

Rural Women Entrepreneurs under Formal Sector: A Study in the Dibrugarh District of Assam.

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ABSTRACT

Women are important human resources of the nation. Women contribute nearly half of the population. Women entrepreneurs are an important part of sustained economic development and social progress of a country. On the other hand rural women entrepreneurs are important for rural economic development. The aim of this study is to know the causes behind rural women entrepreneur to be an entrepreneur and also find out the reasons for slow growing of rural women entrepreneurs under formal (registered) sector in the Dibrugarh District of Assam. Finding of the study depicted that rural women enter in to entrepreneurial activities basically due to financial need, lack of other employment opportunity, waiting for marriage, to pass time, sense of self employment and to continue in the family occupation. Though there are many reasons why rural women become entrepreneurs, the study shows that sense of self employment and financial need are the main reasons for women becoming entrepreneurs. The study also found out some reasons for slow growing of rural women entrepreneurs under formal sector in the study area.

Key words: Rural women entrepreneurs, Formal sector.

INTRODUCTION:

Human resource is one of the most important factors of production for economic growth and development of a country. Entrepreneurship is a human activity which plays a major role in economic development. A country may be rich in material and financial resources but it cannot be expected to utilize their resources due to lack of entrepreneurship. All countries whether developed or developing have evidence the fact that entrepreneurship is a key to rapid economic development. Entrepreneurship is the only way through which socio-economic development of a country is possible.

There is no universally accepted definition of entrepreneur and entrepreneurship. With passage of time the concept and definition has changed. The word 'Entrepreneurs' originate from the French word 'Entreprendre', which means 'to undertake'. In a business context, it means to start business. Generally speaking entrepreneurs refers to a person who establishes his/her business or industrial undertaking with a view to making profit. Richard Cantillon (1734) Irish-French economist define- "Entrepreneurs are non fixed income earner who pays known costs of production but earn uncertain income." According to French economist A.J.B.Say(1803) " An entrepreneur is an economic agent who unites all means of production land of one, the labour of

another and the capital of yet another and thus produce a product. By selling the product in the market he pays rent of land, wages to labour, interest on capital and what remains is his profit. He shifts economic resources out of an area of lower and into an area of higher productivity and greater yield.” Joseph A. Schumpeter (1934) was the first economist to identify the human agent as a centre of the process of economic development. According to him, “An entrepreneur is an innovator who introduces a new product, a new production process and find out market, a new source of raw-materials and introduce a new type of organization.” Peter Duker (1964) defined “An entrepreneur searches for change, responds to it and exploits opportunities. Innovation is a specific tool of an entrepreneur hence an effective entrepreneur converts a source in to resource.” Recently Ronald May (2013) define “An entrepreneur is someone who commercializes his or her innovation.”

Thus, an entrepreneur is a person who is able to express and execute the urge, skill, motivation and innovative ability to establish a business or industry of his own, either alone or in collaboration with others. His motive is to earn profit through the production or distribution of goods or service. Adventurism, willingness to face risks, innovative urge and creative power are the qualities of entrepreneurship. The main concerns of an entrepreneur are making dynamic changes in production process, introducing innovations and finding out new uses for raw materials. (Ahirrao, 2013)

Following are the some evolving meanings published by some of the leading providers of information online.—

Entrepreneurship is the act of being an entrepreneur, which can be defined as ‘one who undertakes innovation, finance and business acument in an effort to transform innovations in to economic goods.’ – Wikipedia.com

“The capacity and willingness to undertake conception, organization and management of a productive venture with all attendant risk, while seeking profit as a reward.”— BusinessDictionary.com

“The assumption of risk and responsibility in designing and implementing a business strategy or starting a business”—InvestorWords.com

From these definition the following qualification and characteristics of entrepreneurship can be extracted-

1. Initiative
2. Innovation
3. Creativity
3. Productivity
4. Profitability
5. Leadership
6. Responsibility.
7. Passion and voluntarism.

In economics, entrepreneurship combined with other factors of production i.e. Land, labour, natural resources and capital and produce profit. Entrepreneurial spirit is characterized by innovation and risk taking, and is an essential part of a nation’s ability to succeed in an ever changing and increasingly competitive global market.

