

Rural Financing Support for Women Entrepreneurs

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Abstract: Entrepreneurship is a process by which economies are created and put on growth. Enterprising is an activity that needs resources, it helps in creating employment, income and investment, enterprising is a massive scale of activity where utility works are undertaken and carried further to create business, trade and allied activities. In India entrepreneurship began much before independence, the Tata's and Birla's are early entrepreneurs of India, the entrepreneurial activity is limited to certain sections of our nation, not open to all so it stalled the growth and penetration of entrepreneurship. The Enterprising is so needed to have a consistent growth of economy and National progress, the gross domestic product heavily relies on the faster growth of enterprises which can be small, tiny, micro, medium and large scale enterprises, the Indian economy is a diverse in nature it projects higher on Agriculture and less on Industry.

Key Words: Financial Support, Banking Schemes, Loan, Subsidy

I. Introduction:

The country's growth strongly depends on the different sectors and their development, to develop any sector; there is a need for proper plan and innovation strategies. In a developing country like India, largely with rural and semi-rural areas, there is a greater opportunity to grow and develop. The rural entrepreneurship has some challenges and problems faced by rural entrepreneurs, qualities required to become a successful rural entrepreneur, remedial measures to overcome the problems, the advantages of rural entrepreneurship, grass-rooting Innovators, various schemes of Government and the opportunities available in rural entrepreneurship. The study mainly focuses on role of commercial banks in financing rural entrepreneurs in the Ranga Reddy District, Telanagana.

The sample as considered represents male(60%) and female(40%) respondents have been reviewed with an equal sample size in order to know about the views towards efficiency and effectiveness of implementation of financing schemes of the selected banks i.e SBI and Axis bank in the sample study area towards encouraging the rural youth and women through Micro-Small Medium Enterprises (MSME) schemes and also Government of India schemes to improve their livelihoods.

The respondents has taken 20 percent each representing from the 5 business activities relevant to rural entrepreneurs in the survey to understand the Retail business, Dairying, Transport services, Food business, Kirana business.



Source: Gaur Mamtha (2020)

Entrepreneurs play an important role in the overall economic development of the country. The growth and development of entrepreneurship facilitate self-employment, results in broader distribution of economic and industrial activities and helps in the maximum utilization of locally available resources. It is fact that the majority of rural entrepreneurs are facing several problems due to lack of basic amenities in rural areas like, lack of education, financial problems, marketing hurdles, management and human resource problems, insufficient technical and conceptual ability etc. India is a country of villages. About three-fourth of India's population are living in rural areas out of which 68% of the labour force is still earning its livelihood from agriculture and its allied activities. Land being limited is unable to absorb the labour force in agriculture. Therefore, there is a need to develop rural industries to solve rural unemployment and rural migration to cities.

There has been an increase in the spending by government on women entrepreneurship in the last few budgets. New budget is giving a lot of emphasis on tax incentives and other schemes for women entrepreneurs Another point which we have to consider is that women-owned enterprises are largely solopreneurs. The generation of employment is lower when women run the enterprise single handily. This is also an area of concern for future generations of entrepreneurs. Due to all these observations authors would like to study challenges faced by women entrepreneurs. The study gives insights into the main challenges and solutions for the same. It found the need for funding, government support, the importance of family support and technical knowledge for meeting the challenges are important for these women entrepreneurs. Based on the secondary data we prepared questionnaire to analyse the challenges faced by women entrepreneurs. The survey also studied reasons for starting the business and support for the same. The aim was also to understand the support level given for women entrepreneurship. Another objective was to analyse the satisfaction level of women entrepreneurs with respect to support from family and also gains from the business.

II. Literature:

Colalo (2018) Entrepreneurial processes of the companies run by women and the models developed and used by them can be analysed and innovativeness can be used in research method choices . High cost, lack of education and legal formalities also affect women entrepreneurship [18]. Perception of weakness and the interference of middlemen are obstacles for women entrepreneur.

Dmitry V. Kuzin (2021) Importance of women in bringing out sustainability in the entrepreneurship arena where there is need for more policies and programs are required to encourage them to start their own ventures . Though there are challenges faced by women entrepreneurs, social media is helping them to come out of these stumbling blocks successfully Lack of technical and marketing support and neglect of women as major challenges in entrepreneurship.

The need for empowerment of women in Nigeria through free education and skill development was also studied [3]. They stressed the need for microfinance and though this study is based on Nigeria it can have a universal impact. The same factors of lack of education and social factors along with role identity and lack of training was identified as main challenges.

