secondary level of the entrepreneurs. 23% of the respondents are graduates and 16% of the respondents

are secondary level of education. The 9% of the respondents are primary level and rest of respondents is illiterates.

3. 37% of the respondents are belonging to Rs.10,001 to 20,000 income group of families. 26% of the respondents are Rs.20,001 to 30,000 income group and only 8% of the respondents are belonging to the income group above Rs.40,000.
4. 74% of the respondents are married category and rest of

- the respondents is unmarried. Therefore, marital status is important factor to determine the women entrepreneurs.
5. 42% of the respondents deal with manufacturing type of business. 29% of the respondents are engaged in trading type of business. Only 14% of the respondents are doing their business for service sectors. 15% of the respondents doing combined forms of business.
  6. 47% of the respondents have invested below 1 lakh in their business. 30% of the respondents are 1lakh to 5 lakhs category.
  7. 37% of the finance sources are from spouse income, 32% of the respondents financed from personnel savings and 23% of the respondents availed loan from banks as well as 8% respondents have financial assistance from other sources.

### Suggestions

1. Imparting training programmes to the Rural Women Entrepreneurs
2. Special loan facilities for the Rural Women Entrepreneurs from the public sector banks.
3. Entrepreneurial awareness is to be created among all the social classes of Women in the Rural Areas.
4. Special Monitoring Power are to be given to the authorities of the District Rural Development Authority in order to protect the business rights of the Rural Women Entrepreneurs.
5. Co-Operative Societies are to be encouraged in the Rural Area in order to promote the group production activities of the Rural Women Entrepreneurs.
6. NGO's should take an active part in promoting the commercial activities of the Rural Women Entrepreneurs.

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