

Information Needs of Rural Women Entrepreneurs

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Abstract

Poverty alleviation through self employment and entrepreneurship had been the major focus of government initiatives three decades. Several steps have been taken to support and promote entrepreneurial ventures but women's participation has been low. They find it harder than men to establish, run and succeed in entrepreneurial ventures due to several reasons. One of the reasons is lack of access to information. A study was carried out to find out the information needs of rural women entrepreneurs and constraints surrounding access to information. The study was carried out in the hilly north Indian state of Uttarakhand. Eighty women entrepreneurs were part of the study and it was found that rural women need both managerial and technical information. Four types of constraints were faced by women while seeking information related to their enterprise. **Keywords:** Women entrepreneurs, rural, information need, India.

Introduction

In the last decade, India has emerged as the fourth largest economy in the World by nominal GDP and third largest by Purchase Power Parity. Its share in global GDP has doubled from 2.5 per cent in 1980 to 5.5 per cent in 2010 (The Hindu, March 15, 2012) and India's rank in per capita GDP showed an improvement from 117 in 1990 to 101 in 2000 and further to 94 in 2009. Yet, the important fact remains that its per capita income continues to be quite low. By international standards, an income of less than \$ 1.25 per day is defined as extreme poverty. By this standard, about 40% of Indians are extremely poor. However, income based classification only consider the bare minimum income required to fulfill basic food requirements. It does not account for other essentials like health care, education, etc. and hence, also referred to as starvation line. Thus, poverty remains a major challenge for nationwide development process. Poverty alleviation through self employment and entrepreneurship development has been the major focus of development interventions since the Fourth Five Year Plan due to several reasons. Entrepreneurship development provides opportunities for gainful employment to those who would otherwise remain unemployed. Secondly, everyone may not be able to pursue higher education. Such persons can start their own enterprises that do not require high formal education. Lastly, small enterprises can be started easily, and requires small capital.

Women constitute about half of the total World population. The position of women and their status in the society is often an index of development. Though women are considered as equal partners in the process of development, women in India have been the neglected lot. While women have contributed actively towards national development of a nation, their role generally goes unrecognized and undervalued. Women play multiple roles within the family and the community. In recent years they have also become an important earning member of the family and are often the primary bread earners. Many of them are taking up small scale entrepreneurial ventures to earn a living. Most often entrepreneurial activities of women are an extension of their kitchen activities. Women from rural and low income households often enter into entrepreneurship due to push factors such as economic difficulties and responsibilities. They start small business like food processing, handicrafts, etc. which can have a significant effect on their socio-economic condition, especially of those with lower educational qualifications. This makes supporting entrepreneurship among women important for family as well as national development. Other rationale for supporting women entrepreneurship involves efficiency and empowerment arguments. It has also been pointed out that women gain confidence, decision making ability, leadership qualities and a greater sense of control over their lives when engaged in entrepreneurial activities.

Despite efforts, women find it harder than men to establish their own enterprise. Reasons for this include economic and socio-cultural factors and low literacy levels among women. Especially, gender roles which burden women with household chores and domestic responsibilities, are also important barriers to women's participation in entrepreneurial ventures. Entrepreneurs need different kinds of information to succeed in their ventures. This includes information on market, industry, technological changes, institutional procedures, legal issues, competitors, etc. The ability to access and utilize information is critical for all entrepreneurs in order

to operate and succeed in an increasingly competitive and challenging business environment. In India, about 34.55% women are illiterate. Due to lack of education, they often do not have business, technology and market knowledge necessary for succeeding in entrepreneurial activities. However, there has been little research in the Indian context on information needs of rural women entrepreneurs. Hence, a study was undertaken to find out the communication behaviour and information needs of rural women entrepreneurs in the hilly region of north India, the state of Uttarakhand.

