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# RURAL DEVELOPMENT THROUGH WOMEN ENTREPRENEURSHIP: A CASE STUDY OF SHIMOGA DISTRICT

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### ABSTRACT

*Entrepreneurship is a typical global phenomenon attracting millions of economists, Politicians and social workers. In developed countries, entrepreneurship has gained attention in the last century. But in developing countries, it has been gained original consideration only in recent decades. In these countries, entrepreneurship development is considered as the way to promote self-employment the panacea not only for chronic unemployment among the educated youth but also to sustain economic development and to augment the competitiveness of industries in the eve of globalization and liberalization. Social scientist and economist are in search of this factor as a competent agency for the coherent integration of resources to stimulate sustainable and balanced social-economic development. In the industrial and agricultural sectors, threshold of new generation entrepreneurship has been welcomed for they carry out radical and tremendous changes in the arena of production and distribution. In the academic scenario, special importance is being given for the entrepreneurship lessons as a part of curriculum plan and a number of research studies are being conducted to learn the stimulants and inhibitors of entrepreneurship development.*

**KEYWORDS:** *Entrepreneurship, revolution, business formation, innovation, policy measures*

### INTRODUCTION

In industrial developed countries, the business environment has witnessed radical changes. The result was restructuring of economic and social systems in a way, which has led to increased levels of business formation, innovation, new organizational forms and more general shifts in attitude and behavior. This mirrored a transition for managerial to entrepreneurial society, which was evident in the USA in 1970s (Alison Morrison 1991). Naisbitt (1982) described this transition as an entrepreneurial explosion. Timmons. J (1994) viewed this, as silent revolutions, which may affect the 21<sup>st</sup> century as much as, are probably more than the industrial revolution of the 19<sup>th</sup> century. This revolution is expected to spawn revitalizing economies, generation million of jobs, and construing new prosperity.

### Karnataka State Government Policy 2009-14

Karnataka's investor-friendly and responsive administration has worked towards easing administrative procedures and implementing policy measures for faster and smoother industrial growth.

- An investor-friendly responsive administration includes the Karnataka Udyog Mitra, set up more than a decade ago. KUM is a single contact point for all investors – from receiving a proposal to ensuring its implementation.
- The State – level Single Window Clearance Committee and the State High Level Clearance Committee facilitate clearance of proposals in a speedy manner.
- Karnataka state industrial policy 2009-14 enhance all such previous policies for a comprehensive, investor-friendly approach.

- Land Bank-More than 3,000 acres in each district acquired by the Karnataka industries Areas Development Board (KIADB) for industrial development, ironing out difficulties in creating the basic infrastructure before operationalising production facilities.
- Suvarna Karnataka Development Corridor programme
- Connects most of the Tire II cities through a network of highways, with cluster development in designed zones.
- Under the SKDC programme, 25 km on both sides of the corridor will be developed for industrial cluster, townships, satellite towns and sector-specific industrial zones.
- The planned four major industrial corridors, connected by eight-lane roads, are;
  - Bidar – Bangalore via Chitradurga
  - Tumkur-Honnar via Shimoga
  - Chitradurga-Mangalore via Shimoga – Udupi
  - Bangalore-Belgaum along NATIONAL Highway 4
- Bidar – Gulbarga – Bellary – Hiriyur
- Chitradurga- Hospet-Bagalkot-Bijapur
- Sector-specific industrial zones and SEZs that match the natural resources and capabilities of a region with the industry requirements
- Special- focus on skill development to enhance generation of technical manpower.
- Creation of world Class, ready-to-use infrastructure through investments in power, roads, water, warehouse and logistic facilities, connectivity through rails and ports etc.]
- The state Government’s packages of incentives and concessions for new industrial investments, include:
  - 75% to 100% stamp duty exemption on land sale deeds and loan documents registration.
  - Land-conversion fine reimbursement of 75% to 100% for converting agricultural land to industrial use
  - 100% exemption on entry tax on plant and machineries for 3 years during implementation of the project.
  - 100% 5-year exemption on entry of 50% of the value of fixed assets at 25% of the assessed gross VAT for a period of 7 years extendable to 12 years.
- A state policy for special economic Zones formulated as per Central SEZ Act 2005 & Rules 2006, with a view to provide a hassle-free environment for export production and to attract FDI. The objectives of this policy are to set up a single – point clearance to SEZ developers and units, to facilitate and expedite establishing of SEZs, to delegate the powers of the Labor Commissioner to the Development Commissioner of SEZs and to extend incentives as below:
  - Exemption from State Taxes for all purchases from Domestic Tariff area
  - Exemption from Stamp Duty
  - Exemption from Electricity Duty