Rural Women entrepreneurs:

Women are important human resources of the nation. Women contribute nearly half of the population. Women entrepreneurs are an important part of sustained economic development and social progress of a country. Women entrepreneurs may be define as ‘A woman or group of

women who initiate, organize and run a business enterprise.” Government of India has defined women entrepreneurs based on women participation in equity of a business enterprise. Accordingly a woman run an enterprise defined as “An enterprise owned and controlled by women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women.” According to Kamala Singh, “A woman entrepreneur is a confident, innovative and creative woman capable of achieving economic independence individually or in collaboration generates employment opportunities for others through initiating, establishing and running an enterprise by keeping pace with her personal, family and social life.” On the other hand, rural women entrepreneurs are those entrepreneurs who actually hail from and reside in rural areas i.e. either from a panchayat and mobilize human resources requirements from those areas in which they live. Therefore “A rural woman entrepreneur is a women or group of women undertake to organize and run an enterprise in a rural area.” (Ahirrao, 2013).

Women Entrepreneurs under formal sector:

The formal sector consists of the business; enterprises and economic activities that are monitored, protected and taxed by the government, whereas, informal sector is comprised of those workers and entrepreneurs that are not under government regulation. Normally the sector, which is not organized, not recorded by public authority and which has no identity, is considered to be a part of informal sector. (2). Due to lack of registration with government authority firm in the informal sector are not able to get certain facilities provided by the government agency. Data on output, capital stock, total employment, installed capacity etc. are difficult to obtain from micro and small enterprises in the informal sector. Because informal entrepreneurs are not registered with the government and therefore they are not required to submit that information to official agency. Therefore, women entrepreneurs who are not registered with government authority are considered as informal sector. On the other hand who are registered with government authority is considered as women entrepreneur under formal sector. Therefore, in this study women entrepreneurs registered with District Industries and Commerce Centre (DICC) are considered as women entrepreneurs under formal sector.

District Industries and Commerce Centre is the institution of the district level. It was created during the regime of Janata Government in the country in order to growth and development of the industrial sector. The main purpose for the creation of DICC was the economic upliftment of people from grass-root level through industrial activities. DICC provides all the services and support facilities to the entrepreneurs for setting up small and village industries. Now the earlier planning has changed and pattern of industries are categorized as Micro, Small and Medium Enterprises (MSME). The main objectives of DICC to explore the potentiality for growth and identification of viable industries, to motivate the educated youths to creation of entrepreneurship among them, preparation of scheme and project, registration of industrial units, co-ordinate with banks in the matter of sanctioning loan etc. in this way DICC has to perform multifarious function in order to pave the way for the growth and development in the industrial sector in the country.

OBJECTIVE OF THE STUDY:

Women are in recent time very much interested in entrepreneurial women works like handloom, tailoring, beauty parlor, readymade garments, food processing, etc. But it has been observed that the growth of women entrepreneurs in the district is not satisfactory with comparison to other state or districts due to some basic problem arising in relation to entrepreneurial development for women. Though women entrepreneurs are less in number in the district, the existing women entrepreneurs contribute to some extent for socio economic development of their society. By considering all this sides the present topic is prepared with the following objectives.

1. To give an overall picture of rural women entrepreneurs in the Dibrugarh district of Assam.
2. To know about the causes behind rural women entrepreneur to be an entrepreneur.
3. To find out the relationship between rural women entrepreneurs and education, age, marital status, religion, caste, family type and Family occupation.
4. To find out the reason for slow growing of women entrepreneurs under formal sector in the study area.
5. To draw conclusion and give suggestion.

METHODOLOGY:

The methodology of the study was based on both primary and secondary data. The area of the research work was the Dibrugarh district of Assam. Only rural women entrepreneurs under the formal sector were included for the research work. The entire rural areas of the district consist of seven development blocks considered as cluster for the study. Data has been collected for each cluster (block) separately. The primary data on rural women entrepreneurs has been collected for twelve years (from 2003 to 2014).

The primary data collection was based on stratified judgemental sampling method. For this purpose woman entrepreneurs were grouped on the basis of their entrepreneurial activities, namely Readymade Garments, Tailoring, Handloom, Beauty Parlor, Photostatting, DTP, Food processing, Wooden Furniture, Rice Milling, Black tee, Bricks Production, PCO, Stone Dust, Steel Fabrication, Electrical Goods repairing and Compost Production. As the number of rural women entrepreneurs registered in DICCC Dibrugarh account to **386**, out of which **19** units were found as sick units, during the period pilot study undertaken. From the remaining **367** units, **250** Rural Women Entrepreneurs were taken for the study. Judgemental sampling was considered based on their sustainability and similarity of the entrepreneurs.