Indian women must conquer many hurdles with respect to how society thinks of them going out for work and the expectations from men from the women in the house is discussed . Women contribute to innovative businesses and they can be job creators. For this they need to have balanced work life .

Ali, M., (2019) Nowadays women have become more opportunity-driven and focused on career and employment generation. This was further stated by researchers who studied and highlighted the role of women Entrepreneurship in the nation's economic and social progress . Better education and establishment of women study centres in technical are important to ensure women equality. Work life balance and role conflict are the main issues which affect women entrepreneurship. They help in bringing out new jobs, new methods of innovation in jobs and developing economy through their entrepreneurial activities. Women empowerment and wellbeing and women entrepreneurship with the backdrop of sustainable development goal is also very important .

Archana MS (2022) Entrepreneurship is mostly a necessity driven career for women and the long term is replaced by solopreneurs with high levels of informalization. In a country like Indonesia, about one fourth of women are entrepreneurs . It was found out that roughly two third of the smaller set ups like micro-sized, small-sized, and medium-sized firms are women driven. There has been a jump in women entrepreneurs in the service sector. But still women face differentiation in terms of gender, salary, and social attitude. The differentiation shown in gender was also discussed in article who looked into the Bangladesh women face a lot of difficulties in terms of getting money for starting their business, and also there are a lot of terms and conditions for getting finance.

Agussani (2020) Solutions suggested by the author were getting help of government policies, promoting support groups, getting flexible financial support, and using networking. Worldwide similar aspects of gender impact on women entrepreneurship was studied and discussed in articles. The relationship between gender equality and the rate of female entrepreneurship if they are related .

Adhana (2020) There was a correlation analysis done between indices developed based on gender (introduced by the United Nations) and women entrepreneurship stages. (developed by Global Entrepreneurship Monitor, GEM) and it is clear that women entrepreneurship is not affected much by the factor called as gender. This was also analysed in an article which found out that women create businesses based on their knowledge, experience, added value, quality of services offered, and their impact on the environment.

III. Methodology

Objectives:

1. To study the Financing schemes offered by Public and Private sector commercial banks to Rural Entrepreneurs.
2. To study mode of loans to Rural women Entrepreneurs by commercial banks and also the socio-economic development of the rural youth.
3. To analyze and compare the Recovery Performance of public and private sector commercial banks in rural entrepreneurs financing.

Sample:

The study covers the 500 respondents represented from the 5 business activities relevant to rural entrepreneurs in the survey to understand the Retail business, Dairying, Transport services, Food business, Kirana business. in Rangareddy District

ANALYSIS:

Table : Age of the respondents surveyed during entrepreneurial startups

Factors		Frequency	Percent
Valid	18-25	175	20.00
	25-40	160	45.00
	40-60	165	35.00
	Total	500	100.0

Source: Data compiled from field study

Age of the respondents surveyed during entrepreneurial startups and banks lending inferred from the above that majority 45% of the respondents between the age group of 25-40years and followed by 35% age group of 40-60 years and few respondents 20% between the age group of 18-25years. Therefore it needs Government and banks encouragement to support the age of 18-25 and 25-40 to take the business startups in the area of retail business, dairying, vegetable vendors, MSME units, Agro business units etc.

Commercial banks financing to ‘rural entrepreneurship’: Bankers encouragement

Constructs	Statements	Public Sector Bank(SBI)	Private Sector Bank (AXIS)
Bankers Encouragement	MSME Loans	4.67	6.64
	Self employment schemes	7.22	5.72
	Encourage Government subsidies	3.65	6.85
	Superior service quality	3.36	6.66
	Transparent and has no hidden charges	5.44	5.84

Source: Compiled by researcher

Commercial banks financing to ‘rural entrepreneurship’: Bankers encouragement towards encouraging the “rural entrepreneurship” in the selected sample areas opinioned by the respondents from the 5 business activities relevant to rural entrepreneurs in the survey to understand the Retail business, Dairying, Transport services, Food business, Kirana business. The analysis indicates that mean values has high in private sector where as public banks encouragement has shown very normal in the study area of Ranga Reddy in the state of Telangana.

Commercial banks financing to “Rural entrepreneurship”: Flexibility and Relationship Quality

Constructs	Statements	Public Sector Bank(SBI)	Private Sector Bank (AXIS)
Flexibility	SME Loans to business needs	6.82	3.94
	Flexible pre payment of loans	6.18	4.64
	Pre closure of loans no charges	6.56	4.72
	Payment option	4.66	6.61
Relationship Quality	Trust and service	6.24	5.67
	Loan sanction and project preparation	5.41	4.78
	Belonging towards the lender	5.11	4.66
	Support for business decisions	5.24	4.68
	Satisfaction towards loan	5.16	4.76

Source: Compiled by researcher

Commercial banks financing to “rural entrepreneurship”:Flexibility and Relationship Quality towards encouraging the “rural entrepreneurship” in the selected sample areas opinioned by the respondents from the 5 business activities relevant to rural entrepreneurs in the survey to understand the Retail business, Dairying, Transport services, Food business, Kirana business. The analysis indicates that mean values has high in public sector where as private banks has shown very normal in the study area of Ranga Reddy in the state of Telangana.