Capital subsidy for common effluent treatment plant (maximum Rs. 1 crore per SEZ).

The Fiscal Commission 1950 for the first time defined small scale industries as one which is operated mainly with

hired labor usually 10 to 50 hands in order to promote small scale industries in the country. The government of India set up the small scale industries Board in 1954-55.

Karnataka State Industrial Investment and Development Corporations (KSIDC)

KSIDC established under the companies Act in 1964. It is a wholly owned undertaking of Karnataka Govt. with share capital including share application money of Rs. 112.44 crore. It is an ISO 9001 company recognized by IDBI as cat ‘A’.

### Objectives

- To Act as a catalyst for promoting industrial growth in the state especially in the medium and large sector
- Identifying industrial opportunities
- Providing guidance and advice to prospective entrepreneurs
- Selection of suitable entrepreneurs

### SCHEMES FOR THE DEVELOPMENT AND PROMOTION OF WOMEN ENTREPRENEURS

- According to the Third All India Census of Small Scale Industries conducted in 2001-02 and subsequent estimates made, only 10.11% of the Micro and Small Enterprises in India are owned by women while 9.46% of the MSE enterprises are managed by women. Currently (2006-07) their estimated number is 12.99 lakh women managed enterprise and 12.15 lakh women managed enterprise. In order to encourage more and more women enterprises in the MSE sector, several schemes have been formulated by this Ministry and some more are in the process of being finalized, targeted only at the development of women enterprises in India.
- TRADE RELATED ENTREPRENEURSHIP ASSISTANCE AND DEVELOPMENT SCHEME FOR WOMEN (TREAD)
- With a view to encourage women in setting up their own ventures, government implements a Scheme, namely, “Trade Related Entrepreneurship Assistance and Development (TREAD) during the 11th Plan. The scheme envisages economic empowerment of women through the development of their entrepreneurial skills in nonfarm activities. There are three major components of the scheme;
  - (i) GoI grant upto 30% of the total project cost to the Non-Government Organisations (NGOs) for promoting entrepreneurship among women. The remaining 70% of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.
  - (ii) GoI grant upto Rs.1 lakh per programme to training institutions / NGOs for imparting training to the women entrepreneurs, subject to these institutions/NGOs bring their share to the extent of minimum 25% of GOI grant and 10% in case of NER.
  - (iii) Need-based GoI grants upto Rs.5 lakh to National Entrepreneurship Development Institutions and any other institutions of repute for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.

The Central and State Government schemes, programmes and trainings organized to create and developing women entrepreneurs was mainly concentrated on micro entrepreneurs. The small scale industries as their second prioritized area. In total, Medium scale sector is been neglected and the policy makers are least bothered about promoting the sector

## REVIEW OF LITERATURE

Aruna Goel (2004) in his book on 'Violence and Protective Measure for Women Development and Empowerment- noted as "we should not think that we can conceive of women development independently of the socio-economic development of the country. Women development could contribute to the development and modernization of the world. A similar message was conveyed by the UNESCO and it observed that women can play an important part in development. They represent the means through which the changes in attitudes and behaviors necessary for adaptation to the modern world can be achieved.