Present position of Women Entrepreneurship in the study area:

In the western countries women made their debut in entrepreneurial activities during late fifties. But Indian women started their entrepreneurial work in 1970s. In the seventies government of India has also brought a changes their policy objectives for development of women. Women were given priorities in all the sectors including small scale industrial sector. As a result the number of women entrepreneurs has increased over the years. During 1980s government and non government bodies have paid increasing attention to women entrepreneurs through formation of various policies and programmes. The government of India introduced new schemes for

development of women entrepreneurs during ninth five year plan. The government has introduced an important scheme on Trade Related Entrepreneurship of Assistance and Development (TRADE) with an aim to empowering women economically in rural, urban and semi-urban areas. Therefore, now women are emerging as entrepreneur in various fields with the help of facilities and training provided by the government and non-government agencies.

It is apparent from the fact that the same situation is visible in the case of Dibrugarh district of Assam. In the Dibrugarh district there are numbers of women entrepreneurs operating their entrepreneurial activities. The women entrepreneurs in the rural area of the district are involves in number of entrepreneurial activities, namely tailoring, readymade garments, beauty parlor, handloom and textile, weaving, food processing, bamboo stick, rice milling, doll making etc. Though women are engaging as entrepreneur in different field but they are normally fall in to informal sector. Informal sector may be defined as such sector which connote small scale activities which are set up and operated without being registered as business operation. In fact, women's contribution and participation in entrepreneurial activity, and production of goods and services is much greater than statistics reveals, since most of it take place in the informal sector and also household.

In this paper the researcher try to give overall pictures of rural women entrepreneurs formed and registered under DICC Dibrugarh (Formal sector). The entire rural areas of the Dibrugarh district consist of seven development blocks. The following table (Table:1.1) depicted the rural women entrepreneurs formed and registered under DICC Dibrugarh during 12 years period from 2003 to 2014.

Table: 1.1

Name of the development blocks	Years (as on 31 st December) and number of units registered												
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	total
Panitola	1	0	4	4	0	2	6	5	0	3	0	17	42
Lahowal	2	1	7	5	3	2	8	1	0	2	0	10	41
Tengakhat	3	5	16	5	0	4	9	8	6	13	2	6	77
Barbaruah	6	5	5	10	5	3	6	8	4	13	5	8	78
Khowang	6	5	9	10	7	5	3	7	0	3	1	4	60
Joypur	14	5	1	1	3	2	5	2	3	6	5	3	50
Tinkhang	4	2	4	2	3	1	4	0	0	2	0	16	38
Total(including sick units)	36	23	46	37	21	19	41	31	13	42	13	64	386

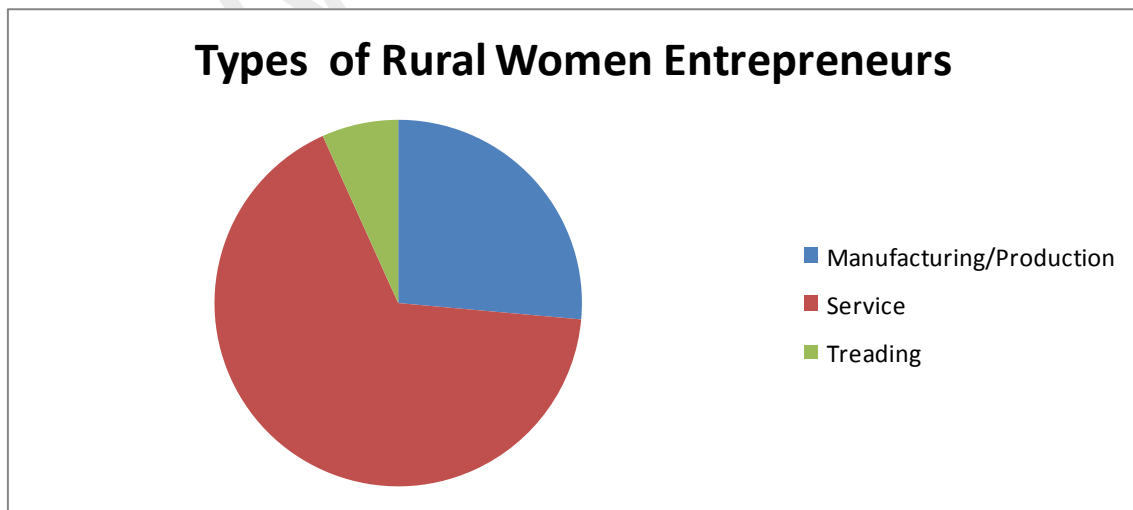
Source: Year Wise Records collected from respective DICCs of the district.