Conceptual framework

According to Timmons (1994), there are four key factors in entrepreneurial development. These are the entrepreneur, founding team, opportunities and resources. The process starts with an opportunity which is identified by the entrepreneur. He/ she converts it into a business plan taking into consideration the resources available, the team and their capabilities. He/ she also scouts for resources by being in constant touch with the environment, convincing the potential investors about the viability of the venture and developing a common vision among the team members through constant communication. Significantly, the role of an entrepreneur also involves adjusting to the ever changing internal and external environment through the mechanism of checks and balance. Information plays a key role in several aspects of entrepreneurial process including idea generation, procurement of resources, including funds, seeking markets for the product, team building and its effective functioning. It helps entrepreneurs make rational decisions, take timely and appropriate action. Information often increases the capacity to see things more widely and to become more focused and goal oriented. Activities like looking for initial capital, taking decisions on the type of business to conduct, how to start an enterprise, how and where to look for inputs, optimum use of inputs, taking decisions on what and when to produce, are expression of ways of using information by entrepreneurs. Hence, an entrepreneur's comparative advantage lies in his/ her ability to acquire process and utilize information. Information, in a broad context, refers to organized data recorded in various forms and is a raw source for knowledge. It can also be messages that have perceivable and recognizable value to the receiver. Information only becomes useful if it is relevant, timely and appropriate but is often an unavailable resource for enterprise owners, especially women entrepreneurs.

Literature Review

In the Indian context, maximum number of the women entrepreneurs are educated upto primary level and are middle aged (Arulprakash *et al*, 2005 and Mehram *et al*, 2006). This may be due to the fact that most women start their entrepreneurial venture after marriage (Kumar *et al* 2011). They usually operate enterprises in the service sector (Singh, 2008) and majority of them are small and medium business owners. Studies on their entrepreneurial traits indicate that women entrepreneurs have moderate to high levels on collective efficacy, proactive attitude, self-esteem, self-efficacy. They also exhibit high level of entrepreneurial orientation, internal locus of control and achievement and are highly motivated and self-directed (Moyle *et al*, 2006; Jahanshahi *et al* 2010 and Kumar *et al*, 2011).

Constraints faced by rural women entrepreneurs can be divided into societal, personal and enterprise related. Women entrepreneurs often feel frustrated because they have to spare their time and energy for business as well as household duties and most of them face at least some level of work family conflict (Reddi, 1991 and Das, 2000). Entrepreneurial venture often takes a second place to household duties and is one of the main weaknesses of women entrepreneurs in India (Charumathi, 1998). Being a woman entrepreneur itself is a major challenge, especially in rural areas. They face resistance from men and attitude of the society and constraints in which she has to live and work are not very conducive for promoting entrepreneurial activities (Sinha, 2011). Jahanshahi *et al* (2010) notes that women entrepreneurs also face major psychological bottlenecks like lack of confidence and motivation. They often lack experience and education, which can be major constraints. While enterprise related constraints affect everyone, women are influenced because of their dual role as a wage earner and homemaker (Nayyar *et al*, 2007). Enterprise related issues include lack of training facilities and non-availability of raw material, labour and equipment (Bhandari, 1996 and Jahanshahi *et al*, 2010). Rapid growth of rural and small scale sector managed by women is marked by problems like technological stagnation, under-utilization of capacity, lack of vertical mobility, sickness and high mortality rates, shortage of finance, inadequate storage facilities, inadequate marketing, stiff competition, low mobility and family responsibilities (Reynolds *et al*, 2001). Some of the other problems faced by women entrepreneurs include non-availability of long-term finance, regular and frequent need of working capital, long procedure to avail financial help, high cost of required machine or equipment (Prabhavathy, 2011).

Women also face additional constraints in accessing information required to run their enterprise due to low exposure to formal sources of information (like extension staff) due to socio-cultural norms. As a result, they often receive incomplete, distorted and out dated information from informal sources (Mishra and Tripathi, 1991). It has been found that, due to prevailing social norms, women entrepreneurs were prevented from managing their businesses independently. These norms restrict women entrepreneurs' mobility and interaction with others

(Anwar, 1992). Also, women face additional barriers in accessing information using modern communication technologies (like internet), especially in parts of the developing world (Tandon, 1998). Difficulties faced by women entrepreneurs in getting information include inability to get the required information, absence of a specific place to get the required information, taking a lot of time to get correct information and outright ignorance of information facilities. They felt that sometimes the information they get was unreliable (Ikoja, 2004).