Reddy Jayaprakash R (2004) in his book on 'Industrial Organization and Entrepreneurship' touched the areas of defining the term entrepreneur theories of entrepreneurs, the characteristics of successful entrepreneurs the risk bearing capacity with economic development through entrepreneurship. The book provides links to connect the relationship between each subjects covered in the publication.

Dangwal R.C.(2004) on his research on 'Role of Small Scale Industries in the Changing Economic Scenario' (A case study of SIDBI) supports to launch on large scale industries to supplement and support the demand and supply of small scale Industries (SSI). Traditional industries can promote to add support to SSI. Policies developed by state govt. to support. SSI and the future of SSI also were identified in the study. This study concludes that without the development of SSI units in the nation can't achieve the growth in economy. This study recommended to promote and support SSI, through additional finance support by SIDBI to considered SSI as their first priority.

Bliss and Garratt (2001) has examined 'The Working of Organization for Women in Poland. The paper has examined the various activities performed by these associations to promote women entrepreneurs. Information was collected from 12 support organization on women entrepreneurs. Data collected from these organizations highlighted that basic purpose of these organization has been to provide inputs to women entrepreneurs in the field of professional ethics, protection of rights of women entrepreneurs and their company's exchange of experience and other activities. The social condition and thoughts will always contributes a lot in the development of industrialization and growth of nation

Narayanan Raghuraman and Alagappan V (2003) in their research on 'Entrepreneurial Thinking : A theoretical Study of the Moral Thinking of Economists' felt that need of sustainable development through micro economy. Study also gave the caution that development should not hurt and should not pollute the atmosphere. Research expects environment and enterprises should complement each other which are not happening in present situation.

Kumar (2005) studied the various obstacles faced by women entrepreneurs. A sample of 120 women entrepreneurs has been taken for this purpose. The analysis of data after applying factor analysis technique has clubbed the different problems into three categories, i.e. infrastructure, socio-

cultural and economic problems. The problems relating to finance can be tackled by increasing the awareness of various sources of finance available to women entrepreneurs. The cumbersome procedure needs to be made cost effective. Problems relating to information and technology should be solved by following liberalization policies for this sector. Latest technological innovations should be made available to women entrepreneurs through various government agencies. There is need to change mindset of the people so that some can perform economic functions in and effective manner. Workshops and seminars should be organised at the local level. It will be possible for the women entrepreneurs to participate easily in these seminars to enhance their skill and knowledge. Women organisations should also play an important role in this direction.

G.S. Batra (2004) in his book on 'Development of Entrepreneurship' quoted that the states of India have shown a high rate of industrial growth during the last 40 years. There is pre dominance of small scale industries units in nation which have shown a tendency of growth. The state have plenty of small scale entrepreneurs and there are few individuals have prefer to be a medium and large scale entrepreneur. Women entrepreneurs have matched their counterparts in development regions with risk bearing capacity and their entrepreneurial skills. The motto of accepting and fighting for self development will contribute for the growth of national economy in other way.

A. Bhemappa (2005) on his 'Entrepreneurship Development in Agriculture' article mention that the abundant physical resource of a country can't contribute for social and economical development until the enterprises attitudes are built in the youth. The primary occupation of Indians is now creating opportunities to be an agro entrepreneurs through producing, agro-produce manufacturing units, agro inputs manufacturing unit and agro services centers, which can generate employment for the rural youth in their residential place

## STATEMENT OF THE PROBLEM

Entrepreneurship development among women in medium scale industries is a function of socio-economic status of entrepreneurs, policies and programmes of developmental agencies and institutional arrangement that exist in promotion and development of entrepreneurship among the women. This was studied adopting evolutionary research methodology and has made range of implications from the point

## OBJECTIVES OF THE STUDY

1. To assess the effects of socio economic environment in the development of women entrepreneurship in Shimoga
2. To ascertain the opportunities for the youths and women of Shimoga district to be an entrepreneur.
3. To analyze the problems faced by the women entrepreneurs in running their units successfully and suggest possible solutions.
4. To study the impact of status of women after being an entrepreneur.