**Types of Rural Women Entrepreneurs:
Table: 1.2**

S. No	Manufacturing/production	No. of Rural Women Entrepreneurs	Percentage
1	Handloom	80(3)	
2	Food processing	11	
3	Wooden furniture	1	
4	Black tea	1	
5	Bricks production	3	
6	Stone dust	2	
7	Steel fabrication	2	
8	Compost production	2	
	Total	102	26.42%
S.No	Service		
1	Tailoring	175(11)	
2	Beauty parlor	63(1)	
3	Photostatting	2	
4	DTP	9	
5	Rice milling	5	
6	PCO	4(4)	
	Total	258	66.84%
S.No	Treading		
1	Readymade garments	25	
2	Electrical goods	1	
	Total	26	6.74%
	Grand total	386	

Note: 1. Sick units found in the study area are shown within brackets.

Figure:-1



According to survey results (Table:-1.2) Rural Women are found to have engaged themselves in different types of enterprises. Rural Women Entrepreneurs selected their enterprise with what they were familiar. These are broadly classified as Manufacturing/Production sector, service sector and Trading sector. The production based enterprise converts the raw-material into finished goods whereas no such activity is required in trading. Trading is mere buying the goods from dealers or wholesaler and sells it to the consumers. Service based enterprises sell their service at some cost to the needed consumers. Manufacturing or Production sector includes Handloom, Food processing, Wooden Furniture, Black tea, Bricks production, Stone dust, Steel fabrication and Compost production. Service sector includes Tailoring, Beauty Parlor, Photostating, DTP, Rice Milling and PCO. Trading sector includes Readymade Garments and Electrical Goods.

The data in the above table (Table1.2) shows that majority of (66.84%) Rural Women engaged in service sector followed by Manufacturing/Production sector (26.42%). In Service sector majority of women (175) preferred Tailoring activities followed by Beauty parlor (63). In Manufacturing/production sector majority women preferred handloom (80). The reason behind is that Hand loom and Tailoring both are traditional activities of the Rural Women Entrepreneurs in the study area. On the other hand Rural Women Entrepreneurs started Beauty parlor due to modernization of the society. Rural women Entrepreneurs engaged in Trading activities are very low in numbers in the study area.

Causes behind rural women become entrepreneurs:

Many studies indicate that women's participation in entrepreneurial activities, fundamentally different reasons than their male counterparts. Primarily men start business for growth opportunities and profit potential. In many developing countries, women choose the entrepreneurship out of necessity and not by choice. From the study it has been found that in the Dibrugarh district rural women enter in to entrepreneurial activities due to the following reasons,

1. To continue the family occupation.
2. Financial need
3. Waiting for marriage.
4. Lack of other employment opportunity.
5. Sense of self employment.
6. To pass time.

It is observed from the table that sense of self achievement was the primary reason for starting the enterprise. Secondly, they mentioned themselves because of financial need they create their own enterprise. It can be explained that 44% rural women entrepreneurs started business in order to earn their own income and be less dependent on the other male members of the family. While 29.6% of respondent reported that they started business in order to financial need. These finding showed that women should be breadwinners with male member of the family, unlike in the past. 12.8% of the respondent enters in entrepreneurial activities to continue their family occupation. 4.8% women entrepreneurs started business due to waiting for marriage and only .8% rural women started enterprise for pass time.

Table 1.3
Reasons for starting enterprise:

parameter	No's of rural women entrepreneurs	Percentage
To continue in the family occupation	32	12.8%
Financial need	74	29.6%
Waiting for marriage	12	4.8%
Lack of employment opportunity	20	8%
Sense of self achievement	110	44%
To pass time	2	.8%
Total	250	100%

Source: Primary Data.