Methodology

The present study was carried out in Uttarakhand state, which is located at the foothills of the Himalayan ranges. Uttarakhand stands out as one of the few states in India where an overwhelming number of women have always been a part of active workforce. This is due to their large scale involvement in agriculture, forestry and dairying. Women of Uttarakhand are the backbone of the state's economy, but have little say in major decisions due to the patriarchal nature of the hill society. Out of the 13 districts in the state, Almora was selected purposively for the present study as it has maximum number of functional Self Help Groups (SHGs) and Non Government Organizations' working on income generating activities for women. Eighty women operating their own enterprise were purposively selected for in-depth interviews.

Findings

Profile of the respondents: Maximum number of the women entrepreneurs were in the age group of 36-45 years and were educated up to middle school (Class VIII). As per census data (2011), there are seven degree colleges and one University in the district. Such, sparse distribution of educational facilities makes it difficult for women to attain higher education. Majority of the respondents were married but none of them were the primary bread earner of the household. Income from government job was the main source of livelihood and majority belonged to Above Poverty Line category as per Government of Uttarakhand classification. It was also observed that majority of the women belonged to small nuclear family. Very few among them had some previous experience of income generation activity. Previous income generation activities were mostly an extension of their household chores; i.e; food processing and clothing. These activities were confined to small scale i.e. produce was manufactured at home and was sold in the local market. It was found that half of them had discontinued the income generation activity undertaken earlier mainly due to lack of time and household chores.

Media access and information seeking behaviour: All the households owned radio and television. Majority of them also own a mobile phone and subscribe to newspaper, but few of them have computer with internet facility. This indicates that the media ownership was high in the area despite difficult terrain, poor infrastructure and high cost. Women had complete access to radio and television. However, access to mobile phone, newspaper and internet was limited. During discussion with women entrepreneurs, it was found that many of them lacked technical know-how required to use a computer with internet facility. Access to mobile phone was limited due to ownership by male member(s) of family, who use it on a priority basis. As a result, in most households, women had access to the mobile phone only when the male member of the family was at home. Other factors that limit access to media include low education and language skills, and lack of, infrastructure and connectivity.

Media utilization by women also showed an interesting pattern in the study area. Majority of women used television for entertainment and getting information. Radio and newspaper primarily fulfilled information function. On the other hand, mobile phones were mainly used for networking and maintaining contacts. Finally, internet was used for information, education and entertainment functions. Use of different sources by women entrepreneurs for getting information on their enterprise and other aspects of life (like health, family, child care, etc.) was measured in terms of frequency of their use. It was found that radio, television, newspaper and mobile phone were used regularly by women entrepreneurs. On the other hand, extension methods like meetings, group discussions, demonstrations, trainings, workshops, field visits, exhibition or *melas* were never used. From discussion with the respondents, it was found that they are not able to participate in extension activities as they have to devote time to family and household chores. Other sources of information for women entrepreneurs include localite sources like friends, peers, neighbours, other progressive women entrepreneurs, and relatives. It was found that formal sources of information like *gram sevak*, extension staff, development officers, bank staff, etc. were never used. Interpersonal sources like friends and neighbours are the most common sources of information for women in rural settings as do not feel comfortable interacting with men and due to social-cultural taboo attached with talking to men outside the household.

Information needs of women entrepreneurs: Currently, four schemes are being implemented in the study area exclusively for women entrepreneurs. These are, *Mahila Udyami Yojna*, *Swarnjayanti Gram Swarojgar Yojna* (SGSY), *Stree Shakti* Package and *Priyadarshini Yojna*. Majority of women were aware of *Swarnjayanti Gram Swarojgar Yojna* (SGSY). Awareness about *Mahila Udyami Yojna* was very low. None of them were even aware of the other two schemes; viz: *Stree Shakti* Package and *Priyadarshini Yojna*.

On the basis of review of literature, information needs of women entrepreneurs were broadly classified

into two categories i.e. technical information and managerial information. Technical information includes information about value addition, latest technology, trainings programmes to enhance skills, raw materials, etc. Majority of women considered information about increasing the value of their product as important. Latest technology available for the enterprise was considered important by about half of the respondents. Very few women considered information about skill enhancement trainings as important.