Challenges of small businesses in the sample district of Ranga Reddy

Factor	Facto Loading	Reliability Coefficient	Eigen Value	% Variation Explained
Support from the local district	0.512	0.528	2.05	2.21
Business support by government	0.545	0.546	2.08	2.35
Problem of start-up capital	0.582	0.583	2.10	2.44
Education in rural areas	0.599	0.600	2.12	2.56
Costs of doing business	0.615	0.616	2.14	2.68
Economic development	0.634	0.635	2.18	2.75
Poor reduction system	0.640	0.641	2.22	2.88
Lack of skilled employees	0.652	0.653	2.25	2.91
Marketing information	0.665	0.666	2.28	2.95
Credible business plans	0.680	0.681	2.31	3.01
Regulatory and policy measures	0.693	0.694	2.35	3.06

Source: Compiled by researcher

Specific challenges of small businesses in the district shown Support from the local district Loading 0.512, Coefficient 0.528, Value 2.05, Explained 2.21, Business support by government Loading 0.545, Coefficient 0.546, Value 2.08, Explained 2.35, Problem of start-up capital Loading 0.582, Coefficient 0.583, Value 2.10, Explained 2.44, Education in rural areas Loading 0.599, Coefficient 0.600, Value 2.12, Explained 2.56, Costs of doing business Loading 0.615, Coefficient 0.616, Value 2.14, Explained 2.68, Economic development small businesses Loading 0.634, Coefficient 0.635, Value 2.18, Explained 2.75, Poor education system Loading 0.640, Coefficient 0.641, Value 2.22, Explained 2.88, Lack of skilled employees Loading 0.652, Coefficient 0.653, Value 2.25, Explained 2.91, Marketing information and business opportunities Loading 0.665, Coefficient 0.666, Value 2.28, Explained 2.95, Credible business plans for bank loans Loading 0.680, Coefficient 0.681, Value 2.31, Explained 3.01, Regulatory and policy measures Loading 0.693, Coefficient 0.694, Value 2.35, Explained 3.06 is stand by reveals. All these factors have significantly helps to improve the “rural entrepreneurship” and women empowerment.

IV. Result Discussions:

The rural entrepreneurs are basically hard workers and innovators in their respective fields. The major problem is their education level which is not very good. The study indicating that most of them (61%) are not cleared their intermediate level education. Some are (28%) able to pass technical apprentice courses. Even though who got well education, they are poor at skill point of you. The villages are suffering a lot of basic infrastructure problems, where no proper roads and poor power supply facilities leads to fail as success entrepreneurs. Major share of respondents (69%) have no proper market information regarding where to sell their goods and services for good profit. The General Business tactics and skills are lacking in rural entrepreneurs to perform well in their field. Local people and market not supporting to survive in the market followed by too much cost for doing business like shop rents, permissions, taxes etc. Most of the emerging entrepreneurs (71%) have no idea on how to prepare business plan presentation for banks to convince them to get loan in time.

V. Business & Operational Challenges

The operational issues in rural entrepreneurs are like speed breakers for emerging rural entrepreneurs. A lot of minor issues will create major problems in business success. The Major problem is financing from reliable agencies and inadequate infrastructure facilities as strong barriers for success.. Even, if any one became success in getting funds due

to poor accounting skills and managerial inabilities it's become waste of time and fund. The upcoming technologies are unable to adopt due to more sophisticated machinery. The business location/ premises also creating a barrier to get on business. The market leaders in the same field always killing small fishes with their low cost strategies followed by creation of artificial scarcity of resources. The education and training facilities are very poor for rural entrepreneurs and their unit employees.

The "rural entrepreneurship" has played a crucial role in the economic development of the country and the state to improve the financial position of the all the rural youth and women in this particular the "rural entrepreneurship" is considered as one of the key element and solution to reduce the poverty migration economic disparity employment and developing the rural areas and the answer the backward reasons however the "rural entrepreneurship" has facing a lot of challenges and issues in the how to take up the business opportunities and how to start the rural Enterprises and how to market the product is one of the interesting aspects of the challenges of this particular 'entrepreneurship'.

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