Relationship between rural women entrepreneurs and education, age, marital status, religion, caste, family type, occupational background of father or husband:

Table: 1.4
Education of Selected Rural Women Entrepreneur

S. No.	Educational Qualification	Nos. of Rural women entrepreneurs	Percentage
1	Master Degree	0	0%
2	Graduation	35	14%
3	HSSLC passed	56	22.4%
4	HSLC passed	82	32.8%
5	Up to class X	57	22.8%
6	Primary	20	8%
7	Illiterate	0	0%
Total		250	100%

Source: Primary Data.

Education is an important tool for increasing and improving the scope of women's self employment and empowering them to think for themselves. The details of the table shows that maximum number of respondents (32.8%) had studied up to HSLC(High School Leaving Certificate) level followed by up to class ten and HSSLC(Higher Secondary School Leaving Certificate). The collected data pointed out that majority of selected rural women had low level of education. The table also shows that there is no women entrepreneur having master degree and the rural women entrepreneurs with graduation was only 14%.

From the details it was seen that education and entrepreneurship was inversely related. This is also pointed out that most women having higher education preferred service than business. Those having low education may not get suitable job and need for income generation or creative utilize of action of time leads them to undertake entrepreneurship.

Table: 1.5

Age of selected rural women entrepreneurs

S. No	Age group	Nos. of women entrepreneurs	percentage
1	21 – 30	37	14.8%
2	31 – 40	98	39.2%
3	41 – 50	80	32%
4	51 - 60	35	14%
5	61 and above	0	0%
Total		250	100

Source: primary data

The sample distribution according to five age group showed that a large majority of women entrepreneurs (71.2%) belonged to the age group of 31-50 years. A smaller sample size belonged to the age group 21-30years (14.8%) and above 50 years (14%). From the study it can be concluded that the larger number of rural women entrepreneurs belonging to the age group 31 to 50 years. This indicated that women ventured in their mid age of life. It may be because by this time they are mature enough to start their own professional life. Another reason could be a greater need for own income in order to be able to meet different social responsibility. Still another reason could be that women over 31 years had less possibility to get other job.

Table: 1.6

Marital status of rural women entrepreneurs:

S. No	Marital status	Nos. of Rural Women Entrepreneurs	Percentage
1	Married	175	70%
2	Unmarried	70	28%
3	Widow	4	1.6%
	others	1	.4%
Total		250	100%

Source: Primary Data

The data in the above table shows that 70% of women entrepreneurs are married, 28% were unmarried and 1.6% were widow and .4% selected rural women entrepreneurs were single. Others category included divorce as well as married but separated women. The main reason for this, after marriage women are required to more financial need. Such as growing household expenditure, education of children, increased needs in families which forced women to look for sources of income.

Table: 1.7

Religion of Rural Women Entrepreneurs:

S. No.	Religion	Rural Women Entrepreneurs	Percentage
1	Hindu	225	90%
2	Muslim	20	8%
3	Christian	5	2%
Total		250	100%

Source: Primary Data

The data when distributed according to religion suggested that very large majority (90%) of selected women entrepreneurs were Hindus. Only a small number of Rural Women Entrepreneurs were belonging to Muslim and Christian. The percentages of Muslim and Christian community being very low as these communities were not at majority in population.

Table – 1.8
Women Entrepreneurs from Different Social Strata

S. No	Social strata	Rural Women Entrepreneurs	Percentage
1	General	45	18%
2	OBC	75	30%
3	MOBC	68	27.2%
4	ST	45	18%
5	SC	17	6.8%
Total		250	100%

Source: Primary Data

OBC= Other Backward Class;
MOBC= More Other Backward Class;
ST= Schedule Cast;
ST= Schedule Tribes

Analysis of Rural Women Entrepreneurs according to their social strata is very important for the government for formulating government policy. From the table it was found that 30% of Rural Women Entrepreneurs belonged to OBC category followed by 27.2% belonged to MOBC. 18% each in General and SC, and very few (6.8%) rural Women Entrepreneurs belonged to SC category.