Managerial information includes information on nearby markets for procurement of raw material and to sell finished products, information on financial sources, transport facilities, and government schemes, market trends and consumer preferences, possible competitors, monitoring and evaluation of enterprise, budgeting, etc. Under managerial information, majority of women entrepreneurs considered information about nearby markets for selling finished goods as most important. This was followed by need for information on nearby markets for raw materials. Information on transport facilities and sources of finance was considered important by majority of women. However, less than half of the respondents considered information on procedure for procurement of raw materials, government schemes and monitoring and evaluation of enterprise as important. None of the respondents expressed need for information on legal aspects.

Table No. 1: Managerial information needs of women entrepreneurs

| S.No | Type of information | Rank |
|------|---|------|
| 1 | Nearby markets for selling finished goods | I |
| 2 | Nearby markets for raw material | II |
| 3 | Transport facilities available | III |
| 4 | Information about financial sources | IV |
| 5 | Procedure for procurement of raw material | V |
| 6 | Government schemes and aids | VI |
| 7 | Market trends and consumer preferences | VII |
| 8 | Competitors | VIII |
| 9 | Monitoring and evaluation of the enterprise | VIII |
| 10 | Book keeping and budgeting | IX |

Discussion with women entrepreneurs revealed that they faced a variety of constraints while accessing information related to their enterprise. Half of them reported that time division between enterprise related activities and family chores was the biggest problem faced by them. Consequently, they were not able to spare time to approach various sources of information or attend extension activities related to their enterprise. Some of them also reported that being a women, they were not allowed by the family members to visit far off places alone. Thus, they were often not able to attend trainings and workshops related to their enterprise. Other constraints include discouragement by the family, engagement in other essential activities like farming and lack of technical know-how.

Discussion and conclusion

Entrepreneurship development has been adopted as a strategy for overall national development in India over the last three decades. Keeping in view the social and economic disadvantages faced by women, special efforts have been made to support entrepreneurial activities by women. Despite this, women's involvement in entrepreneurial activities in India is very low. This has been attributed to several factors like extra burden of household responsibilities, child bearing and child rearing, lack of education and financial independence, etc. It has been argued that women are especially constrained by non availability of information necessary for successful operation of the enterprise. Information is a vital input for successful initiation, operation and continuation of any enterprise. However, very little is known about the kind of information needed by women entrepreneurs in the context of small enterprises operating in rural areas. Present study was carried out to find out the information needs of rural women entrepreneurs. The study indicates that these women have easy access to television, radio, news paper and mobile phone. All these media are used frequently by women entrepreneurs for a variety of functions. Women entrepreneurs expressed need for technical as well as managerial information. It was found that rural women entrepreneurs mostly needed information on nearby markets for selling finished goods and raw material, transport facilities, sources of finance and value addition. Hence, there is a need to take special measures to meet the information needs of rural women entrepreneurs.

A number of steps can be taken by agencies involved in promoting women entrepreneurship to fulfill their information needs and lessen the information gap faced by them. Special interaction session with officials from banking institutions, government organization and extension agencies will be useful for women entrepreneurs. Due to socio-cultural factors, efforts should be made to include as many women officials as possible or teams comprising of women can be formed. These face to face interactions can be supplemented by other methods like fair/melas, workshops and radio/TV programs. High literacy rate among respondents also

makes use of supplementary print material like brochures and pamphlets feasible in the study area. Workshops or training programs on value addition of products can also be organized to meet the information needs of women entrepreneurs. These workshops/ training programs have to be conducted in the village or for a group of women from near by villages as they are often not able to travel to far off places to attend these programs. Regular radio/ television programs, especially aimed at rural women entrepreneurs, can fulfill a wide range of functions including education, information, awareness generation and bringing about attitude change. These programs can include interview with experts on different aspects of entrepreneurship development and can be broadcast at a pre-announced date and time. Such simple measures can go a long way in fulfilling information needs of rural women entrepreneurs and giving them a better chance at succeeding as an entrepreneur.

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