## LIMITATION OF THE STUDY

- Entrepreneurial traits and management efficiency are qualitative aspects. These basic features were analyzed on the basis of actual practices and performance of the entrepreneurs. Indices to analyses the level of real entrepreneurial traits and

management performance have been developed on the basis of traits and practices expected for successful entrepreneurs. Since it is an approximation, accuracy of the study depends upon the applicability with individual cases. The sample selection is also small therefore generalization cannot be made.

## METHODOLOGY

**Research Design** Exploratory cum Descriptive research designs were followed in the present research. It was descriptive as the study was based on empirical data and explorative as there are no sufficient studies available to reach to a particular concept.

**Universe of study:** All Individual women Entrepreneurs of small and medium scale industries in Karnataka state are the universe of research study.

**Table4-1: Universe of the study**

District	Total	Small	Medium
Shimoga	3402	34	2
Bhadravathi	2653	26	2
Sagara	3258	28	2
Soraba	1511	15	2
shikaripura	1560	16	1
Hosanagara	1356	13	1
Thirthahalli	1354	13	2
	15,094	145	12

**Unit of analysis:** Individual Women Entrepreneurs in Small and Medium Scale from Shimoga district of Karnataka State were constituted as unit of analysis.

## Sampling Design

District	Units Headed by Women	Sample of units	Service Sector enterprises	Samples of the study	Manufacturing sector enterprises	Sample of the study
Shimoga	15	7	00	00	08	05
Bhadravathi	12	9	03	02	10	07
Sagara	12	17	01	01	23	16
Soraba	15	11	02	01	13	10
shikaripura	03	2	00	00	3	02
Hosanagara	12	4	00	00	07	6
Thirthahalli	12	8	01	01	10	07
Total	81	58	07	05	74	53

**Type of Sampling:** Probability sampling design is been used in the study

**Size of Sampling:** The selection of the sample became an issue in the research. The study was focused both for small and medium scale women entrepreneurs. In field only small scale entrepreneurs were existed in limited number. A total of 58 women entrepreneurs were selected as a sample of the study.

**Methods of sampling:** Simple random sampling method was adopted in the research.

## SOURCES OF DATA

In pursuance of the above objectives and hypotheses, the following methodology was used for this study. The objectives of the study were achieved through collection and analysis of both secondary and primary data.

**Secondary Data** The secondary data has been mainly drawn from various records and publications of directorate of Industries and commerce, State Planning Board, Centre for Management Development, Karnataka State Industrial Development Corporation, Karnataka Financial Corporation, Small Industries Service Institute, Karnataka State women Development Corporation, Periodicals and websites of Government and Non Government Organizations and Data from financial and other records of enterprises run by women.

**Primary Data** Primary data for the study was collected from Shimoga District with the help of an interview schedule.

## FINDINGS

- Owners of the women entrepreneurs in the region are in the age group of 31-40 with 72% of contribution.
- Middle age women are the initiative taker who started their enterprises when they are in 31-40 age with 53% of holdings.
- Education Qualification of Women entrepreneurs does not have any relationship with the development of entrepreneurship is proved in this study. Majority of the crew having primary education background constituted 70% of enterprises.
- Nearly 55% of women professions are from arts background. Very less professional have commerce background.
- With 3 month experience in the line is presented by 63.79 % of entrepreneurs.
- Women entrepreneurs from General Category are more in number with 50% of contribution in small scale industries. The backward categories contribution is stands as 13% together.
- The region has unique feature with married entrepreneur's initiatives. Nearly 97% of married women took risk to step in to the profession as entrepreneurs.