Table: 1.9
Family type of Rural Women Entrepreneurs:

S. No.	Family type	Nos. Rural Women Entrepreneurs	percentage
1	Nuclear Family	198	79.2%
2	Joint Family	52	20.8%
Total		250	100%

Source: Primary Data

The above data pointed out that 79.2% of Rural Women Entrepreneurs belonged to nuclear family. This could be in nuclear families, women have fewer household responsibilities as compared to joint family. Therefore they can take their decision independently. On the other hand, smaller number of Rural Women Entrepreneurs coming from joint families. This could be possibly due to more household responsibility and rapid mentality of not allowing women to start enterprises. Moreover it could possibly be more earners in the family that women of the family need not to work or engage her in income generating activities.

Table 1.10
Occupational background of Father and Husband

S.No	Occupation	Rural Women Entrepreneurs	Percentage
1	Service	45	18%
2	Business	120	48%
3	Cultivator	72	28.8%
4	worker	13	5.2%
Total		250	100%

Source: Primary Data

The table 1.12 shows that business is the occupation of 48% Rural Women Entrepreneurs' father or husband. On the other hand the Rural Women Entrepreneurs in terms of the occupation of their father or husband were found in the categories of service, cultivator or worker as 18%, 28.8% and 5.2% respectively. In this study, in the case of most Rural Women entrepreneurs either their father or husbands were found to be involved in business. It can be explained that having family background in business encourages rural women to be involved in entrepreneurial activities. It is evident from the study that the occupation of father or husband is one of the determinant factors to inspire rural women to become entrepreneurs.

Reason for slow growing of women entrepreneurs:

Though Indian women started their entrepreneurial worm in 1970, but it is apparent from the fact that in the Dibrugarh district the growth of women entrepreneurs are very slow. There are certain reasons which have been observed from the study are as follows:

1. The greatest deterrent to women is that they are women. A kind of patriarchal male dominant social order is the building block to them. Male member think it a big risk to financing in the ventures which is run by women.
2. Family obligations of women also bar them from becoming entrepreneurs. Women have primary responsibility for children, home and other dependent family members. Only few women can able to devote their time and energies to their business.
3. Low-level risk taking attitude is another factor affecting women to enter into business. Entrepreneurship is a continuous risk taking and strategic cession making profession. Though in day-to-day life risk taking ability of women is high compared to male members, while in business it is found opposite to that.
4. In rural areas most of the women are not aware of or most of women are not interested to aware of the facilities provided by the government for their development. There fore they are not able to take advantage of financial and other help and so they are not in a position to start any productive activities like enterprise.
5. Numbers of women in rural area were not having knowledge about various schemes or programme provided by the government and non-government organization for the benefit of rural women.

6. Emergences of self-help-group also affect on the growth of individual women entrepreneurs in rural area. Now women are interested to enter in entrepreneurial activities through self-help-group. They prefer joint efforts instead of individual effort.
7. The educational level and professional skills influence women to participate in the field of enterprise. But our education system is not providing professional education for women. Our government and NGOs many times provide entrepreneurial training programme among women for developing women entrepreneurship, but they are not interested to participate this types of programme. Many women taking the training by attending this type of programme without having an entrepreneurial bent of mind.

CONCLUSION AND SUGGESTION:

Entrepreneurship is the only solution to solve unemployment problem and poverty alleviation in rural area. It helps to generate employment for rural people. Rural women possess abundant resources to take up an enterprise. Hence, they can effectively undertake both production and processing enterprises. Now, the growth of women entrepreneurship has been of socio-economic significance in our country. By operating small and medium enterprises rural women can provide employment opportunities and achieve balance development growth in our society. Therefore, following suggestions are given in order to growth and development of rural women entrepreneurs and uplift the socio economic status of rural women in Assam.

1. For faster growing of rural women entrepreneurs government and non-government organization should create awareness among the most productive age group of rural women. For this purpose entrepreneurial awareness camps need to be conducted in rural areas with a view to making rural women aware of their hidden capabilities.
2. Entrepreneurship training programs should be designed specifically for rural women that help to increase their knowledge and skill.
3. The members of the family should involve in the business, which will help in sharing the burden of the work of women entrepreneurs.
4. For motivating the potential group of women the use of firm visits, video film shows, dramas, group meeting etc. should be organized.
5. Media should play role in bringing about awareness on issue related to women entrepreneurs, various schemes of government etc.
6. Our education system should be restructured and should provide professional education for women also.

Finally it can be said that proper entrepreneurial skill and marketing talent is to be given to the rural women entrepreneurs through proper training programmes. If women are given proper education, training and awareness about entrepreneurial activities, they will become an important source of economic development of the region.

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