



Capital Formation of Rural Women Entrepreneurs: A Case Study of Ranebennur Taluk (Karnataka)

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Abstract

Entrepreneurship has become a matter of great concern in India. In India rapid growth of small scale industries and cottage has developed due to the entrepreneurship Development programs. EDP focuses on identifying entrepreneurship qualities of an individual through training, preparing related project reports, preparing the entrepreneurs to manage finance, production, technology, marketing and infrastructures facilities. Women Entrepreneurs have grown in large number over the last decade and increasingly the entrepreneurial potentials of women have changed the rural economies in many parts of India. To encourage the new Companies Bill 2013 makes it mandatory for every company to have at least one woman director in their organization. The capital formation will be made not only with initial investment but also through the savings of individuals, and out of the profit of enterprise. The promotion of rural women entrepreneurship is vital in the context of generating gainful employment and minimizing the widening of disparities between rural and urban population, for reducing poverty and to overview low productivity in the farm sector rural women entrepreneurship is necessary.

Introduction

Entrepreneurship has become a matter of great concern in India. In India rapid growth of small scale industries and cottage has developed due to the entrepreneurship Development programs. EDP focuses on identifying entrepreneurship qualities of an individual through training, preparing related project reports, preparing the entrepreneurs to manage finance, production, technology, marketing and infrastructures facilities. EDP also provides knowledge to solve the problems and difficulties of entrepreneur by showing remedial measures. The entrepreneur is an economic man who tries to maximize his profits by innovation. Innovation involves Problem solving and entrepreneur gets satisfaction from using capabilities in attacking problems.

Women Entrepreneur

Women who innovates imitate or adopt business activity are called women entrepreneurs.

According to MedhaDubhashiVinze, a woman entrepreneur is “a person who is an enterprising individual with an eye for opportunities and an uncanny vision, commercial acumen, with tremendous perseverance and above all a person who is willing to take risks with the unknown because of the adventurous spirit she possesses”.

Women Entrepreneurs have grown in large number over the last decade and increasingly the entrepreneurial potentials of women have changed the rural economies in many parts of India. Women entrepreneurs have been making a significant impact in all segments of the economy in India, in the present world of globalization and increasing competition in the corporate world, the need for gender diversity in the boardrooms is also increasing. To encourage the new Companies Bill 2013 makes it mandatory for every company to have at least one woman director in their organization.

Capital formation in rural women entrepreneurs

Capital is the investment made in any industry or business. Capital play an important role in business sector. It is an essential investment either in the form of money, machinery, land etc. Capital is needed not only for fixed assets but also for working capital. The quantum of money depends upon the size of the business. No business or industry can be carried without capitals.

Capital Formation : The capital formation will be made not only with initial investment but also through the savings of individuals, and out of the profit of enterprise. However for short period of a time loans and advances can be used.

Objectives of Study

1. To study how capital formation is taken place in selected rural women enterprises.
2. To know the role of various government schemes and social organization are supporting financially for rural women entrepreneurship development.
3. To know the present financial position of rural women entrepreneurs.

Methodology

This paper is based on primary data collected from selected rural women entrepreneurs in Ranibennur Taluk based on Questionnaire Method and Respondents and Also the Secondary data was collected from the sources that are already available such as books, magazines, and internet and special Journals for women Entrepreneurs, library resources.

Need for study

This study has been taken to know how the capital formation made by rural women entrepreneurs in their enterprise.

Government of India schemes for women entrepreneurs:

- Prime Minister's Rojgar Yojana (PMRY)

- Women Entrepreneurial Development programme (WEDPs)
- Management Development programmes
- Women's Development Corporations (WDCs)
- Marketing of Non-Farm Products of Rural Women (MAHIMA)
- Assistance to Rural Women in Non-Farm Development (ARWIND) schemes.