- Women entrepreneurs having the urban background are more in the profession with 53% of contribution. Compare to rural women, urban women have more opportunity to enter the profession
- Family background and structure has its own impact on the development of women entrepreneurs in the region. Women from the nuclear family background occupied 73% in the profession.
- Business families motivated women entrepreneurs to join the crew of entrepreneurs profession and families annual income between 10,000/- to 25,000/- are more in the field.
- The location of the women entrepreneurs are centered in urban in more number.
- Parental land was the main reason for 91.37% of women to select the present location.
- Nearly 72% of women attended minimum 1 to maximum 3 in their carrier.
- The duration of the course is also matters a lot to women to take part in the process. Less than one month training programme attracted more number of women to participate in the course.
- Marketing skill improvement was the main focused issue and agenda for more women to attend the course.
- Non Government Organization provided more support in planning the unit, marketing strategy and effective and result oriented training is been provided by NGO's. Government Organization needs to be trained in the field.
- The enterprises profit is been hiking from year to year and it a singe of development
- Study recognized that women entrepreneurs are good at production, but they are poor in Market management, Labor grievance management. The new technologies available in the market also not known to them. The professional training programme is needed in this field
- Women agreed in 63.79% cases to be a home maker in the condition of less opportunity in the present line.
- Maximum number of women entrepreneurs are i.e., 87.93% of them are unemployed before setup their unit.
- The profession growth is accepted by 58 women entrepreneurs. Increases in graph, profit of the unit and employment is shown upper face in graph.
- Women have potential in production management with 100% contribution and financial management with 77.58% of control.
- Women having the vision that literacy provided them 100% opportunity to step in to the profession. Social liberty and freedom is a pushing facture for women to be in the present line and its strength of women.
- Most of the women around 87.93 % are happy with their present profession and they want to be in the same line.
- 3 p' sector is been developed as small scale sector and it has good opening to women wants to join the crew of women entrepreneur.

- There is no opening for women in electronic goods sector and, consultancy work also not been recognized as important one.
- The checks to start the unit was more from inlaws with 41.37 % and parents with 39.65 % in this case. Husbands are very supportive in 81% of cases in study area.
- Women are moderately struggling to handle dual role in 41.37 % of cases as home maker and entrepreneur
- Gender discrimination in finance support from Bank is practiced in highest level. Women entrepreneurs struggled a hard to get debit form nationalized banks in 63.79 % of cases.
- Lack of technical knowledge was considered as hurdle in case of 89.65 % of

## SUGGESTIONS

The studies put forward the following suggestion to support the sustainable development of women entrepreneurship in the stare:

- Cultivate Entrepreneurial Culture and provide Effective Training to potential Entrepreneurs.
- Reset the role of government
- Refine the Institutional support
- Redefine the functions of District Industries Centers
- Revise Entrepreneurship Development Programmes (EDPs)
- Technology development
- Policy of self employment
- Access to cheap financial assistance
- Improve Marketing facilities
- Change in the mindset of entrepreneurs

The suggestions listed above are the outcomes of research conducted on 58 women entrepreneurs of five malnad districts. Their opinions and suggestion were put forward to attain the attention of government and the family members of the women who have the aspiration to be a entrepreneur to identify their ability and promote them as entrepreneurs. This process will result in individual benefit and national in a broader prospects.

## RECOMMENDATIONS

Based on the findings, the following proposals are advanced so as to promote women entrepreneurship Karnataka.

- Start Training Centers in Every District
- Set up District Women Entrepreneurship Promotion Cell
- Improve the Quality of service of the Government Agencies and Financial Institutions
- Provide concession and Preference in Trade Fairs/ Exhibitions

## CONCLUSION

Women participation for the development of the nation is still needed. The contribution of men and women is equally need to achieve the goal of human development, gender equity and economic growth of the nation. Financially independent women will have the control over self and have the right of buying things, i.e., choice for life. The concept of global village changed the mindset of society towards women in economic aspects. Joint families too prefer to have a earning women member in their family for security content. Families

and society is not very supportive in setting up of a unit by women and providing employment opportunities to others.

It is observed that women entrepreneurs are facing several problems from their family members. Local people, Government officials and other organizations, which seriously affected the setting up and functioning of their business. Their attitude badly needs a marked change. They can be more sympathetic, positive and encouraging. This may help them in the successful functioning of their business in a big way. Encouragement on the part of the society is also essential to prompt more and more women to enter this field.

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