Selected Rural Women Entrepreneurs in Ranebennur Taluk.

| Name of the unit | Kantesha Enterprise | Guru basavapapads | Shakti Enterprise | Sughandaagarabatti | Malatesha roti ghar&Masala Powders |
|--|----------------------------|--------------------------|---------------------------|---------------------------|---|
| Name of the entrepreneur | Nagaratna | Gouramma | Roopa | Girija | Anasuya |
| Types of product | Handy craft | Papad | Woolen cloths. Glows etc. | agarbatti | Roti maker/masala products |
| Place | Asundi | Hranagiri | Yerekoppi | Hulihalli | Devaragudda |
| Year started | 2004 | 2011 | 2000 | 2009 | 2001 |
| Experience | 9 | 2 | 13 | 4 | 12 |
| Age of entrepreneurs | 38 | 33 to 40 | 40 | 30 to 35 | 37 |
| Media for Communication | mobile | mobile | mobile | mobile | Mobile |
| Number of workers | 1 | 10 | 1 | 2 | 2 |
| Qualification | 10 th passed | 10 th passed | 10 th passed | 10 th passed | 10 th passed |
| Registered/not | Not | Not | Not | Not | Not |
| Initial capital (in Rs) | 750 | 5000 | 5000 | 1000 | 1500 |
| Working capital (1 month, in Rs) | 1000 | 5000 | 5000 | 2000 | 2000 |
| Yearly profit (in Rs) | 53000 | 40000 | 240000 | 36000 | 46000 |
| Turnover in a year(in Rs) | 65000 | 100000 | 300000 | 60000 | 70000 |
| Loans and advances from bank and other institution (in Rs) | 15000 | 50000 | 50000 | 20000 | 15000 |
| Scheme's used | Rojagaryojana | SHGs | SHGs/Dharmastalasan hg | SHGs | SHGs |
| % of interest | 3.27% | 1% | 1% | 1% | 1% |
| Channels of marketing | Direct marketing | SHGs | Direct marketing | SHGs | Direct marketing |

Source: Primary Data

The above table depicts, **Papad making entrepreneurs** are more in number and their investment is per month of Rs.5000, and turnover is Rs 100000 p.a.is not satisfiable by comparing the profit of Rs.40000 p.a. **Handicrafts, Agarabtti, Roti/Masala entrepreneurs** are investing less working capital i.e. Rs 1000, Rs.2000, and Rs.2000 respectively. These entrepreneurs turnover is satisfied while comparing their profit against papad making enterprise. The another entrepreneur of **Woolen cloths** is investing Rs.5000 p.m.as working capital and turnover is Rs 160000 p.a.and profit is also very high that is about Rs 100000 p.a. by comparing other entrepreneurs.

For the purpose of capital formation the above selected entrepreneurs have taken help of financial institution such as SHGs, Dharmastala Shang and government schemes granted the loans immediately with less rate of interest. These entrepreneurs started their business with less capital, but now aday by keeping reserve in the profit where they are re-investing into their business. Government and social organization are encouraging the entrepreneurs in trading of the goods at market area. These institutions are required different training programs to develop skills of women entrepreneurs. Mobile is a common media of communication to get orders from customers. Family members are so supportive to these entrepreneurs and even they gained social respects in a rural area.

Findings:

1. Women entrepreneurs have started their business with less initial capitals.
2. They have taken loans and advances from banks and other institution at very less rate of interest.
3. They helped their families in improving the economic conditions.
4. They utilize the different schemes of government and social organization properly.

Suggestions:

1. The government has to provide free ISI certificates for the products. This helps for international recognition.
2. Government should assist in marketing the products.
3. Most of the women entrepreneurs are of the opinion that, because of lack of training, they are not able to survive in the market. Hence, the government should conduct frequent training programs with regard to new production techniques, sales techniques, etc; this training should be made for women entrepreneurs at free of cost.
4. Improper location and inadequate infrastructure facilities are the hurdles in the way of development of women entrepreneurship.
5. Marketing product is one of the main problems for women entrepreneurs. Here, women co-operative societies can be started to procure the products from women entrepreneurs. They will help them in selling their products at a reasonable price.
6. Government should take importance to maximize, the low profit of entrepreneurs.

Conclusion:

Rural women are not as aware and literate as to handle all the legal and other formalities involving in loan taking and establishing an Industrial Unit. They also lack confidence in their ability to run the entrepreneurship. They need capacity building and training in functional areas such as finance, literacy skills, marketing, production and managerial skills.

The promotion of rural women entrepreneurship is vital in the context of generating gainful employment and minimizing the widening of disparities between rural and urban population, for reducing poverty and to overview low productivity in the farm sector rural women entrepreneurship is necessary.

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